

AGENDA

Policy and Resources Committee

.....

Dear Councillors

Notice is hereby given of a meeting of the Policy and Resources Committee to be held as follows:

Date: Wednesday, 18 December 2019 Time: 7.00 P.M.

Venue: St George's Suite, The Basildon Centre, St Martin's Square, Basildon, Essex, SS14 1DL



Chief Executive

MEMBERSHIP:

Councillors CALLAGHAN, BROWN, MCGURRAN, SMITH, RIMMER, SULLIVAN AND BLAKE

(Group Leaders or Deputy Leaders may attend pursuant to Committee and Sub-Committee Procedure Rule 10.)

Most Council meetings are open to the public and press.

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's website - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council. Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you have any queries regarding this, please contact a representative from Committee and Member Services at the meeting.

For further details and general enquiries about this meeting, contact Corinna Bramley, Committee and Member Services Team Manager on (01268) 207946 or email corinna.bramley@basildon.gov.uk

DATE OF PUBLICATION: Tuesday, 10 December 2019

SCOTT LOGAN, CHIEF EXECUTIVE, THE BASILDON CENTRE, ST MARTIN'S SQUARE, BASILDON, ESSEX SS14 1DL. TELEPHONE (01268) 533333

.....

1. APOLOGIES FOR ABSENCE:

2. DECLARATIONS OF INTEREST:

To receive any declarations of interest from Members of the Committee in accordance with Part 2, Paragraph 9 of the Members Code of Conduct.

3. MINUTES: (Pages 5 - 22)

Confirmation of the Minutes of the meeting of the Committee held on 13 November 2019.

4. MINUTES OF THE SUB COMMITTEE: (Pages 23 - 26)

To note the minutes of the Staffing Matters and Review Sub Committee held on 24 October 2019.

5. ASELA UPDATE:

To receive a verbal update.

6. COMMUNICATIONS AND CAMPAIGNS UPDATE

To receive a verbal update.

7. THE BASILDON BOROUGH COUNCIL (CRAYLANDS ESTATE PHASE NORTH, BASILDON) COMPULSORY PURCHASE ORDER 2019: (Pages 27 - 243)

8. FEEDBACK FROM TRANSPARENCY AND ACCOUNTABILITY WORKING GROUP: (Pages 245 - 250)

9. APPOINTMENT TO ESSEX COUNTY COUNCIL'S HEALTH OVERVIEW POLICY AND SCRUTINY COMMITTEE: (Pages 251 - 252)

10. COMPLAINTS TO THE COUNCIL - AWARDS OF COMPENSATION: (Pages 253 - 256)

11. STANDARDS REGIME - INDEPENDENT PERSONS: (Pages 257 - 262)

12. AMENDMENT TO CONSTITUTION - DELEGATION FOR SEALING:

(Pages 263 - 267)

13. **BUDGET CONSULTATION EXERCISE 2020/21:** (Pages 269 - 288)
14. **DRAFT SERVICE BUDGETS 2020/21 (INCLUDING GENERAL FUND CAPITAL PROGRAMME):** (Pages 289 - 346)
15. **TREASURY MANAGEMENT INTERIM REPORT 2019/20:** (Pages 347 - 389)
16. **WORK PROGRAMME 2019/20:** (Pages 391 - 393)

Agendas and Minutes are published on the Council's website www.basildon.gov.uk. Agendas are available to view five working days prior to the meeting date and the Council aims to publish Minutes within five working days of the meeting. Meeting papers can be provided, on request in advance, in other formats or languages, and the Council will seek to meet any accessibility requests advised prior to meetings. Should translation services or accessibility measures be required, it is advisable to give as much notice as possible prior to meetings, as late requests may not be able to be accommodated.

This page is intentionally left blank

MINUTES

Policy and Resources Committee

.....

Minutes of a meeting held on Wednesday, 13 November 2019

PRESENT:

Councillor Callaghan (Chairman)
Councillor Brown
Councillor McGurran
Councillor Smith (Vice-Chairman)
Councillor Rimmer
Councillor Sullivan
Councillor Blake

OFFICERS IN ATTENDANCE:

Service Director, Assistant Director Resources, Assistant Director Corporate Services, Assistant Director Public Spaces, Head of People and Place, Service Manager Regeneration and Development, Sempra Homes Manager, Environmental Health Services Manager, Strategic Property Manager, Community Safety Manager, Principal Regeneration Officer and Committee and Member Services Team Manager

Agendas and Minutes are published on the Council's website www.basildon.gov.uk. Agendas are available to view five working days prior to the meeting date and the Council aims to publish Minutes within five working days of the meeting.

SCOTT LOGAN, CHIEF EXECUTIVE, THE BASILDON CENTRE, ST MARTIN'S SQUARE, BASILDON, ESSEX SS14 1DL. TELEPHONE (01268) 533333

599. APOLOGIES FOR ABSENCE:

There were no apologies for absence.

600. DECLARATIONS OF INTEREST:

There were no declarations of interest made at the meeting.

601. MINUTES:

The Minutes of the meeting held on 2 October 2019 were agreed as a true record and signed by the Chairman.

(For voting see Appendix, Column 1)

602. COMMUNITY GOVERNANCE REVIEW PROPOSALS:

The Committee received a report that proposed that the council conduct a borough-wide review and set terms of reference for that review. It also proposed that a Parish Strategy be developed for further consideration by the Committee.

The proposals had been drawn up following the Committee's considerations at its meeting on 5 September 2019 following a petition from electors of the Wickford area for the creation of a new parish, and the subsequent arrangements for a parish council to be formed.

It was explained that if the proposals set out in the report were approved, then the Committee would be asked to delay public consultation on proposals relating to the Community Governance Review (CGR) in Wickford to a later date alongside the wider Community Governance Review. In the meantime, the Committee would be asked to approve the establishment of a 'Shadow Wickford Town Council'.

Some Members raised concerns regarding the following:

- A possible detrimental effect by delaying the CGR in Wickford.
- The terms of reference appeared very broad, giving the impression that established Town and Parish Councils could be abolished or regrouped.
- The participatory involvement, as there was currently an issue in some areas with filling vacancies and maintaining councillors.
- "Wickford" had already decided it wanted a review and the creation of a Shadow Town Council would cause unnecessary delays.
-

The recommendation as set out in the Agenda was moved.

An amendment –

"That the Council adheres to the original Community Governance Review timescale"

upon being put to the vote, the amendment was lost.

(For voting see Appendix, Column 2)

RESOLVED –

1. That the terms of reference of the current Community Governance Review considering proposals for a new local council in Wickford be

amended, to incorporate a Community Governance Review across the whole of the borough.

2. Consequential to 1 above, the revised terms of reference as set out in Enclosure No. 1 be approved and the Community Governance Review set out therein be commenced.
3. Consequential to 1 and 2 above, public consultation on proposals relating to the Community Governance Review in Wickford be held in abeyance and progressed alongside the wider Community Governance Review.
4. That a 'Shadow Wickford Town Council' be established and proposals for membership be submitted to the next meeting of the Policy and Resources Committee for approval.
5. That the committee approves the development of a Parish Strategy as set out in the report for further consideration by the committee in due course.
6. That a "Parish Forum" comprising borough council, local council and community representatives be established to inform the development of the Parish Strategy referred to in 5 above.

(For voting see Appendix, Column 3)

603. REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS:

The Committee considered a report that set out details following a review of the polling districts and polling places for each Parliamentary Constituency either wholly or partly within the local authority area. The Electoral Administration Act 2006 required a review be undertaken by the end of 2007 and at least every 4 years after that.

A copy of the current Schedule of Polling Districts and Polling Places was set out as an enclosure for Members information and the report detailed the outcomes of the review and recommended some changes for approval.

RESOLVED –

That, with effect from 1 January 2020, the following changes be made to the schedule of polling districts and polling places for use at elections held in the Borough for the reasons set out in the report:

(a) Parliamentary Constituency: South Basildon and East Thurrock

Ward: Nethermayne: Polling District: Lee Chapel South (DF)

That a new polling district and polling place be created in the

Nethermayne ward as set out in the report.

(b) Parliamentary Constituency: Basildon and Billericay Constituency

Ward: Lee Chapel North; Polling District; Somercotes (CG)

That the polling place for polling district CG (Somercotes) be designated as Elizabeth Court AP Scheme, Laindon, Basildon SS15 5AG.

(For voting see Appendix, Column 4)

604. LOCAL FULL FIBRE NETWORK PROGRAMME:

The Committee considered a report that set out details of a successful bid that had been granted to connect 146 public sector sites with fibre cabling enabling ultra-fast connection speed capability.

It was reported that the Local Full Fibre Network (LFFN) was a department for Culture, Media and Sport funding opportunity for Public Sector organisations to increase the fibre broadband connectivity within its region, and working with partners in the Association of South Essex Local Authorities (ASELA) it had been successful in its bid. This would provide the foundation for the private sector to expand the coverage across the region by connecting business and residential buildings that were passed when connecting public buildings.

The final gateway process to secure the funding was scheduled for completion by the end of November 2019 to enable a contract to be awarded by Thurrock Council on behalf of the ASELA partners.

RESOLVED –

That the Council's participation in the Local Full Fibre Network programme be endorsed.

(For voting see Appendix, Column 5)

605. UPDATE REPORT ON DELIVERY AGAINST THE MINISTERIAL DIRECTION CONCERNING A127 AIR QUALITY:

The Committee received a presentation update from a representative from Essex County Highways on progress against the Ministerial Direction issued to Basildon and Essex County Councils in relation to modelled exceedances predicted by the Department for Environment and Rural Affairs (DEFRA) of roadside nitrogen dioxide concentrations affecting the A127.

A copy of the presentation is attached at Appendix 2 for information.

The Committee noted the progress to date.

606. DISCLOSURE AND BARRING POLICY FOR MEMBERS:

The Housing and Communities Committee at its meeting on 17 September 2019 considered detailed information on the implementation of a Disclosure and Barring Service (DBS) Policy for Members. The Committee discussed the various matters and options regarding the appropriateness and benefits of adopting any such policy, alongside the key considerations should such a policy be adopted. The Committee had recommended to the Policy and Resources Committee the adoption of a policy related to Basic Level Disclosure and Barring Service Checks for elected Members be adopted.

The Committee were advised that an annual check would be required.

Following a query regarding publication of information, it was advised that at the current time it was not the intention to publish names of Members who had undertaken the checks, but this would be subject to review and guidance issued by the Information Commissioner.

RESOLVED –

That the policy related to Basic Level Disclosure and Barring Service Checks for Members as set out in Enclosure No. 3 to the report, be adopted.

(For voting see Appendix, Column 6)

607. WHITE LABEL ENERGY COMPANY:

The Committee received a report that sought the approval to the Council entering an Inter-Authority Agreement with the London Borough of Barking and Dagenham for the provision of affordable energy to residents of the borough, through Beam Energy brand in partnership with the not-for-profit supplier Robin Hood Energy.

The opportunity to establish an energy supplier partnership had been fully evaluated by Officers and the opportunity signified a viable approach to delivering more affordable energy for residents within the borough, in line with an energy market that was increasingly difficult for local authorities to enter, as established suppliers were consolidating their market positions rather than financing smaller brands.

Following a question raised regarding the Council possibly making a loss, it was reported that there was no ongoing liability to the Council and it could not make a loss. It was acknowledged that there were other schemes being run across other Essex authorities.

Regarding the issue of tariffs versus incentives for people to sign up, the

Committee were advised that that it would be up to the individual whether they moved supplier outside of their contract and they would be encouraged to have fixed tariffs.

RESOLVED –

1. That the council enters into an Inter-Authority Agreement with the London Borough of Barking and Dagenham for the provision of energy to residents through Beam Energy.
2. Authority be delegated to the Chief Financial (Section 151) Officer (or Deputy Section 151 in their absence) to finalise and enter into the Inter-Authority Agreement with the London Borough of Barking and Dagenham, in consultation with the Chairman of the Policy and Resources Committee.

(For voting see Appendix, Column 7)

608. LAND ADJACENT TO BASILDON GOLF COURSE:

The Committee received a report that advised that in July 2019, (Minute No. 2019/321) the Committee had authorised Officers to appoint external advisors to undertake a feasibility study of a potential hotel site adjacent to Basildon Golf Course, to determine the potential value that the site could realise. Gerald Eve LLP were subsequently appointed to carry out this work.

After undertaking a thorough investigation to establish the likely demand for a hotel on this site, Gerald Eve had concluded that it would be difficult to obtain a land value if the site was to be sold to provide either a three or four star hotel. It was reported that it did remain the aspiration of the Council to see the site developed. In view of this, it was recommended that the site was held as open space for the foreseeable future, with a view to re-marketing the site at a later time when demand for a four star hotel had increased.

A representative from Gerald Eve was present at the meeting and gave a presentation on their findings.

RESOLVED –

1. That the site be held as open space with a view to marketing this site at a later date when demand for a four star hotel has increased.
2. That a budget of £10,000 be allocated from the 2019/20 General Fund contingency allocation to cover works to reinstate the site to a suitable condition with an ongoing annual maintenance budget of £2,000.

(For voting see Appendix, Column 8)

609. HOUSING AND INFRASTRUCTURE FUND – FUNDING AGREEMENT:

The Committee were advised that on 28 September 2017 the Council submitted a Housing Infrastructure (HIF) Marginal Viability Funding (MVP) bid to Homes England with a view to this contributing towards potential residential schemes in Basildon Town Centre, East Square.

On the 28 June 2019 the Council received confirmation that the application was successful and as a result, funding had been provisionally awarded to the Council subject to a conditional Funding Agreement being entered into.

The purpose of the report to the Committee was to seek approval for the Council to enter into the Funding Agreement to secure the formal award of grant funds.

A list of the sites was attached as a Part II enclosure to the report for the Committee's information.

RESOLVED –

1. That the Council enters into a grant funding agreement with Homes England in respect of the Housing and Infrastructure Fund to contribute towards potential residential schemes in the Town Centre and relating to the Basildon Town Centre, East Square Regeneration subject to further due diligence.
2. That funding be allocated from the Regeneration Account to develop detailed proposals for the sites as set out in Enclosure No. 2 to the report.
3. That delegated authority be given to the Assistant Director for Growth to procure appropriate professional resources to develop proposals to progress the funding conditions outlined in the report.

(For voting see Appendix, Column 9)

610. PROGRESS ON COMMUNICATIONS CAMPAIGN UPDATE:

This item was deferred to the next meeting due to be held on 18 December 2019.

611. ABSENCE MANAGEMENT UPDATE:

The Committee received an update on the Council's approach to managing sickness absence within the authority, with particular focus on a trend within public sector of sickness related to mental health. The Head of People and Change explained that the Council now had accredited Mental Health first aiders, a staff well-being programme and a 24 hour employee assistance service available to all staff.

The Staffing Matters and Review Sub-committee would receive a further

update on progress over the next 12 months.

The Committee noted the update.

612. WORK PROGRAMME 2019/20:

The Committee were provided with an opportunity to review and identify items for the committees work programme for the ensuing municipal year.

It was noted that the meeting on 5 December 2019 had been rescheduled to take place on 18 December 2019.

RESOLVED –

That the items for inclusion in the work programme for the 2019/20 municipal year be endorsed.

(For voting see Appendix, Column 10)

613. DISPOSAL OF COUNCIL LAND AT THACKERAY ROW TO SEMPRA HOMES FOR LESS THAN BEST CONSIDERATION:

The Chairman advised that as the matter had previously been discussed at the Housing Sub-Committee at its meeting on 6 November 2019 during Part 1 of the meeting, as the information contained within the report would now be in the public domain, the report attached to the current agenda would be also be considered in Part 1.

The Committee considered a report in respect of a proposal to dispose of council land at Thackeray Row to Sempra Homes at less than best consideration. Members were advised that the Council was able to transfer land at less than “best consideration” provided it considered the disposal would help secure the promotion or improvement of the economic, social or environmental well-being of its area and they were provided with details in support of this. The Sempra Homes development scheme would secure socio-economic and environmental well-being benefits and develop an underutilised garage site, which had long term void rates and was not considered economically viable. The Sempra Homes scheme had planning consent and would deliver four affordable rent tenure homes along with additional public parking areas.

RESOLVED –

That the disposal of Council owned land at Thackeray Row, Wickford (former garage site), to Sempra homes, be approved, at less than best consideration to enable development of affordable rent housing, which promotes the socio-economic and/or environmental well-being of the area beyond that of planning compliant development activity.

(For voting see Appendix, Column 11)

614. EXCLUSION OF THE PUBLIC AND PRESS:

RESOLVED –

That the public and press be excluded from the meeting during consideration of the following item of business on the grounds that it was likely that if members of the public and press were present during consideration of the item, there would be a disclosure to them of exempt information as defined by Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

(For voting see Appendix, Column 12)

615. RETIREMENT OF CORPORATE DIRECTOR AND SENIOR MANAGEMENT ARRANGEMENTS:

The Committee received a report that sought approval for the terms of a flexible retirement application for the Corporate Director.

RESOLVED –

1. That the application for flexible retirement from Kieran Carrigan, Corporate Director be approved with effect from 1 December 2019 to 3 days per week on the terms set out in the report at option 5 and further to approve the early retirement on grounds of efficiency with effect from 1 June 2020.
2. That it is noted a report will be brought to the Policy and Resources Committee in January 2020 to confirm the following consequential senior management arrangements:
 - a. The post of Corporate Director is not filled with a view to deletion of the post from the staffing establishment on 1 June 2020.
 - b. A post of Deputy Chief Executive to be established and Mandie Skeat to be assimilated to the post with effect from 1 June 2020.
 - c. The post of Service Director to be deleted from the staffing establishment with effect from 1 June 2020.
 - d. The Assistant Director Resources to be appointed under section 151 of the Local Government Act 1972 as the responsible financial officer with effect from 1 June 2020.

- e. The Chief Executive to bring a report to the Policy and Resources Committee in January 2020 outlining the detail of a revised senior management structure, including any changes to grading.

(For voting see Appendix, Column 13)

CHAIRMAN

RECORDING OF VOTES

Vote Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
CONSERVATIVE																		
Blake K	F	F	A	F	F	A	F	A	-	-	A	F	F					
Rimmer C	F	F	A	F	F	-	F	A	-	-	A	F	F					
Sullivan S	F	F	A	F	F	F	F	A	-	-	A	F	F					
LABOUR																		
Brown	F	A	F	F	F	-	F	F	F	F	F	F	F					
Callaghan G	F	A	F	F	F	F	F	F	F	F	F	F	F					
McGurran A	F	A	F	F	F	F	F	F	F	F	F	F	F					
INDEPENDENTS																		
Smith K	F	A	F	F	F	F	F	F	F	F	F	F	F					
Vote Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

KEY:

- F = In Favour
- A = Against
- = Abstain
- O = Not present for vote
- * = Casting vote in favour
- ∅ = Casting vote against
- # = No vote cast

This page is intentionally left blank

Policy and Resources Committee

13 November 2019

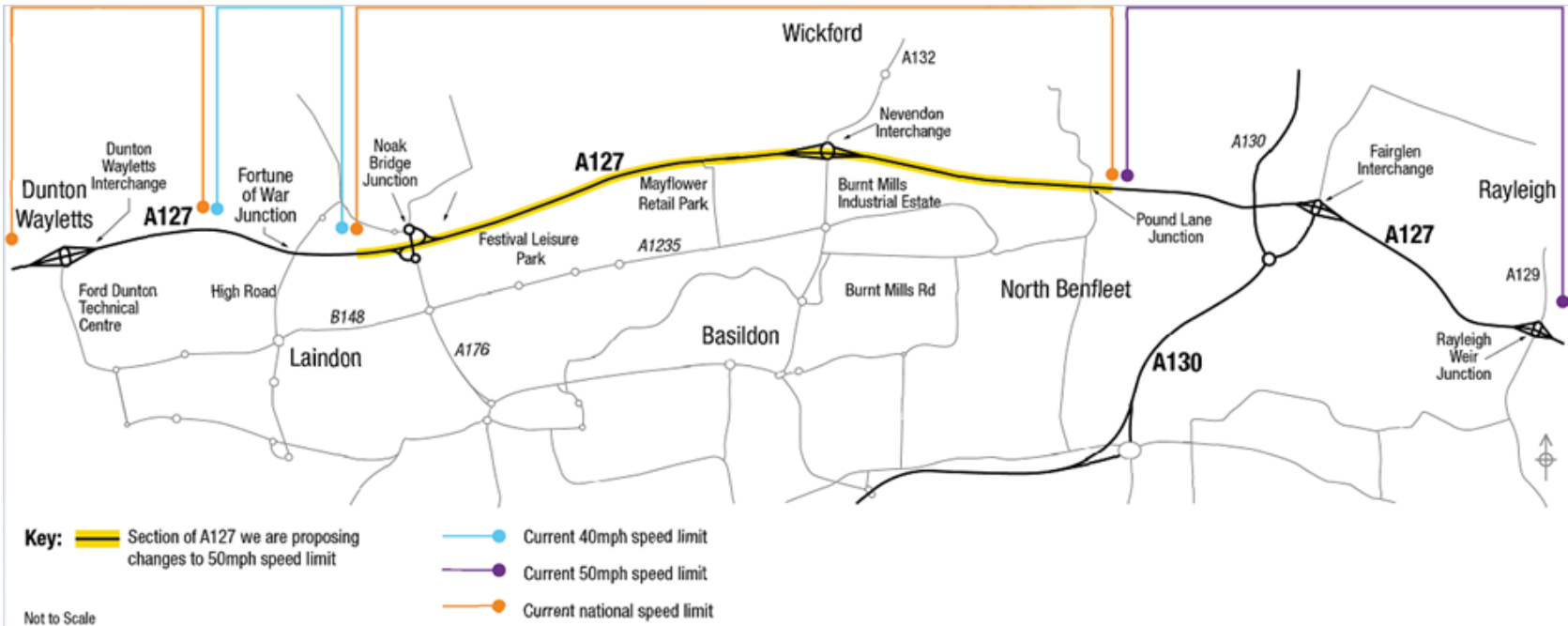
Air Quality Update

Current position

- Last Member update to Policy and Resources Committee – 25 July 2019 – update on speed limit and initial outcomes of modelling of Charging Clean Air Zone
- Report to September's Full Council Meeting to provide an update on the Full Business Case on the speed limit measure ahead of the government's October 25th deadline
 - Confirmation of delivery of the Council Resolution passed at Emergency Council Meeting on 27 June 2019
- FBC for the speed limit reduction submitted to DEFRA by 25 October deadline
- Meeting with the Minister, Rebecca Pow to which the Leaders of Basildon and Essex and Leader of the Opposition (Basildon) were invited - scheduled for 12 November, cancelled pending the General Election
- Senior Responsible Officer meeting on 12 November with the Joint Air Quality Unit
- Currently awaiting feedback/formal sign off by DEFRA on the speed limit reduction (early New Year anticipated)
- Outcome of Ministerial decision regarding additional works likely to be necessary (early New Year anticipated)

Speed Limit FBC

19



Speed Limit – Overview

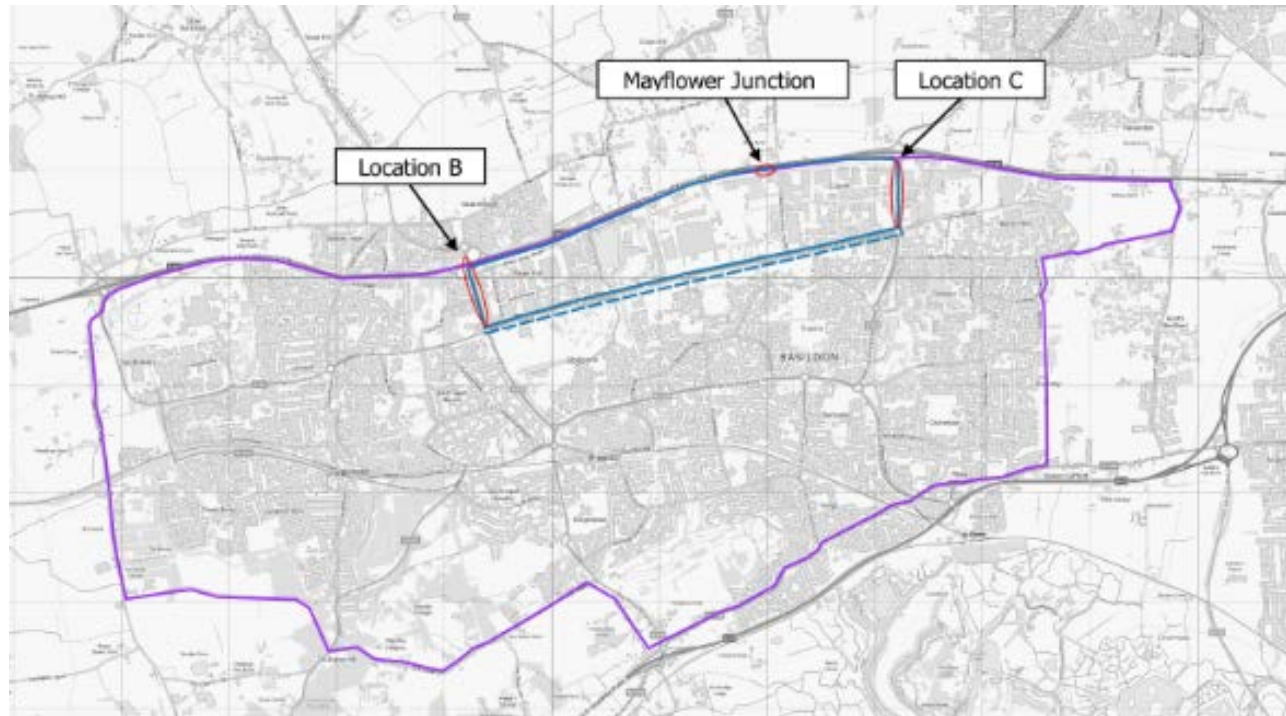
- Speed Limit implementation as submitted at OBC level including Average Speed Camera (ASC) Enforcement.
- Directive to deliver Speed Limit scheme by end March 2020.
- July/Aug 2019 Speed Limit Order advertised.
- 14 responses.
 - 4 objections – 3 from MPs and 1 from member of public
 - 2 responses in support
 - 8 responses provided comments from public but no formal objections
 - No response from Essex Police
- October deadline met for Speed Limit FBC including final design and tender packages
- Key Decision sign off in relation to Speed Limit Order in process

Speed Limit – Procurement

- Detailed design completed
- Grant funding (£890k) allocated by DEFRA, but spend, pending agreement of FBC
- Advance work to meet deadline
 - Due to lead in time for signs and posts these have been pre-ordered
 - Due to 12 week lead in for procurement of enforcement cameras, ECC are in process of procuring
 - Posts contract due to commence 25th November – awaiting Key Decision to approve the SLO.
 - Letter drop scheduled for 18th November.
- Monitoring of the sites along the A127 is ongoing and additional monitoring sites have been agreed with the Joint Air Quality Unit.
- Basildon and Essex have been chosen to take part in the Deep Dive evaluation by Ipsos MORI. Meeting arranged for 25th November.
- Leeds University undertaking surveys on A127 w/c 25th November

CAZ Benchmark – Initial Outcome

- The initial benchmark modelling identified that a CAZ D (all vehicles) in Priority Area 2 achieves compliance by 2023.



- Further modelling using a rapid assessment has identified that a CAZ C (HGVs, buses, LGVs) may lead to compliance at locations B and C

MINUTES

Staffing Matters and Review Sub-Committee

.....

Minutes of a meeting held on Thursday, 24 October 2019

PRESENT:

**Councillor Baggott
Councillor Blake
Councillor Callaghan
Councillor Smith**

OFFICERS IN ATTENDANCE:

Head of People and Change, Committee and Member Services Team Manager

Agendas and Minutes are published on the Council's website www.basildon.gov.uk. Agendas are available to view five working days prior to the meeting date and the Council aims to publish Minutes within five working days of the meeting.

SCOTT LOGAN, CHIEF EXECUTIVE, THE BASILDON CENTRE, ST MARTIN'S SQUARE, BASILDON, ESSEX SS14 1DL. TELEPHONE (01268) 533333

556. APOLOGIES FOR ABSENCE

None

557. DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

558. MINUTES

The minutes of the Sub Committee meeting held on 30 July 2019 were agreed as a true record and signed by the Chairman.

(For voting see Appendix, Column 1)

559. PERFORMANCE MANAGEMENT ARRANGEMENTS FOR THE CHIEF EXECUTIVE 2019/20

The Sub Committee received a report that proposed targets of the Chief Executive for the 2019/20 municipal year as part of his annual appraisal of performance.

The Head of People and Change explained that it had been appropriate to wait until the Corporate Plan had been approved by Council before bringing the report to committee for consideration.

The appraisal process is supported by an independent advisor from the East of England LGA.

Following points of clarification that were sought by the Sub Committee and subsequent discussion, to make clear that the targets were reflective for the whole Borough it was agreed that the word 'Borough' be added after the word 'Basildon' throughout the document. It was also agreed that with regard to the target relating to the response to Government under the Environment theme, the words 'Ministerial Direction' be added before the words "actions required to reduce air pollution".

RESOLVED –

That subject to the amendments agreed, the targets of the Chief Executive for the 2019/20 municipal year as set out at Enclosure No. 1 to the report be approved.

(For voting see Appendix, Column 2)

CHAIRMAN

RECORDING OF VOTES

Vote Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
CONSERVATIVE																		
Baggott A	F	A																
Blake K	F	A																
LABOUR																		
Callaghan G	F	F*																
INDEPENDENTS																		
Smith K	-	F																
Vote Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

KEY:

- F = In Favour
- A = Against
- = Abstain
- O = Not present for vote
- * = Casting vote in favour
- ∅ = Casting vote against
- # = No vote cast

This page is intentionally left blank

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

**THE BASILDON BOROUGH COUNCIL (FRYERNS AND CRAYLANDS)
(PHASE NORTH) COMPULSORY PURCHASE ORDER 2020 UPDATE**

Report by: Corporate Director

Enquiries to: Rab Fallon, Corporate Specialist, New Business Initiatives,
Rab.fallon@basildon.gov.uk, 01268 207921

Enclosures: Enclosure No. 1 – Risk Management Implications
Enclosure No. 2 – Appropriation Land Plan
Enclosure No. 3 – Draft Statement of Reasons (Part II as contains exempt information)
Enclosure No. 4 – The PSED report (Part II as contains exempt information)

EXECUTIVE SUMMARY:

The purpose of this report is to seek Committee approval to:

- (i) Affirm the decision to proceed with the Basildon Borough Council (Fryerns and Craylands) (Phase North) Compulsory Purchase Order (CPO) having considered the effect of the order, a draft Statement of Reasons, and the Public Sector Equality Duty.
- (ii) To appropriate the development land in the North Phase for planning purposes.

CORPORATE PLAN PROMISES:Corporate Plan Promises

- A place for everyone to call home

WARD(S):

Fryerns

RECOMMENDATIONS:

1. That the Council makes the Basildon Borough Council (Fryerns and Craylands Phase North) Compulsory Purchase Order 2020.
2. Authority is delegated to the Corporate Director to make minor amendments, modifications or deletions to the Order and the Order land (but not to extend

the Order land), to finalise the draft Statement of Reasons (Enclosure No.3) and make the Order;

3. Authority is delegated to the Corporate Director to publish and serve all necessary notices consequent on making the Order; and to submit to the Minister for Housing, Communities and Local Government (“the Minister”); and otherwise to take all steps, whether expressly required by statute or otherwise to secure confirmation of the Order by the Minister;
4. Subject to confirmation of the Order by the Minister, the Corporate Director is authorised to acquire for the Council the title or possession of the Order land (or any part thereof) whether by General Vesting Declarations or Notices to Treat or Notices of Entry, including publishing and serving any notices and executing any documentation required in connection with such acquisition or possession;
5. In the event that the Council is authorised to act as confirming authority, to confirm the Order;
6. Authority is delegated to the Corporate Director to approve and enter into agreements with and give undertakings to the owners of any interest in the Order land and any objectors to the confirmation of the Order which may set out the terms of withdrawal of objections to the Order, including where appropriate seeking inclusion in or exclusion from the Order;
7. The development land, excluding the dwellings shown on the attached plan (Enclosure No 2) is pursuant to section 122 of the Local Government Act 1972 appropriated to planning purposes under Part IX of the Town and Country Planning Act 1990 in order to commute interests adverse to the scheme into rights to compensation;
8. Authority is delegated to the Corporate Director to approve terms for the agreement of the acquisition of any interests in property and any rights required for the delivery of the proposed scheme prior to the making and confirmation of the CPO;
9. Authority is delegated to the Corporate Director to agree all compensation matters subsequent to a CPO being confirmed by the Minister, including in the event that the question of compensation is referred to the Upper Tribunal taking all necessary steps to agree appropriate compensation is payable;
10. Authority is delegated to the Corporate Director to defend and participate in any proceedings and hearings challenging these delegations or the making, confirmation or implementation of the Order or any notice, general vesting declaration or anything else made pursuant to, or in relation to, or which may have an impact on, the making confirmation, or implementation of the Order, and
11. Authority is delegated to the Corporate Director to do any other thing necessary to secure a confirmed compulsory order and the acquisition of those properties set out in the schedule to the Order.

BACKGROUND

On 14 November 2008 Basildon Borough Council (“the Council”) entered into a development agreement (“the CDA Agreement”) with 1) The Urban Regeneration Agency (formerly English Partnerships now the Homes England) and 2) the Swan Housing Association Limited (“Developer”) as varied by deeds of variation dated 13 January 2010, 9 April 2013, 23 September 2014 and 24 March 2017. The proposed development was for the redevelopment of Craylands Estate and former Fryerns school site to provide 1,400 homes (750 new dwellings) with retail units, community and education and health uses together with associated road, car parking and landscaping works. There has been a variation to the CDA Agreement, so that the Council will replace the Homes England, as the acquiring authority for the purposes of making and implementing a compulsory purchase order.

The regeneration project has four main phases, the first is completed, the second (Phase West) is currently underway and the North Phase is due to begin during 2020 with the final South Phase due from 2021.

To ensure vacant possession can be handed to Swan Housing at the start of the North Phase development the Council has resolved to make a CPO to secure the programming of the project by acquiring any land or property not already owned by either party, whilst continuing to attempt to acquire by agreement.

The initial number of private homes within the CPO area was 31, but Swan Housing has successfully acquired 20 of these through voluntary negotiations. The remaining 11 homes are the subject of compulsory acquisition by the Order and 8 are inhabited by the owners and the remaining 3 are properties that are rented out by absentee landlords. These 11 properties are the Order land.

Whilst the remaining 11 owners are in negotiation and some have reached agreements, the fact that sales completion have not been made puts the regeneration project at risk and makes the CPO process crucial to the project.

Policy and Resources Committee on 15 March 2018 (min 145/2018) resolved to make a Compulsory Purchase Order “THE BASILDON BOROUGH COUNCIL (FRYERNS AND CRAYLANDS ESTATE NORTH PHASE) COMPULSORY PURCHASE ORDER 2019” (the “Order”) to facilitate the redevelopment of the North Phase of the Craylands Estate. The making of the order is subject to an indemnity agreement being entered into between the Council and Swan Housing Association. That indemnity agreement is now in place and officers are preparing to make the CPO as agreed.

Since that Committee meeting, a draft Statement of Reasons (**Enclosure No. 3**) and a Public Sector Equality Assessment (**Enclosure No. 4**) has been prepared for members’ consideration before the Order is made.

In order to overcome any third party rights that may be infringed due to the proposed redevelopment, the land within Phase North will need to be appropriated for planning purposes.

OPTIONS

Failure to put a CPO in place could substantially damage the progress of the re-development, consequently allowing individuals to block the development, which would prevent the completion of the much needed regeneration of the estate. The required assurances that the council's development partner requires in order to proceed with the re-development scheme would not be in place so the schemes could not proceed.

APPROPRIATION

The Council has made all reasonable efforts to identify interests in the North phase that will be affected by the order. However there are general rights granted pursuant to right to buy sales, which are difficult to identify and there may be other rights which have not been identified by title searches and other investigations, although after investigation this is considered unlikely. Where such rights exist they may be an impediment to the redevelopment envisaged for the north phase. It is therefore required that the development land in the North phase be appropriated to planning purposes (**Enclosure No. 2**). The redevelopment can then proceed, in accordance with the permission granted, the rights effectively being overridden. Persons with the benefit of such rights are eligible for compensation. It is considered that any payments there may be will not be significant and the Council's obligation to pay them is covered by the indemnity agreement with Swan. Swan will negotiate relocation of services provided by the private utility companies.

LEGISLATION

Section 226(1)(a) of the Town and Country Planning Act 1990 allows the Council to compulsorily acquire land for planning purposes assembling it to enable it to be improved, developed or redeveloped, provided that this will bring about social, economic or environmental benefits.

Section 122 of the Local Government Act 1972 allows a local authority to appropriate land from one function to another.

Section 203 Housing and Planning Act 2016 – provides for planning permissions on land acquired or appropriated to planning purposes to be implemented notwithstanding covenants or easements there may be in that land and converts such rights to compensation

The Equality Act 2010

The Public Sector Equality Assessment report in part II identifies potential impacts of the proposed re development of the North phase and mitigation measures designed to minimise the impacts on protected groups in accordance with the Council's duty under the Act.

The key positive equality impact is that the CPO will enable redevelopment of the area and the provision of new, high quality, accessible homes. The area will also benefit from the demolition of unpopular maisonettes and will provide a better layout for residents to access and traverse the estate. The provision of the high quality low level homes will have a positive impact on those with protected characteristics, especially those with disabilities.

In addition to this, the Comprehensive Development agreement that governs the redevelopment includes the obligation to set up a community trust that supports local people

with employment and training opportunities, as well as making interventions in health and crime and disorder.

There are temporary negative impacts resulting from the requirement for residents to move home. These impacts vary across different tenures and could have greater adverse impacts for those with protected characteristics. For example, someone with mobility issues could find it more difficult to find property accessible to them. The impact on resident owners and leaseholders is mitigated by the rehousing options provided by the Council and the developer Swan Housing Association.

Some home owners may find it difficult to purchase suitable alternative properties with the statutory compensation available. Swan have made provision for alternatives such as shared ownership and shared equity to mitigate this issue.

Overall, it is concluded that the Council has taken steps to put appropriate mitigation measures in place, to ensure that the potential for adverse impacts is appropriately managed.

GENERAL INFORMATION

Financial Implications

There are no direct cost implications for the council as an indemnity agreement is in place with Swan Housing Association that covers all costs associated with the making of the CPO and the payment of compensation.

Risk Management Implications

The risk management implications are set out at **Enclosure No. 1**.

Inclusion, Diversity and Community Cohesion Implications

The inclusion and diversity implications are set out earlier in the report. These show actions to bring about better community cohesion on the estate driven by the Beechwood Village Community Trust

Other Relevant Considerations

It should be noted that attempts to bring about voluntary purchases of the remaining properties will continue throughout the CPO process.

Background Papers

The report to and minute of the Policy and Resources Committee of March 2018

This page is intentionally left blank

Risk Management Implications Table

<u>Opportunities</u>	<u>Control measure(s), currently in place, to support the Opportunity</u>	<u>Current Level</u>	<u>Proposed Action(s) to maximise the Opportunity</u>	<u>Target Level if Proposed Actions are implemented</u>
<p><u>Definition of Opportunity:</u></p> <p>The regeneration of the Craylands Estate will provide a better quality of life for many residents.</p> <p><u>Main Opportunity Category:</u></p> <p>Reputation</p>	<ul style="list-style-type: none"> • Planning permission approved 	medium	<ul style="list-style-type: none"> • Making the CPO will ensure the project is completed on time and on budget. 	High

<u>Threats</u>	<u>Control measure(s), currently in place, to reduce the Threat</u>	<u>Current Level</u>	<u>Proposed Action(s) to further reduce the Threat</u>	<u>Target Level if Proposed Actions are implemented</u>
<p><u>Definition of Threat:</u></p> <p>Threat that the Council does not obtain vacant possession which may result in lengthy delays to the programme due to the inability to acquire land.</p>	<ul style="list-style-type: none"> • Specialist negotiator provided by Swan Housing • Shared Equity Scheme • Statutory Compensation • Access to Council Services for anyone made homeless 	Medium	<ul style="list-style-type: none"> • Further negotiations to ensure a satisfactory conclusion. 	Low
<p><u>Main Threat Category:</u> Financial</p> <p>Threat of negative media activity around specific instances when the Compulsory Purchase Order is implemented which may result in reputational damage to the Council</p> <p><u>Main Threat Category:</u> Reputational</p>	<ul style="list-style-type: none"> • Press protocol in place between HCA/Swan/Council to ensure agreed responses • Rigorous and fair standard practices in place to ensure full compliance with the law and the ability to challenge effectively 	Medium	<ul style="list-style-type: none"> • CPO process for Phase North is being prepared in a timely fashion to all appeal process without derailing project timelines. 	Low

This page is intentionally left blank

NOT FOR PUBLICATION by virtue
of paragraph(s) 3
of the Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

NOT FOR PUBLICATION by virtue
of paragraph(s) 3
of the Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

**TRANSPARENCY AND ACCOUNTABILITY WORKING GROUP – OUTCOMES AND
RECOMMENDATIONS**

Report by: Councillor Burton-Sampson, Lead Member of the Working Group

Enquiries to: Paul Burkinshaw, Assistant Director of Corporate Services on (01268) 207972 or email paul.burkinshaw@basildon.gov.uk

Enclosures: Enclosure No.1 – Current Petitions Scheme

EXECUTIVE SUMMARY:

At a recent meeting, the Policy and Resources Committee established a Transparency and Accountability Working Group.

The aim of the working group was to review the constitutional arrangements of council to ensure that recent issues of perceived lack of transparency by members and the public are addressed and a greater level of public accountability is put in place.

The working group comprised of the following Members: -

Councillor Burton-Sampson (Lead Member)
Councillor Brockman
Councillor Fellowes
Councillor D Morris
Councillor Schrader
Councillor Smith

This report provides an overview of the working group's deliberations, their findings and recommendations.

CORPORATE PLAN PROMISE:

- Decision-making - being clear about the decision we make and why we are taking them.

WARD(S):

All wards

RECOMMENDATION:

1. That the issues considered by the Transparency and Accountability Working Group and its conclusions, as set out in this report, be noted.

2. That the Council produces and publishes a plain English guide for the public to assist understanding of why matters are treated as exempt and they are not entitled to access reports or attend meetings during consideration of such matters.
3. That further clarity/guidance on matters being exempt from disclosure to the press and public due to commercial sensitivities be produced and made available to both Councillors and the public
4. That with regards to matters containing exempt information, the Council adopts the practice, wherever practicable, of the report being published in part 1 of the agenda which the press and public can access, with only the exempt information being provided separately to Members.
5. That it be recommended to Full Council that the Council Procedure Rules which form part of the Council's Constitution be amended to reduce the number of supplementary questions for a member during Members Question Time at Council meetings from 2 to 1
6. That Council considers the establishment of a Constitution Review Committee (or sub-committee) in the 2020/21 municipal year to provide a forum for regular ongoing review and consideration of constitutional matters as they arise.
7. That it be recommended to Full Council that the Council's Constitution and Petitions Scheme be amended to include provision for petitions to be formally presented to the Council at a Council Meeting in order to provide increased openness and awareness of their receipt and the issues subject of the petition, and that any petition to be presented to Council as per the above, must be 'championed' by a Member of the Council, and that Councillor should have 1 minute to present the petition at the Council meeting.
8. That the Council should continually review and seek to enhance, as appropriate, its webcasting service as an essential component of openness and transparency in council and committee meetings
9. The Council should, in principle, introduce electronic voting and amend the Constitution to reflect the ability for votes to be held in this manner, subject to detailed consideration of its implementation and practical operation to ensure that it was not counterproductive to the effective conduct of meetings.

BACKGROUND

The Transparency and Accountability Working Group held 2 meetings and considered a range of issues where there was perceived to have been lack of transparency. The issues considered, the working groups deliberations and conclusions, and any recommendations the working group wish to make are set out below -

1. **Part 2/Exempt Committee Items** – the working group were provided with information regarding reports containing exempt information, during consideration of which, the press and public are excluded and the report is not for public disclosure (generally referred to as part 2 items). This included the details of relevant legislation and the prescribed categories of exempt information and considerations that need to

be applied which are set out in the Access to Information Procedure Rules of the Council's Constitution.

The working group was advised that officers determine whether a report contains exempt information and if so, it is withheld from disclosure to the press and public. At the meeting of the committee, Members are required to consider themselves and formally resolve that the matters should be debated with the press and public excluded, having considered the exemption criteria and public interest test.

The working group did not believe that there were any significant or widespread concerns in connection with this matter but the working group were conscious of specific matters which had raised this issue and how specific instances can undermine public confidence.

The working group felt that the main area of subjectivity on exempt items related to those which were considered to be 'commercially sensitive'. Members were advised that this is not an issue unique to Basildon Council but one faced by other local authorities.

The working group noted that on occasions when there are high levels of public interest in committee items, the report was published in part 1 of the agenda, with exempt information provided separately to Members as exempt information. Whether the matter is debated in part 1 or part 2 of the meeting depends on the amount of exempt information and the ability to debate it without reference to the exempt information. Members felt this was a useful and positive approach and the Council should seek to adopt this on more occasions, where feasible.

Recommendations

- The Council should produce and publish a plain English guide for the public to assist understanding why matters are treated as exempt and the press and public are excluded during consideration of such matters.
- That further clarity/guidance on matters being exempt from disclosure to the press and public due to commercial sensitivities be produced and made available to both Councillors and the public
- That with regards to matters containing exempt information, the Council adopts the practice, wherever practicable, of the report being published in part 1 of the agenda which the press and public can access, with only the exempt information being provided separately to Members.

2. Delegations to Officers – the working group were provided with information regarding delegation of functions to officers.

The working group were advised that whether a matter was to be delegated to officers is a matter for the relevant committee and subject to a majority vote.

Again, it was again considered that there were no major concerns in connection with this matter but the working group were again conscious of a specific matter that had caused some concerns which had since been reversed. In light of this, the working group did not feel that it was appropriate or necessary for any specific measures to be put in place but felt that committees needed to ensure that they considered

delegations to officers carefully in the future to ensure they were appropriate and balanced effectiveness and efficiency with openness and transparency.

- 3. Sub-Committees and Working Groups** – the working group were provided information regarding the legislative basis and rules associated with sub-committees, the establishment of which needs to be approved by Council or the relevant committee, and that they are bound by the same legislation and rules as ordinary committees in terms of access to meetings and information. Members noted that sub-committees simply provided a mechanism to enable committees to discharge their functions by allocating specific matters from the committee to a sub-committee.

It was noted that working groups are much more informal and are not bound by the same legislation and rules as ordinary committees and sub-committee in terms of access to meetings and information but as a result do not have any decision making powers.

Members felt both sub-committees and working groups were useful options and welcomed the provision of working groups which they felt were effective. It was not considered that any further action was required.

- 4. Meetings of Full Council** – The working group were advised that there had been a number of reviews/working groups regarding this issue. Whilst some areas had been identified as possible changes, the general conclusion was that the procedure rules governing council meetings were appropriate, and much was determined by behaviours.

Members discussed a number of issues and received information related to Council meetings including order of business, questions and motions, however it was not considered that there were any specific problems at the present time that needed to be resolved.

There was a consensus view that the second supplementary question available for Members asking questions was unnecessary and that this should be limited to one supplementary question, the same as is available for members of the public.

Members were advised that consideration had recently been given to the establishment of a Constitution Review Committee (or sub-committee) in order that there was a forum for regular ongoing review and consideration of constitutional matters as they arose. Members felt that this would be a useful approach

Recommendations

- That the number of supplementary questions for a member during Members Question Time at Council meetings be reduced from 2 to 1
- That Council considers the establishment of a Constitution Review Committee (or sub-committee) in the 2020/21 municipal year to provide a forum for regular ongoing review and consideration of constitutional matters as they arose.

- 5. Councillors Access to Information** – Members were provided with background to the legislation and council's arrangements with regards to a Councillors access to information including common law rights, in cases of a 'need to know' and freedom of information. The working group noted the council's arrangements for dealing with

councillor enquiries which were considered to be effective and that if a Member would be entitled to the information via FOI, it should be dealt with through Councillor Enquiries and not via the FOI route. The working group did not consider that any further action was required.

- 6. Petitions Scheme** – The working group considered the Council’s current Petitions Scheme and the scope for petitions to be formally presented to the Council at a Council Meeting in order that there was increased openness and awareness of their receipt and the issues subject to of the petition. It was noted that the Council did have a petitions scheme but it didn’t provide for smaller petitions to be formally presented.

The working group were supportive of the proposal in principle and considered how it might operate. It was felt that any petition to be presented to Council should be ‘championed’ by a Member of the Council, and that Councillor should have 1 minute to present the petition at the Council meeting.

Recommendations

- That the Council’s Constitution and Petitions Scheme be amended to include provision for petitions to be formally presented to the Council at a Council Meeting in order that there was increased openness and awareness of their receipt and the issues subject to of the petition
- That any petition to be presented to Council as per the above, must be ‘championed’ by a Member of the Council, and that Councillor should have 1 minute to present the petition at the Council meeting.

- 7. Webcasting** – the working group considered the webcasting of council and committee meetings and how this had significantly benefited the council’s openness and transparency since its introduction at the start of the 2018/19 municipal year. The working group noted the significant number of viewings of council and committee meetings via the webcasting service since its introduction.

The working group were advised that a number of free enhancements to the service were being considered and progressed, in order to enhance user access and experience. The working group also considered the benefits of introducing electronic voting in order that viewers at home could see how Councillors voted on each item on the webcast, in the same way they are able to do when attending the meeting in person. It was noted that the introduction of electronic voting would have a one-off cost of £3,000.

The working group were supportive, in principle, of electronic voting being introduced but there was some concern regarding its implementation and practical operation. Members were mindful to ensure that it was introduced, it was beneficial and was not counterproductive to the effective conduct of meetings. The working group were advised that the introduction of electronic voting would require an amendment to the Council’s Constitution which provided at present that voting can only be done through a show of hands.

Recommendations

- That the Council should continually review and seek to enhance, as appropriate, its webcasting service as an essential component of openness and transparency in council and committee meetings

- The Council should, in principle, introduce electronic voting and amend the Constitution to reflect the ability for votes to be held in this manner, subject to detailed consideration of its implementation and practical operation to ensure that it was not counterproductive to the effective conduct of meetings.

OPTIONS

The committee has the options of not accepting any recommendations of the working group or asking the working group to reconsider any matters.

LEGISLATION/POLICY

Transparency and accountability in local government, and the issues considered by the working group are covered by a wide range of legislation. The recommendations of the working group are for relatively minor amendments to the Council's Constitution and other existing policies and procedures.

GENERAL INFORMATION

Corporate Plan Promises and Core Principles

Decision-making - being clear about the decision we make and why we are taking them.

Financial Implications

The only recommendation from the working group which would have a direct financial implication is the introduction of electronic voting. This would have a one-off financial implication of £3,000 which could be met from existing budgets.

Risk Management Implications

Relevant risks and opportunities have been considered in the report as necessary.

Inclusion, Diversity and Community Cohesion Implications

The recommendations will not have any adverse inclusion, diversity and community cohesion implications. Enhancements to the council's webcasting service will seek to have positive implications for all residents to view.

Other Relevant Considerations

There are no other relevant considerations.

Background Papers

None

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

**APPOINTMENT TO ESSEX COUNTY COUNCIL'S HEALTH OVERVIEW
POLICY AND SCRUTINY COMMITTEE**

Report by: Assistant Director Corporate Services

Enquiries to: Corinna Bramley, Committee and Member Services Team Manager on
(01268) 207946 or email: corinna.bramley@basildon.gov.uk

Enclosures: None

EXECUTIVE SUMMARY:

The Committee is being asked to appoint a Member to represent the Council as a co-opted non-voting member of Essex County Council's Health Overview Policy and Scrutiny Committee for the remainder of the 2019/20 municipal year.

CORPORATE PLAN PROMISE:

- A place where everyone prospers

WARD(S):

All Wards

RECOMMENDATION:

That Councillor Andrew Gordon be appointed as Basildon 's representative to sit on Essex County Council's Health Overview Policy and Scrutiny Committee as a co-opted non-voting member for the remainder of the 2019/20 municipal year.

BACKGROUND

Essex County Council have contacted the Council to invite a Member of the Council to serve as a co-opted non-voting member of its Health Overview Policy and Scrutiny Committee for the remainder of the 2019/20 municipal year as the administrative area of Basildon is currently unrepresented on the Committee from amongst the County Councillors that sit on it.

The remit for the Health Overview Policy and Scrutiny Committee is as follows:-

"Reviews and scrutinises matters relating to the planning, provision and operation of health services in the County of Essex. Including primary, secondary, tertiary care, and public health, and may involve reviewing the work of commissioners

(such as local clinical commissioning groups), providers of health services (such as hospitals) and other organisations in the health sector.”

As Basildon Council does not have a formal Scrutiny Committee, it is proposed to nominate Councillor Andrew Gordon as he is the council’s representative on both the Basildon Health and Well Being Partnership and the Patient and Community Reference Group for Basildon and Brentwood Clinical Commissioning Group and therefore has the specialist interest and experience to bring forward to the Scrutiny Committee.

OPTIONS

The alternative options are for the Council to choose not to take up the invitation from Essex County Council to appoint a Basildon Member to the Scrutiny Committee, or to nominate another Basildon Council Member.

LEGISLATION/POLICY

Under the Council’s Constitution, the Policy and Resources Committee has the responsibility of appointing Council representatives to a range of external organisations throughout the municipal year.

GENERAL INFORMATION

Corporate Plan Promises

By appointing a Council representative to the Scrutiny Committee, the Basildon Borough will be represented and will therefore serve to support the Corporate Plan Promise to have a place where everyone prospers.

Financial Implications

None

Risk Management Implications

Relevant risks and opportunities in connection with this matter have been considered and are referred to in the body of the report if appropriate.

Inclusion, Diversity and Community Cohesion Implications

None

Other Relevant Considerations

None

Background Papers

None

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

COMPLAINTS TO THE COUNCIL – AWARDS OF COMPENSATION

Report by: Assistant Director Corporate Services

Enquiries to: Corinna Bramley, Committee and Member Services Team Manager on 01268 207946 or email corinna.bramley@basildon.gov.uk

Enclosures: None

EXECUTIVE SUMMARY:

This report seeks approval on delegated authority to Officers to make awards of compensation following complaints to the council that result in findings of ‘maladministration’ or ‘service failure’.

CORPORATE PLAN PROMISE:

- A place for everyone to call home
- A place where everyone prospers
- A place to be proud of

WARD(S):

All Wards

RECOMMENDATION:

That delegated authority be given to Directors to make payments up to the value of £500 in addition to any recompense or refund due, following any findings of ‘maladministration’ or ‘service failure’ through investigations under the Council’s Complaints, Comments and Compliments Policy.

BACKGROUND

The Council currently has a Complaints, Comment and Compliments Policy which was approved in 2017. The policy outlines Basildon Council’s approach to managing complaints, and applies to all services that are provided directly by the Council and those for which the Council has responsibility for, but which are delivered through external businesses and partners who are contracted and employed on behalf of the Council to carry out services directly to residents.

Following consideration of the Local Government and Social Care Ombudsman Annual Letter 2018/19 at the Policy and Resources Committee meeting on 5 September 2019, it was resolved that delegated authority be given to Directors to make payments in

consultation with the Chairman of the Policy and Resources Committee of up to a value of £1000 following any findings of 'maladministration' or 'service failure' by the Ombudsman.

The Local Government and Social Care Ombudsman (LGSCO) have refreshed their guidance following the significant changes that have reshaped local government in recent years. Within this guidance, the LGSCO provide Councils with 'Six Core Principles' to ensure good administrative practice.

1. Getting it Right:

Examples: Follow the law, company policies and general guidance. Comply with service timescales. Explain and respond to delays proactively. Ensure organisations working on the Council's behalf adhere to our policies.

2. Being Service User Focused:

Examples: Services are accessed easily. Officers are helpful, prompt and sensitive. Retain continuity for service users when services are changed. Set clear expectations. Not falling back on 'blanket' policies.

3. Being Open and Accountable:

Examples: Clear, accurate and complete advice. Consultation with stakeholders prior to changing service arrangements. Ensure frontline staff are fully briefed to support service users to make informed decisions. Maintaining transparency.

4. Acting Fairly and Proportionally:

Examples: Acting impartially without unlawful discrimination ensuring there are no conflicts of interest. Explaining clearly the rationale for decisions and recording them. Being prepared to make reasonable adjustments.

5. Putting Things Right:

Examples: Able to acknowledge our mistakes and put them right quickly and effectively. Ensure the Council's complaints procedures are clear and visible and the quality of complaint investigation is the same whether handled by Council or contractor.

6. Seeking Continuous Improvement:

Examples: Review policies and procedures ensuring they are effective. Disseminate and embed relevant learning from feedback and lessons learned from complaints.

These Six Core Principals are a broad framework for guidance, not a check list and it must be noted there are still clear statutory tests in place, i.e. Is there evidence of maladministration or service failure?

Section 92 of the Local Government Act 2000 states:

92 Payments in cases of maladministration etc.

(1) Where a relevant authority consider—

(a) that action taken by or on behalf of the authority in the exercise of their functions amounts to, or may amount to, maladministration, and

(b) that a person has been, or may have been, adversely affected by that action, the authority may, if they think appropriate, make a payment to, or provide some other benefit for, that person.

The Council's current procedure simply states "the manager should respond on what has been done to address the issue raised by the complainant, if the council is found to be at fault".

It is considered that it would be beneficial and appropriate for there to be clarity in the Council's scheme of delegation to include a specific delegation regarding settlements of complaints investigated at local level (i.e by the Council through its complaints policy and procedure).

It is recommended that delegated authority be given to Officers to award any individual payments up to the value of £500 in addition to any recompense or refund due to the complainant.

A full review of the Council's Complaints, Comments and Compliments Policy and Procedure is due to be considered by Committee in March 2020 and therefore, it is not proposed at this stage to make any recommendations regarding changing any elements of that document.

OPTIONS

With regards to giving delegated authority to Officers to make payment, this could be refused, however this is not felt to be appropriate as delegation to Officers has been granted for Ombudsman payments and it is appropriate that the Council can respond promptly and appropriately where there has been service failure.

The authorised monetary limit of up to £500 could be reduced.

LEGISLATION/POLICY

Section 92 of the Local Government Act 2000 provides that the Council may make payment or provide some other benefit if there is evidence of maladministration in the exercise of the Council's functions and a person is adversely affected by the action.

Section 101 of the Local Government Act 1972 (as amended) enables delegations to Officers. Article 11 Section 3(d) of the Council's Constitution makes provision for decisions to be taken by Officers in accordance with the Scheme of Delegation.

GENERAL INFORMATION

Financial Implications

Any awards of compensation are funded from within Services own budgets.

Risk Management Implications

The relevant risks and opportunities in connection with this matter have been considered and have been referred to in the body of this report as appropriate.

Inclusion, Diversity and Community Cohesion Implications

Where relevant, Service Impact Assessments will be undertaken and the findings will be presented to Members for consideration.

Other Relevant Considerations

There are no other relevant considerations.

Background Papers

None

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

STANDARDS ARRANGEMENTS – APPOINTMENT OF INDEPENDENT PERSONS

Report by: Monitoring Officer

Supported by: Paul Burkinshaw, Monitoring Officer and Assistant Director of Corporate Services, on 01268 207972 or paul.burkinshaw@basildon.gov.uk

Enclosures: Enclosure No. 1 - Risk Management Implications

EXECUTIVE SUMMARY:

The Localism Act 2011 requires Councils to appoint one or more Independent Persons to participate in the Council's standards arrangements to represent the public viewpoint and thereby promote public confidence. The Council currently has four Independent Persons and their current term of office ends in October 2020.

The purpose of this report is for the Committee to consider the process for appointment of Independent Persons, post October 2020, and make recommendations to full Council as necessary.

CORPORATE PLAN:

- Decision-making - being clear about the decisions we make and why we are taking them.

WARD(S):

All Wards

RECOMMENDATION:

That for the reasons set out in the report, the Committee recommends to full Council –

- (1) That it notes that the existing terms of office of the Council's 4 Independent Persons cease in October 2020;
- (2) That the terms of office of 2 of the existing 4 Independent Persons be extended for a 2 year period, from October 2020 to October 2022, with no option to extend beyond that period.
- (3) That, with regards to 2 above, in the event that more than 2 of the existing Independent Persons express an interest, it is proposed that the

Monitoring Officer, in consultation with the Chairman of the Joint Standards Committee, consider the matter and make recommendations on appointment to the vacancies in due course.

- (4) That the Council seeks to appoint 2 new Independent Persons to serve for a 4 year term of office from October 2020 and that the Policy and Resources Committee be delegated the role of progressing the recruitment process and making recommendation to Full Council.**
 - (5) When the terms of office of the existing 2 Independent Persons cease in October 2022, the Council seeks to appoint 1 new Independent Person to serve for a 4 year term of office from October 2022, thereby reducing the number of Independent Persons from October 2022 to 3.**
-

BACKGROUND

Independent Persons

The Localism Act 2011 requires Councils to appoint one or more Independent Persons to participate in the Council's standards arrangements to represent the public viewpoint and thereby promote public confidence. Independent Persons serve on the Joint Standards Committee but do not have voting rights. The role and functions of the Independent Persons as prescribed in the Localism Act 2011 is set out specifically in the 'Legislation/Policy' section of this report.

In June 2012, when the new arrangements were adopted in compliance with the Localism Act, full Council appointed the current four Independent Persons, and determined that Independent Persons would be appointed for a period of four years, with the option of reappointment for a further four years. The Council exercised this option of reappointment in 2016 and therefore all Independent Persons will have served for 8 years when their term of current terms of office end in October 2020.

The Council's Constitution (Article 7) states that –

'Independent Persons are appointed for a period of four years, with the option of reappointment for a further four years; no Independent Person may serve more than two terms of office'.

The Council has benefited considerably from the work of all the Independent Persons. The significant experience, enthusiasm and high calibre of the existing Independent Persons has contributed greatly to the Council.

The Council does have the option of amending its Constitution to extend the terms of office of existing Independent Persons for a further 4 year term which would have the benefit of retaining their knowledge and experience. However, the Council needs to balance this against perceptions of independence of the Independent Persons.

The Committee on Standards in Public Life (CSPL) recently undertook a detailed review in connection with Local Government Ethical Standards, and considered matters relating to Independent Persons as part of their wide ranging review and made recommendations. In there, the CSPL says -

“The role should also be strengthened. Security of tenure is important in order to protect Independent Persons from being removed from their role for unpopular advice or recommendations. Equally, however, restricted tenure can ensure that the Independent Person’s judgment and independence is not compromised by a long period of involvement in a single authority.

We therefore recommend that Independent Persons should be appointed for a fixed term of two years, with the option of a single re-appointment. The terms of multiple Independent Persons should ideally overlap, to ensure a level of continuity and institutional memory.”

The Council needs to consider the balance between the potential loss of knowledge and experience of existing Independent Persons, against the perceptions of Independent Persons judgement and independence if their tenure is considered to be too long.

Whilst the Joint Standards Committee has expressed a desire to retain the current Independent Persons, it is considered on balance that it would not be appropriate to extend the terms of office of all existing Independent Persons for a further 4 year term of office. It is therefore recommended that the Council advertises for new Independent Persons.

In addition, the Council currently has 4 Independent Persons; this is higher than is generally seen across local authorities and, in the absence of specific rationale for this current position, it is being recommended that this be reduced to 3.

The CSPL makes reference to the terms of multiple Independent Persons ideally overlapping, to ensure a level of continuity and institutional memory. This is considered to be important and would be beneficial. In order to achieve the above. It is proposed that –

1. The terms of office of 2 of the existing 4 Independent Persons be extended for a 2 year period, from October 2020 to October 2022, with no option to extend beyond that period.
2. The Council seeks to appoint 2 new Independent Persons, to serve for a 4 year term of office from October 2020.
3. When the terms of office of the existing 2 Independent Persons cease in October 2022, the Council seeks to appoint 1 new Independent Person to serve for a 4 year term of office from October 2022

With regards to the extension of the terms of office of 2 of the existing 4 Independent Persons being extended for a 2 year period, from October 2020 to October 2022, it is proposed that the Independent Persons would be asked to indicate whether they would wish for their term of office to be extended. In the event that more than 2 of the existing Independent Persons express an interest, it is proposed that the Monitoring Officer, in consultation with the Chairman of the Joint Standards Committee, consider the matter and make recommendations in due course.

The selection of 2 new independent persons would be undertaken by public advertisement of the positions as required by legislation.

The Council's Constitution does not explicitly identify which committee shall be responsible for undertaking interviews of Independent Persons. It does however state that the final appointment is a matter for full Council.

It is recommended that the responsibility for the recruitment of Independent Persons is delegated to the Policy and Resources Committee to progress and make final recommendations to full Council. The Policy and Resources Committee may further delegate elements associated with this to a sub-committee, if it considers appropriate.

OPTIONS

The following alternative options are available -

1. Amend the Council's Constitution and extend the terms of office of the existing 4 Independent Persons for a further 4 year term of office. Whilst this have the benefit of retaining the knowledge and experience, it is not considered that this would be the most appropriate option in ensuring that the Independent Person's judgment and independence is not perceived to be compromised by a long period of involvement in a single authority. Also, the recommendation to extend the terms of office of 2 Independent Persons for a further 2 years ensures a level of continuity and institutional memory.
2. The Council has the option of retaining the current number of Independent Persons in the long term as opposed to the recommendation to reduce to 3 from October 2022; however it is not considered that there is any specific basis and rationale for retaining 4. The Council also has the option of reducing further to 2.

LEGISLATION/POLICY

The relevant legislation in relation to the appointment of Independent Persons is section 28 of the Localism Act 2011, paragraph 7 which states -

- (7) *Arrangements put in place under subsection (6)(b) by a relevant authority must include provision for the appointment by the authority of at least one independent person—*
- (a) *whose views are to be sought, and taken into account, by the authority before it makes its decision on an allegation that it has decided to investigate, and*
 - (b) *whose views may be sought—*
 - (i) *by the authority in relation to an allegation in circumstances not within paragraph (a),*
 - (ii) *by a member, or co-opted member, of the authority if that person's behaviour is the subject of an allegation, and*
 - (iii) *by a member, or co-opted member, of a parish council if that person's behaviour is the subject of an allegation and the authority is the parish council's principal authority.*
- (8) *For the purposes of subsection (7)—*
- (a) *a person is not independent if the person is—*

- (i) a member, co-opted member or officer of the authority,
 - (ii) a member, co-opted member or officer of a parish council of which the authority is the principal authority, or
 - (iii) a relative, or close friend, of a person within sub-paragraph (i) or (ii);
- (b) a person may not be appointed under the provision required by subsection (7) if at any time during the 5 years ending with the appointment the person was—
- (i) a member, co-opted member or officer of the authority, or
 - (ii) a member, co-opted member or officer of a parish council of which the authority is the principal authority;
- (c) a person may not be appointed under the provision required by subsection (7) unless —
- (i) the vacancy for an independent person has been advertised in such manner as the authority considers is likely to bring it to the attention of the public,
 - (ii) the person has submitted an application to fill the vacancy to the authority, and
 - (iii) the person's appointment has been approved by a majority of the members of the authority;
- (d) a person appointed under the provision required by subsection (7) does not cease to be independent as a result of being paid any amounts by way of allowances or expenses in connection with performing the duties of the appointment.

GENERAL INFORMATION

Corporate Plan Promises and Core Principles

Both the appointment of the Independent Persons on the Joint Standards Committee and appropriate training for Members contribute to the good governance of the Council.

Financial Implications

Independent Persons receive an allowance equivalent to 20% of a Councillor's Basic Allowance which equates to £1247. The reduction of Independent Persons from 4 to 3 in 2022 would therefore result in an annual saving of this amount from the Members' Allowances Budget.

Risk Management Implications

Relevant risks and opportunities have been considered in the report as appropriate.

Inclusion, Diversity and Community Cohesion Implications

The position of Independent Person is open to all members of the public and appropriate action will be taken to assist any person and make reasonable adjustments throughout the recruitment and selection process, in line with the Council's own policies and procedures for recruitment of employees.

Other Relevant Considerations

There are no other relevant considerations.

Background Papers

None.

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

PROPOSED AMENDMENT TO THE COUNCIL'S CONSTITUTION – DELEGATION OF SEALING AUTHORITY

Report by: Assistant Director – Corporate Services

Enquiries to: Lyndsey Smith – Acting Joint Solicitor to the Council on (01268) 207804 or email lyndsey.smith@basildon.gov.uk.

Enclosures: Enclosure No.1 - Article 12 of the Council's Constitution

EXECUTIVE SUMMARY:

The report proposes that the committee makes a recommendation to Council to amend the Council's Constitution to authorise the Monitoring Officer and the Chief Financial Officer to affix the common seal of the Council to relevant documents.

CORPORATE PLAN PROMISE:

- A place for everyone to call home
- A place where everyone prospers
- A place to be proud of

WARD(S):

All wards.

RECOMMENDATION:

That it be recommended to full Council that Article 12 of the Council's Constitution be amended, to authorise the Monitoring Officer and the Chief Financial Officer to affix the common seal of the Council to relevant documents.

BACKGROUND

Article 12 – 'Financial Management, Contracts and Legal Matters' (**see Enclosure No. 1**) of the Council's Constitution provides at paragraph 5, that when necessary the Common Seal will be affixed to a document and attested by at least one of the following persons; Solicitor to the Council, Director or Chief Executive.

Following the decision of the Policy and Resources Committee on 13 November 2019 (Minute No. 2019/615) authorising the flexible retirement of a Corporate Director and the proposal that in January 2020 a report is brought to the Policy and Resources Committee to confirm consequential senior management arrangements including the deletion of this

post from the staffing establishment with effect from 1st June 2020, the availability of currently authorised individuals to undertake sealing may be impacted.

It is therefore proposed that the following additional posts be added to the list of those authorised for undertaking sealing to ensure business continuity and capacity: -

- Monitoring Officer, and
- Chief Financial Officer

The Council's Contract Procedure Rules, 14.5 Contract execution provides that contracts up to the value of £75,000 can be executed by two Senior Leadership Team members or as delegated and that contracts of £75,001 and above or in special circumstances must be executed under seal.

OPTIONS

- 1) To not approve the amendment to the Constitution to include the additional two positions as authorised to affix the common seal of the council to relevant documents. This is not recommended as it will result in a reduction of the number of individuals available to seal documents which could have a negative impact on business being undertaken.
- 2) To authorise all Assistant Directors to affix the common seal of the council to relevant documents. This is an option and would provide a greater depth of capacity, but it is not considered to be necessary and ensures control is retained.

LEGISLATION/POLICY

Article 12 – Financial Management, Contracts and Legal Matters, paragraph 5 provides the existing authorisation for attesting Sealing to the Solicitor to the Council, a Director or the Chief Executive.

Section 9P of Local Government Act 2000 requires the Council to prepare and keep up to date a Constitution containing a copy of the authority's standing orders as well as other items.

GENERAL INFORMATION

Corporate Plan Promises

This report ensures that the Council adheres to all of the corporate plan by ensuring the Council is able to manage its business effectively.

Financial Implications

There are no direct financial implications for the Council arising from this report.

Risk Management Implications

The relevant risk and opportunities in connection with this matter have been considered and have been referred to in the body of this report as appropriate.

Inclusion, Diversity and Community Cohesion Implications

There are no direct, inclusion, diversity or community cohesion implication arising from this report.

Other Relevant Considerations

There are no other relevant considerations.

Background Papers

None

This page is intentionally left blank

Article 12 - Financial Management, Contracts and Legal Matters

1. Financial management

The administration of the Council's financial affairs will be conducted in accordance with the Financial Regulations set out in Part 4 of this Constitution.

2. Contracts

Every contract made by the Council will comply with the Contracts Procedure Rules set out in Part 4 of this Constitution.

3. Legal proceedings

The Solicitor to the Council, unless otherwise indicated, is authorised to institute, defend, negotiate or participate in any legal proceedings (including potential or prospective proceedings) in any case where such action is necessary to give effect to decisions of the Council, or in any case where the Solicitor to the Council considers that such action is necessary to protect the Council's interests.

4. Authentication of documents

Where any document is necessary to any legal procedure or proceedings on behalf of the Council, it will be signed by the Solicitor to the Council, or other person authorised by him/her, unless any enactment otherwise authorises or requires, or the Council has given requisite authority to some other person.

Any contract shall be entered into on behalf of the authority will be in accordance with the Contract Procedure Rules set out in Part 4 of this Constitution. Such contracts must either be signed by at least two Officers of the Authority authorised by the Chief Executive or made under the Common Seal of the Council attested by at least one Officer.

5. Common Seal of the Council

The Common Seal of the Council will be kept in the safe custody of the Solicitor to the Council. A decision of the Council, a Committee or Sub-Committee of the Council or a delegated decision by an officer will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Solicitor to the Council should be sealed and shall be attested by at least one of the following persons, namely the Solicitor to the Council, a Director, or the Chief Executive and an entry of every sealing of a document shall be made and consecutively numbered in a book to be provided for the purpose and shall be signed by the person who shall have attested the seal. Such documents will include those relating to works contracts, leases, transfers and bylaws.

This page is intentionally left blank

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
13 November 2019

BUDGET CONSULTATION EXERCISE 2020/21

Report by: Assistant Director - Resources

Enquiries to: Richard Larkman, Finance Manager, on 01268 207899 or richard.larkman@basildon.gov.uk

Enclosures: Enclosure No. 1 – Raw output data and themes from free text comments

EXECUTIVE SUMMARY:

This report provides information on the budget consultation exercise for 2020/21 that was undertaken with residents and businesses. Committee members are asked to review the report and consider the outcomes from the engagement exercise.

CORPORATE PLAN PROMISES:

- A place for everyone to call home
- A place where everyone prospers.
- A place to be proud of.

WARD(S):

All Wards.

RECOMMENDATION:

To note the findings from the engagement exercise with residents and businesses and consider them when setting the budget and council tax levels for 2020/21.

BACKGROUND**Purpose**

The purpose of this engagement exercise was to secure views and opinions from the community that will inform the decision making process in respect of budget setting for 2020/21.

The engagement exercise provided an opportunity for the council to test differing options available to raise revenue or reduce costs in the delivery of services. It also enabled the council to gain a steer from the community on which scenarios are more or less acceptable.

Consultation overview

Each year the council engages residents on matters relating to the draft budget. The purpose of this exercise is to secure views and opinions from the community that will inform the decision making process in respect of budget setting for the following year - 2020/21.

A borough-wide consultation has been undertaken on an annual basis for a number of years. This captures valuable insight that is used as part of the budget setting process.

This year the consultation with regard to the council's key spending priorities, services, and the level of council tax, has been conducted via an online survey available on the council's website. The survey started on 12 August 2019 and finished on 8 September 2019. The exercise was supported by contextual information and a communications plan. This included the use of social media, such as Facebook and Twitter, newsletters for residents and businesses, and internal communications using BasNews.

To ensure accessibility for those not confident or unable to complete the survey online, the customer contact centre was available to provide assisted participation. This means a member of staff was available, if required, to read each question to the participant, provide answer options and record their response online.

The response rate this year was very good in comparison to previous exercises.

Participation levels

The headline findings in relation to participation levels, diversity of participants and communications activity are shown below:

Participation levels

- 596 participants completed the online survey
- 97.3% of survey participants pay council tax, 2.7% do not
- 99% of respondents were residents (582)
- There was a very low response rate from businesses 1% (6)

Diversity of participants

- 52.1% of participants were female, 43% were male
- 87.5% of participants were of white ethnic origin, 0.5% were Asian, 0.8% Black, 1.9% Mixed heritage, 0.7% Chinese, other 0.5% and 8.1% preferring not to say
- The largest age range represented were between the age ranges 36 – 55 with a total of 39.6% participating in the survey, the age range 75+ were the least represented with only 3.2% participating
- 17.4% of participants said they have a disability of any description or suffer from a long-term illness.

Communications activity

- The survey attracted more than 700 views on the council website
- More than 8,000 subscribers of the council newsletter were reached
- 231 individuals accessed the survey via the council's website _ don't understand the difference between this and the first bullet point
- There were more than 86,000 impressions across 10 council social media accounts – probably me, but what does this mean

Headline findings

The online survey included questions on spending priorities, what outcomes are important, and how the council should generate income and council tax levels.

Participants were asked to indicate on which services they felt the council could spend less, the same or more. The highest response rates for each option are listed here:

	Spend less	Spend the same	Spend more
1	Housing Advice and Support Average annual cost per household £18.02 (274 responses)	Household Waste collection (non-recyclable black waste) Average annual cost per household £22.42 (427 responses)	Community safety , interventions to reduce crime and anti-social behaviour. Average annual cost per household £3.70 (370 responses)
2	Theatre Average annual cost per household £2.41 (271 responses)	Household recycling collection (recyclable pink sack waste) Average annual cost per household £13.37 (426 responses)	Youth engagement and activities promoting development activities for young people Average annual cost per household £7.75 (249 responses)
3	Inclusion and diversity , supporting the development of community groups and promoting community cohesion Average annual cost per household £1.53 (206 responses)	Household green waste collection (recyclable food and garden waste) Average annual cost per household £14.05 (418 responses).	Street cleaning , including Pride Teams Average annual cost per household £18.71 (210 responses)

Participants were asked which statements concerning council activities are most important to them. The highest response rates are detailed here:

Response rate	Statement
1 (360 participants)	Children and adults are safe from harm
2 (319 participants)	Every child attends a good school and is successful in learning.
3 (293 participants)	The borough has attractive open spaces and public realm that a clean and tidy
4 (211 participants)	A borough that helps people stay healthy – with places to spend time outdoors and enjoy
5 (190 participants)	Develop vibrant town centres

Participants were asked to indicate which statement best represented their view on setting the council tax for 2020/21. An overview of response rates are detailed here:

Response Rate	Statement
1 (200 participants)	Increase council tax a bit and protect the most important services where possible
2 (149 participants)	Keep council tax at the same level, with some reduction in the level of services (because costs and demand are rising)
3 (103 participants)	Increase council tax (by the maximum before a referendum is required, currently 2%) and ring fence these additional funds for investment in the local areas that generated them.
4 (60 participants)	Lower council tax, which could reduce the level of services.

OPTIONS

Members can choose to respond to the outcomes of the consultation as they consider appropriate.

LEGISLATION/POLICY

Under Section 3(2) of the Local Government Act 1999 Best Value authorities are under a 'Duty to Consult' representatives of a wide range of local persons.

GENERAL INFORMATION

Corporate Plan Promises

The consultation provides members with information about how residents view the council's priorities and promises and how important they are to them.

Financial Implications

The cost of the consultation exercise was met from within existing resources.

Risk Management Implications

There are no direct risk management implications arising from this report. Risks will arise from the extent or otherwise that the council's budget reflects the views of those who participated in the consultation exercise.

Inclusion, Diversity and Community Cohesion Implications

As part of the engagement exercise a very high level summary of the results was presented to the Community Diversity Council in September for their consideration.

Managers consider the implications for these matters as part of preparing service plans and the associated detailed budgets. Service impact assessments are completed during this process where it is appropriate to do so.

Other Relevant Considerations

None.

Background Papers

None.

This page is intentionally left blank

Basildon Council
Consultation with residents and businesses
Setting a balanced budget for 2020/2021
Raw data output

About you

Are you responding as:

582 (99%) A resident

6 (1%) A business in the borough

Do you pay council tax?

575 (97.3%) Yes

16 (2.7%) No

Spending on services

We have shown in the list below the average cost of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on.

	Spend Less	Spend Same	Spend More
Household waste collection (non-recyclable black sack waste) Average annual cost per household £22.42	86 (15.8%)	427 (78.2%)	33 (6%)
Household recycling collection (recyclable pink sack waste) Average annual cost per household £13.37	45 (8.3%)	426 (78.5%)	72 (13.3%)
Household green waste collection (recyclable food and garden waste) Average annual cost per household £14.05	81 (14.9%)	418 (77.0%)	44 (8.1%)
Recreation and sports facilities Average annual cost per household £16.06	140 (26.0%)	275 (51.0%)	124 (23.0%)
Street cleaning, including Pride Teams Average annual cost per household £18.71	46 (8.5%)	285 (52.7%)	210 (38.8%)
Theatre Average annual cost per household £2.41	271 (50.3%)	240 (44.5%)	28 (5.2%)
Environmental Health regulating the standards of, for example, pubs, clubs and restaurants Average annual cost per household £12.60	121 (22.2%)	375 (68.9%)	48 (8.8%)
Maintaining parks and open spaces (this includes clearance of fly tipping) Average annual cost per household £40.10	61 (11.2%)	292 (53.6%)	192 (35.2%)
Housing advice and support Average annual cost per household £18.02	274 (50.5%)	226 (41.6%)	43 (7.9%)
Planning, ensuring high standards in buildings and other developments Average annual cost per household £2.99	103 (19.0%)	368 (68.0%)	70 (12.9%)
Youth engagement and activities promoting development activities for young people Average annual cost per household £7.75	96 (17.8%)	194 (36.0%)	249 (46.2%)
Community centres and halls, providing facilities for day centres and community activities Average annual cost per household £5.18	80 (14.8%)	281 (51.9%)	180 (33.3%)
Regeneration, investing in the physical development of the borough Average annual cost per household £6.43	99 (18.3%)	241 (44.6%)	200 (37.0%)
Economic development, including business promotion, employment and skills	140 (25.8%)	287 (52.9%)	116 (21.4%)
275			

	Spend Less	Spend Same	Spend More
Average annual cost per household £4.55			
Community safety, interventions to reduce crime and anti-social behaviour Average annual cost per household £3.70	39 (7.1%)	137 (25.1%)	370 (67.8%)
Inclusion and diversity, supporting the development of community groups and promoting community cohesion Average annual cost per household £1.53	206 (38.0%)	238 (43.9%)	98 (18.1%)

Can you tell us which of the statements below concerning the activities of the Council are the **most important to you** (please mark a maximum of five boxes)

211 (35.7%)	A borough that helps people stay healthy – with places to spend time outdoors and enjoy
150 (25.4%)	Addressing unauthorised developments
360 (60.9%)	Children and adults are safe from harm
137 (23.2%)	Communities actively contributing to enhancing their local neighbourhoods
106 (17.9%)	Create more suitable housing and support for key workers
190 (32.1%)	Develop vibrant town centres
319 (54.0%)	Every child attends a good school and is successful in learning
116 (19.6%)	Help create access to more and better jobs and growth in businesses
47 (8.0%)	Improve standards in privately rented accommodation
85 (14.4%)	Improving access to early help and support for families
114 (19.3%)	Increase skills to get more people working
145 (24.5%)	Increasing pride in the borough and community
138 (23.4%)	People are healthier, happier, independent and active
127 (21.5%)	Residents are satisfied with the services that enhance the local neighbourhoods
76 (12.9%)	Retaining our skilled workforce within the borough
160 (27.1%)	Strengthen the local economy
293 (49.6%)	The borough has attractive open spaces and public realm that are clean and tidy

Raising more money

Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Become a cashless council because cash is more expensive to handle than digital transactions.	158 (27%)	181 (30.9%)	114 (19.5%)	94 (16%)	39 (6.7%)
Increase the use of modern technologies in the delivery of services.	197 (33.8%)	237 (40.7%)	106 (18.2%)	36 (6.2%)	7 (1.2%)
Introduce charges for services that the council has the option to provide, such as leisure activities.	81 (14%)	213 (36.9%)	118 (20.4%)	106 (18.3%)	60 (10.4%)
Increase investment in commercial buildings to make money that can be used to fund local services.	107 (18.5%)	232 (40.1%)	159 (27.5%)	56 (9.7%)	25 (4.3%)
As well as building more affordable homes, invest more in building homes for private rent and sale to generate income.	99 (17.2%)	170 (29.6%)	122 (21.2%)	112 (19.5%)	72 (12.5%)
Sell its expertise in certain areas (e.g. Finance and Audit) to other local authorities.	164 (28.4%)	232 (40.1%)	113 (19.6%)	43 (7.4%)	26 (4.5%)
		276			

Increase council tax.	22 (3.8%)	84 (14.5%)	123 (21.3%)	140 (24.2%)	209 (36.2%)
Introduce car parking charges in car parks that are currently free.	44 (7.5%)	104 (17.8%)	77 (13.2%)	172 (29.5%)	186 (31.9%)
Increase existing car parking charges where we already charge a fee.	19 (3.3%)	39 (6.7%)	98 (16.8%)	205 (35.2%)	221 (38.0%)

Basildon Council will carefully consider a range of information when setting the council tax for 2020/21.

Please note:

- government rules mean that to increase council tax by 3% or more the council would need to get the support of local people. This would mean holding a referendum where the electorate are provided an opportunity to vote on the proposed council tax increase
- every 1% increase in council tax means extra income for Basildon Council to run services of around £170,000
- the council's total net spending on local services is around £28.9 million.

Which of the statements below best represents your views on setting the council tax for 2020/21?

(Please put a tick in one of the boxes below).

	Please tick one box only
Lower council tax which could reduce the level of services	60 (10.3%)
Keep council tax at the same level, which could result in some reduction in the level of services (because costs and demand are rising)	149 (25.6%)
Increase council tax a bit to help protect the most important services where possible	200 (34.4%)
Increase council tax by as much as is needed to maintain all Basildon Council services at existing levels (this could result in a local referendum)	30 (5.2%)
Increase council tax more significantly in order to improve services (this would result in a local referendum)	40 (6.9%)
Increase council tax (by the maximum before a referendum is required, currently 2%) and ring fence these additional funds for investment in the local areas that generated them	103 (17.7%)

Finally, to help with our analysis:

Please could you confirm your gender

254 (43.0%) Male

308 (52.1%) Female

0 (0.0%) Transgender

0 (0.0%) Self define

29 (4.9%) Prefer not to say

How would you describe your ethnic origin?

517 (87.5%) White

3 (0.5%) Asian

5 (0.8%) Black

11 (1.9%) Mixed heritage

4 (0.7%) Chinese

3 (0.5%) Other
48 (8.1%) Prefer not to say

How old were you on your last birthday?

26 (4.4%) Under 25
96 (16.3%) 26 – 35
117 (19.8%) 36 - 45
117 (19.8%) 46 - 55
97 (16.4%) 56 - 65
80 (13.6%) 66 - 75
19 (3.2%) 75+
38 (6.4%) Prefer not to say

Do you have a disability of any description or suffer from a long-term illness?

103 (17.4%) Yes
441 (74.5%) No
48 (8.1%) Prefer not to say

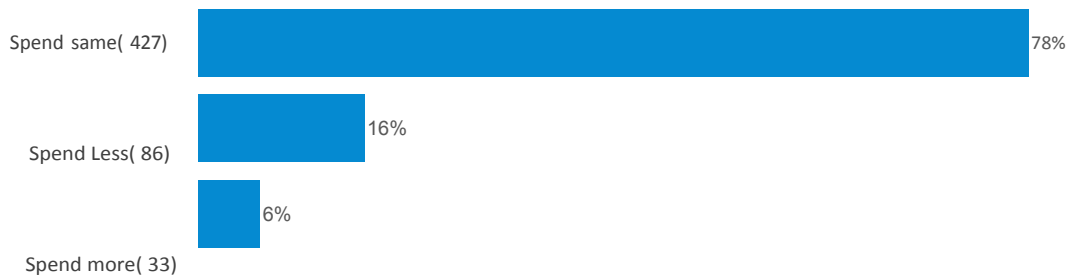
Themes arising from free text comments

- Give less money to Essex Council keeping more for Basildon
- Eliminate the duplication of resources between Essex Council and Basildon
- Address anti-social behaviour
- Bonuses and salaries including expenses for senior staff and Members should be reduced
- Make changes to council tax to make it fairer for example on income not property size
- Stop the use of consultants, agency workers and sub-contractors
- Create social housing for local residents only
- Improve the maintenance and protection of parks, open spaces, alleys and pathways
- Free parking in town centre
- Change and make improvements to the refuse and recycling service including collecting black bags and green bins fortnightly
- Spend the council tax in the areas where it is raised
- Make efficiencies within the council
- Increase digital
- Improve the collection and recovery of council tax

Do you pay council tax?



We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Household waste collection (non-recyclable black sack waste) Average annual cost per household £22.42)



We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Household recycling collection (recyclable pink sack waste) Average annual cost per household £13.37)

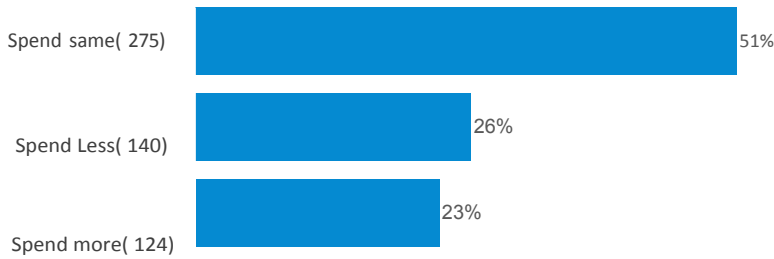


We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Household green waste collection (recyclable food and garden waste) Average annual cost per household £14.05)

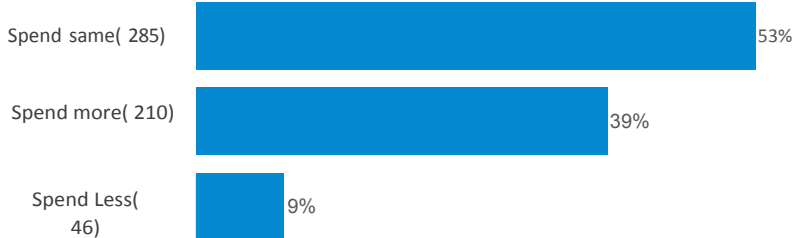


Spend more(44)

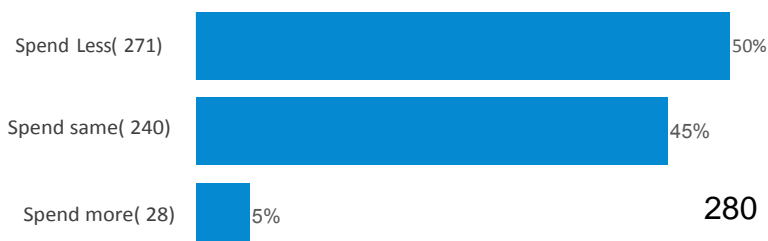
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Recreation and sports facilities Average annual cost per household £16.06)



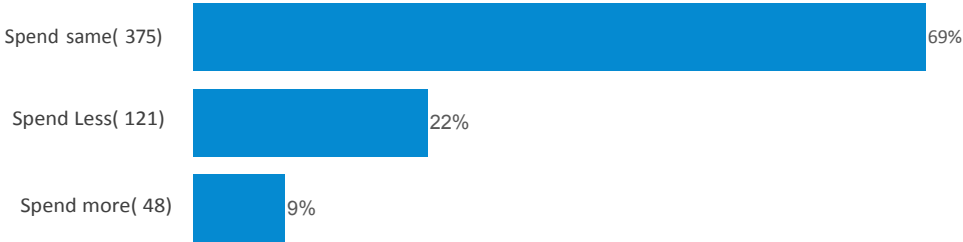
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Street cleaning, including Pride Teams Average annual cost per household £18.71)



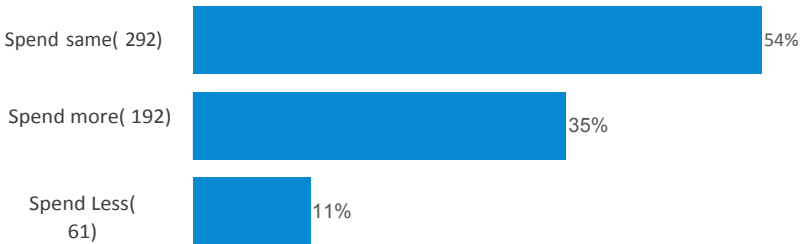
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Theatre Average annual cost per household £2.41)



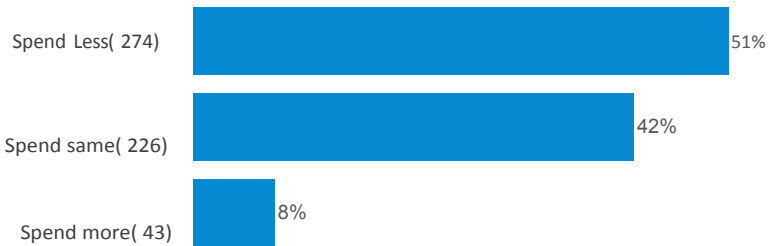
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Environmental Health regulating the standards of, for example, pubs, clubs and restaurants Average annual cost per household £12.60)



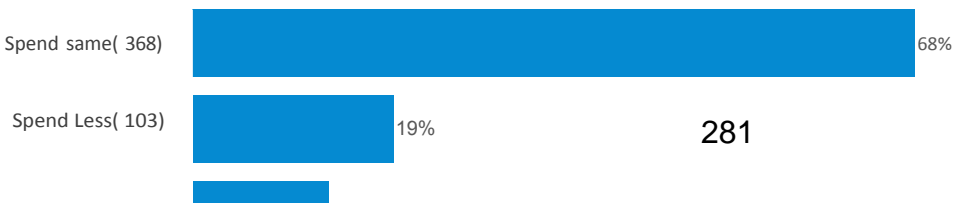
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Maintaining parks and open spaces (this includes clearance of fly tipping) Average annual cost per household £40.10)



We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Housing advice and support Average annual cost per household £18.02)

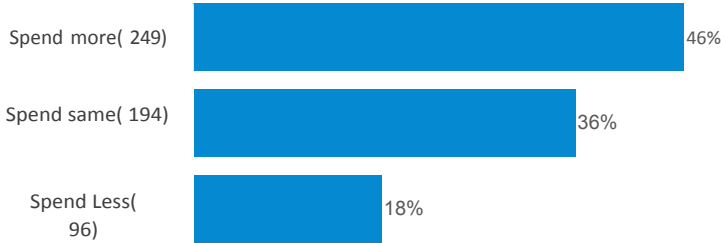


We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Planning, ensuring high standards in buildings and other developments Average annual cost per household £2.99)

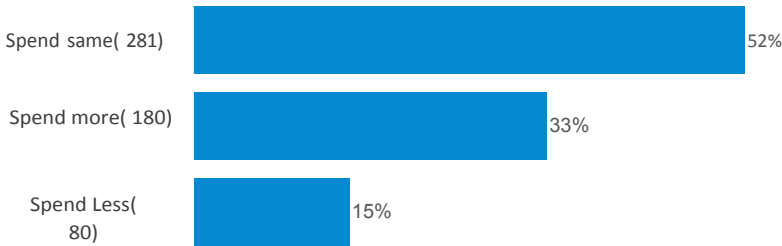


Spend more(70)

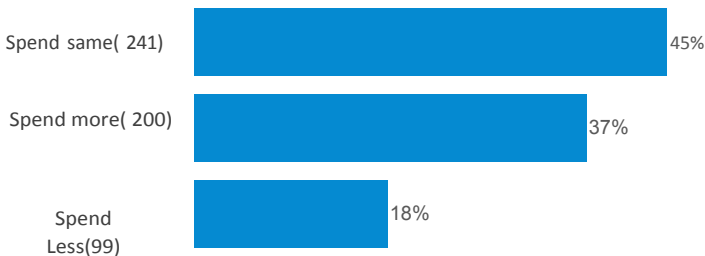
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Youth engagement and activities promoting development activities for young people Average annual cost per household £7.75)



We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Community centres and halls, providing facilities for day centres and community activities Average annual cost per household £5.18)



We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Regeneration, investing in the physical development of the borough Average annual cost per household £6.43)



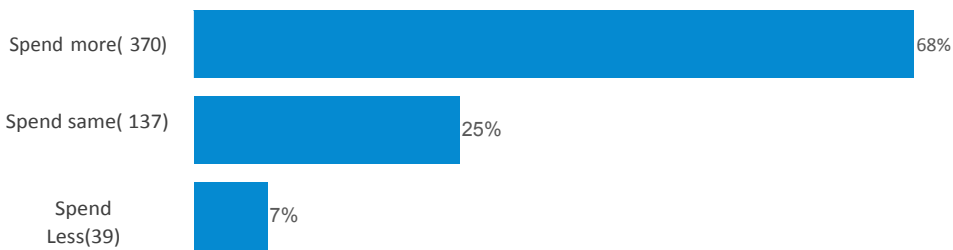
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Economic development, including business promotion, employment and skills Average annual cost per household £4.55)



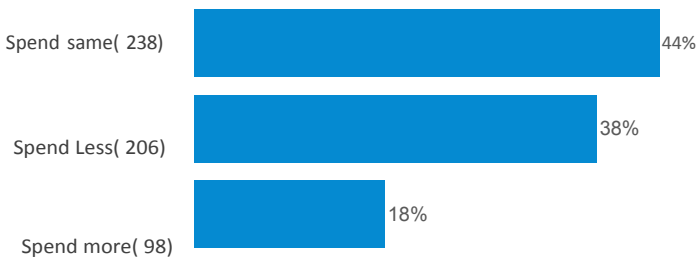
Spend Less(140)

Spend more(116)

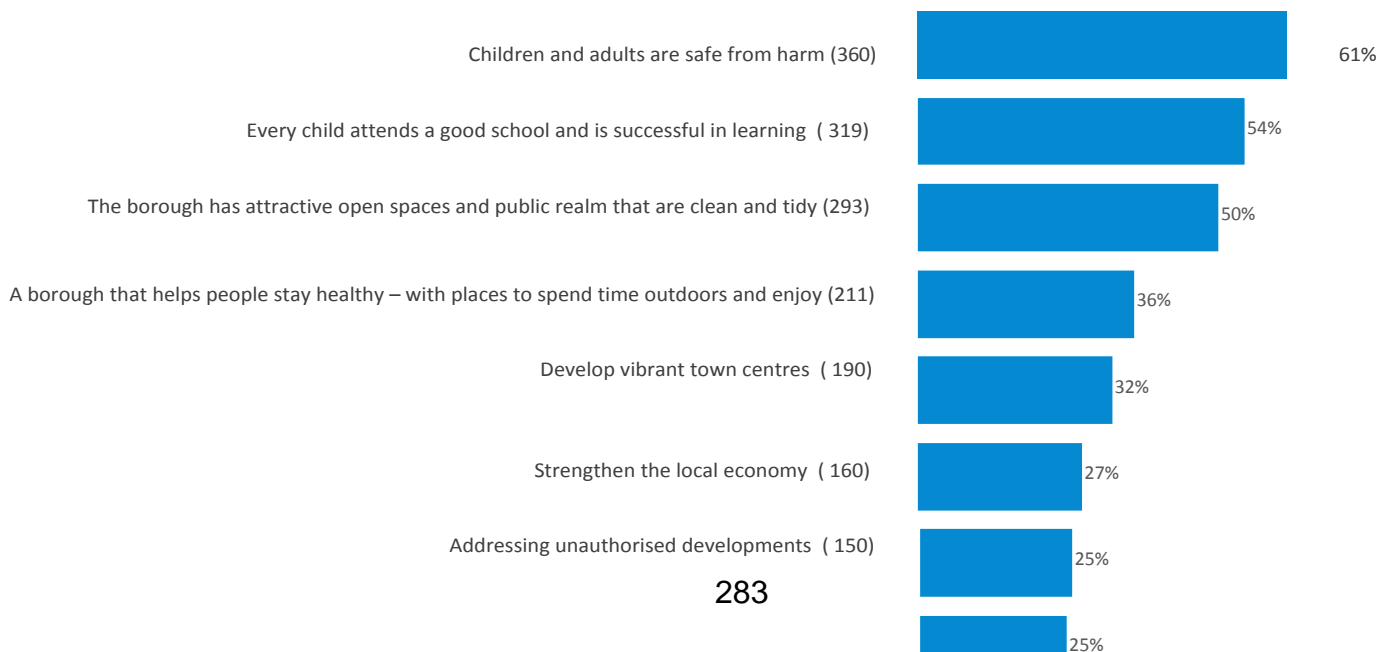
We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Community safety, interventions to reduce crime and anti-social behaviour Average annual cost per household £3.70)



We have shown in the list below the budgeted cost for 2019/20 per household of a number of services that Basildon Council provides. As it tries to balance its budget, can you tell us which services you feel the council should spend less, the same or more on. (Inclusion and diversity, supporting the development of community groups and promoting community cohesion Average annual cost per household £1.53)



Can you tell us which of the statements below concerning the activities of the Council are the most important to you (please mark a maximum of five boxes)



Increasing pride in the borough and community (145)

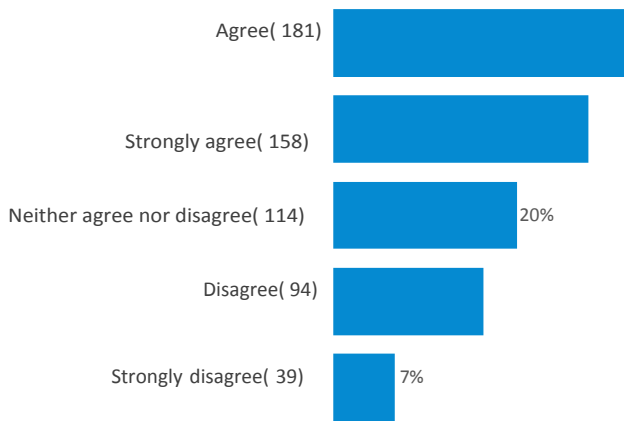
People are healthier, happier, independent and active (138)

Communities actively contributing to enhancing their local neighbourhoods (137)

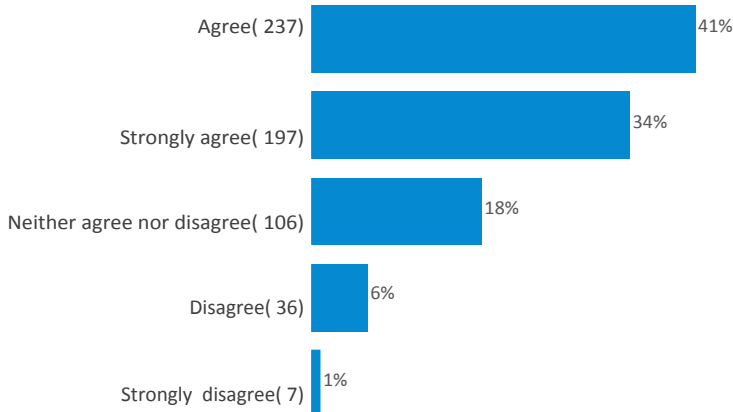
Residents are satisfied with the services that enhance the local neighbourhoods (127)

Help create access to more and better jobs and growth in businesses (116)

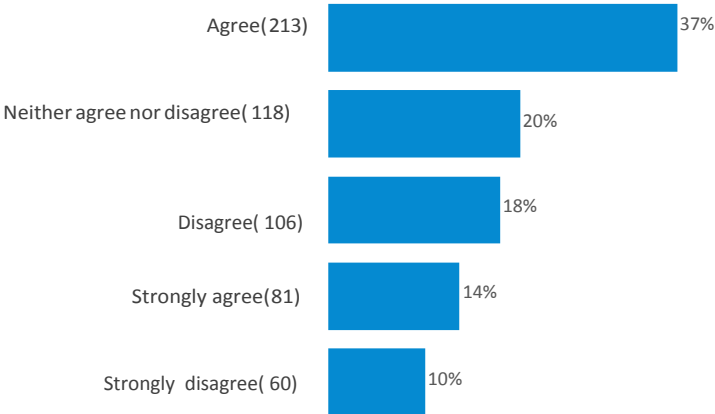
Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Become a cashless council because cash is more expensive to handle than digital transactions.)



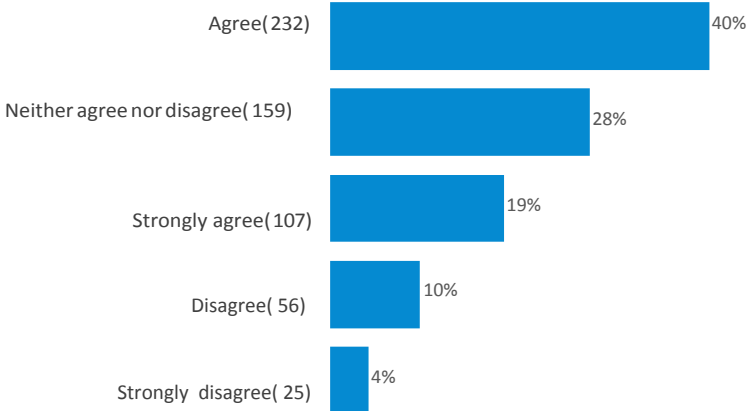
Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Increase the use of modern technologies in the delivery of services.)



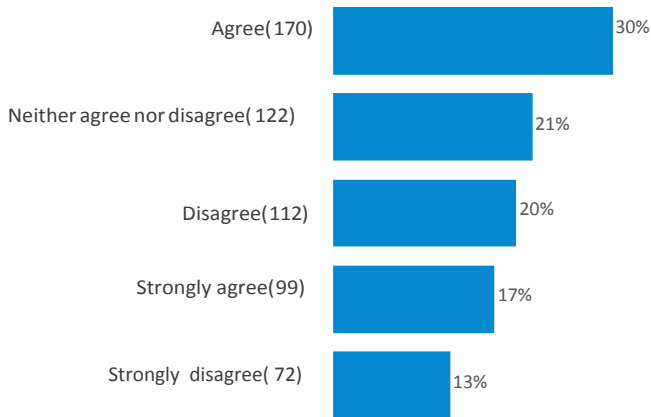
Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Introduce charges for services that the council has the option to provide, such as leisure activities.)



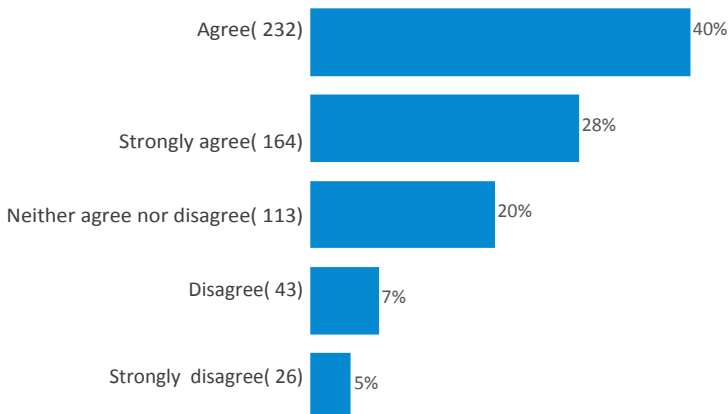
Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Increase investment in commercial buildings to make money that can be used to fund local services.)



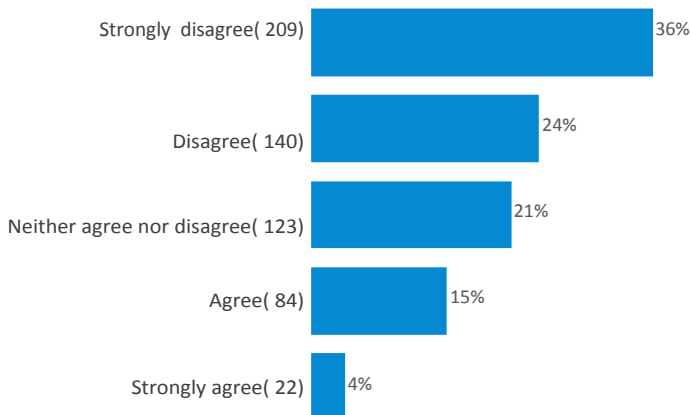
Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• As well as building more affordable homes, invest more in building homes for private rent and sale to generate income.)



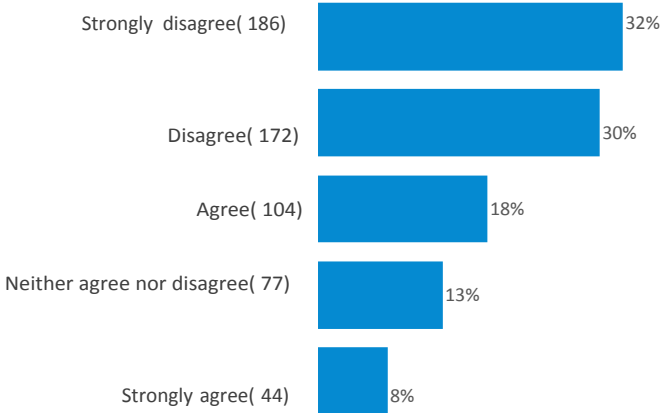
Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Sell its expertise in certain areas (e.g. Finance and Audit) to other local authorities.)



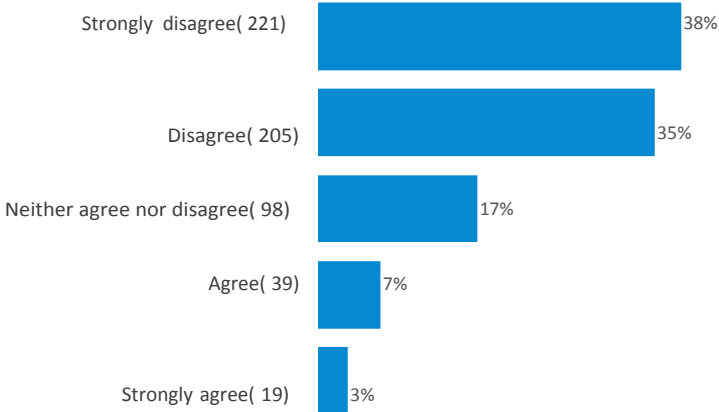
Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Increase council tax)



Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Introduce car parking charges in car parks that are currently free.)



Looking at ways to generate income is one way the council can reduce its budget gap. Listed below are different ideas that we would welcome your views on. Please indicate how you feel about each statement. (• Increase existing car parking charges where we already charge a fee.)



Which of the statements below best represents your views on setting the council tax for 2020/21?

(Please put a tick in one of the boxes below).



34% - Increase council tax a bit to help protect the most important services where possible



26% - Keep council tax at the same level, which could result in some reduction in the level of services (because costs and demand are rising)



18% - Increase council tax (by the maximum before a referendum is required, currently 2%) and ring fence these additional funds for investment in the local areas that generated them



10% - Lower council tax, which could reduce the level of services



7% - Increase council tax more significantly in order to improve services (this would result in a local referendum)



5% - Increase council tax by as much as is needed to maintain all Basildon Council services at existing levels (this could result in a local referendum)

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

DRAFT SERVICE BUDGET (GENERAL FUND) FROM 2020/21 TO 2023/24
INCLUDING REVIEW OF FEES AND CHARGES

Report by: Assistant Director - Resources

Enquiries to: Richard Larkman, Finance Manager, on 01268 207899 or richard.larkman@basildon.gov.uk

Enclosures: Enclosure No.1 – Risk Management Implications
Enclosure No.2 – Draft Budget 2020/21 and Forward Forecast to 2023/24
Enclosure No.3 – Schedule of Fees and Charges including Charging Directory
Enclosure No.4 – Capital Programme
Enclosure No.5 – Budget Performance at September 2019 (Quarter 2)

EXECUTIVE SUMMARY:

This report provides information on the draft General Fund revenue budgets and capital programme relevant to this committee, for the financial year 2020/21 and the forward financial forecast through to 2023/24. Committee Members are asked to review the report and to seek explanations regarding any aspect of the budget and to consider the allocation of financial resources to key service objectives.

The report also includes for consideration the proposed level of fees and charges to be applied in 2020/21; the effect of any changes has been included in the draft budgets proposed. Also included is the latest forecast outturn position for 2019/20 for the services relevant to this committee.

CORPORATE PLAN PROMISES:

- A place for everyone to call home.
- A place where everyone prospers.
- A place to be proud of.

WARD(S):

All Wards.

RECOMMENDATION:

1. That the proposals for the revenue budgets and capital programme relevant to this committee for 2020/21 and the financial forecast to 2023/24 be endorsed for

inclusion in the overall budget to be presented to this Committee on 30 January 2020.

2. That the proposed fees and charges relevant to this committee for 2020/21 along with the charging directory be approved and included in the final Fees and Charges schedule.

3. That the forecast outturn position for 2019/20 be noted.

BACKGROUND

Budget Setting Process and Financial Strategy 2020/21

The budget setting process and guidelines for 2020/21 were approved by the Policy and Resources Committee on 25 July 2019 (Min No. 2019/384). The report also provided Members with an update on the financial challenges the Council faces over a longer term 10-year forecast period and the principles that will be considered for setting the draft budget.

The General Fund budget and forecast approved for 2019/20 identified a gap between resources and required expenditure of £2.0 million in 2020/21, rising to £2.6 million in 2021/22 and £3.1 million in 2022/23. The overriding influencing factor in the budget setting process for 2020/21 is, therefore, the need to generate efficiencies and increasing income to meet these gaps.

By 2028/29 the gap was forecast to be £7.7 million. The key assumptions used to arrive at this forecast were:

- 1) Inflation on costs (including pay) will be in the region of £1 million per year.
- 2) Council tax will increase by 1.99% for all forecast years.
- 3) The tax base will rise by 300 Band D equivalents per annum.
- 4) The reductions in Government controlled funding sources will continue as per the trajectory of recent years.

Officers have been considering ways in which the identified pressures can be managed. The proposed strategy for addressing the gap will be considered by Policy and Resources Committee in January 2020 once all service committees have had the opportunity to consider their budgets.

Local government finance continues to experience external pressures and uncertainties as a result of the continuing pressure on public sector spending. This is exacerbated by the absence of reliable forecasting data beyond 2020/21 (since the settlement for that year will be for one year only) and by volatility in key income streams. Proposed changes to the way the government funds local government (as being covered by the 'Fair Funding Review') are not yet finalised and it is not possible to identify how individual authorities might be affected at this stage. The revised arrangements will not be put in place for 2020/21, rather they have been delayed until 2021/22.

A full budget report will be considered by the Policy and Resources Committee on 30 January 2020 and then presented to Full Council for approval on 13 February 2020.

Budget Timetable

The timetable for the General Fund budget process allows for consideration by the various committees as set out below:

Date	Committee	Item
25 July 2019	Policy & Resources	Medium Term Financial Strategy update and approval of budget guidelines
29 July 2019	All Member Briefing	All Member briefing on budget guidelines, timetable and medium term financial strategy
September 2019 to January 2020	Budget workshops and technical briefings (as required)	Workshops to provide further service information relevant to each committee to aid consideration of the budgets
12 November 2019	Housing & Communities	Draft service budgets relevant to this committee (General Fund & HRA)
21 November 2019	Infrastructure & Inclusive Growth	Draft service budgets relevant to this committee (General Fund)
27 November 2019	Neighbourhoods & Public Spaces	Draft service budgets relevant to this committee (General Fund)
18 December 2019	Policy & Resources	Draft service budgets relevant to this committee (General Fund)
December 2019/January 2020	All Member Briefing	All Member briefing on current budget position and local government finance settlement
30 January 2020	Policy & Resources	Full General Fund Budget and Council Tax Setting 2020/21, Housing Revenue Account (HRA) Budget 2020/21
13 February 2020	Council	

Draft Service Budgets

Set out in **Enclosure No. 2** are the draft budgets for services relevant to this committee, for the financial year 2020/21 and forward forecast to 2023/24. The draft budgets have been prepared on the basis of current levels of service delivery (except where identified) and any known legislative changes to date, any further developments in legislation will be accounted for once further information becomes available from government.

Main issues affecting services in this committee

Cleaning Contract

The forecast budgets reflect the implementation of the 'Strategic Cleaning and Facility Management Services Contract' as agreed by the Policy Oversight and Strategy Committee on 21 March 2019 (Min No. 2019/217). Employee expenditure for some services has reduced as a result of staff being TUPEd to the new contract holders. Expenditure on supplies and services for the relevant services that form the contract have been revised accordingly, to reflect the respective cost of the agreed contract price.

Insurance Arrangements

As discussed at Policy & Resources Committee on 4 July 2019 (Min No. 2019/327), the council carried out a recent tender exercise on the renewal of external insurance arrangements for the majority of the Council's major insurance policies. The Insurance Pool budgets that come under the remit of this committee are reflective of the outcome of that tender exercise.

Legislative Changes

The 'Homelessness and Rough Sleeping Prevention Strategy 2019-2024' agreed at the Housing and Communities committee on 17 September 2019 (Min No. 2019/465) included an explanation of the increased demands placed on housing authorities since the implementation of The Homelessness Reduction Act 2017. As well as the request for approval of funding for additional staffing in the Homelessness service, it was identified that if no follow-on funding from the initial 2 year Rough Sleep Initiative Grant was forthcoming, there would be a £207k shortfall to continue with the current level of provision. In order to mitigate the potential impact of such an eventuality, a provision of £200k has been made across the forecast within the budgets of this committee.

Borough Lighting

At this committee on 2 October 2019 (Min No. 2019/523), funding was agreed to turn the street lights within the borough back on at night from 31 October 2019 to 31 March 2020. Members are asked to consider the extension of the agreement with Essex County Council (ECC) for a further four years through to March 2024. The cost for the borough is £275,000 per annum. ECC are undertaking a county-wide programme to upgrade to more energy efficient LED lights. The upgraded lights are expected to reduce the cost to Basildon by 40% and this has been factored into the budgets presented. The funding for this will be considered along with the overall budget position which is due to be presented back to this committee on 30 January 2020 and then for final Council approval on 13 February 2020.

Pensions Review

The Council's payment to the Essex Pension Fund in respect of pension deficit contributions is within the budgets of this committee. Following the recent actuarial review of the pension fund, various options were provided to the Council for consideration as to the timing of when payments are made to the fund to cover the three year period until the next review. The options include:

1. 12 monthly payments based on a year on year 3.6% increase
2. 12 monthly payments based on a flat rate for 3 years
3. One annual payment in April each year based on a 3.6% year on year increase
4. One annual payment in April each year based on a flat rate for 3 years
5. One triennial payment in April 2020

The amounts payable under each option vary since the return generated is dependent on the receipt of such payments. The most financial advantageous option for the Council is Option 5, which means a payment of £3.945 million will be made to the fund in April 2020. Accounting principles mean that this sum is all chargeable to the revenue account in 2020/21 and the impact of this will be smoothed out through the Pensions and Contingency reserve.

Capital Financing and Investing Activities

These budgets relate to the revenue costs in respect of managing the Council's debt and cash flow position during the course of the year, as well as specific capital investment activities.

In respect of capital financing, these costs include interest payments on all borrowing undertaken and forecasts for interest on new loans required for the Council to deliver the capital programme and wider programme of capital investments. Also included is income from the investment of surplus cash where the timing of cash flows allows and a provision for the repayment of debt. These costs are split between the general fund and HRA and a provision is therefore included for a suitable sum to be recharged into the HRA.

Investing activities includes the income generated from the Councils investment in the Investment Asset Acquisition Programme, the Strategic Asset Acquisition Programme and investment in the Council's subsidiary company, Sempra Homes Limited. It should be noted that some of the costs associated with these activities are included in the Capital Financing section (see above) as it is assumed that these activities are funded from borrowing. All of these activities have been subject to separate approval by Council, with the draft budgets presented following the timing of the various elements as set out in the appropriate business plan or strategy. The latest Commercial and Strategic Asset Strategy was approved by Council on 8 August 2019 (Min No. 2019/419) and the latest version of the Sempra Homes Business Plan was approved by Housing Development Sub Committee on 6 November 2019 (Min No. 2019/573).

The Capital and Investment Strategy will be presented to Audit and Risk in January and then be included in the budget report that is presented to Policy and Resources in January and Council in February. The numbers are still under review and it is possible that they may change between now and January.

Review of Fees and Charges

A review of fees and charges for 2020/21 has been completed by Officers as detailed in the schedule in **Enclosure No. 3**. The schedule is supported by the relevant Charging Directory which gives members of the public information on the basis for each fee or charge.

When reviewing this information Members should give consideration to the following:

- What is the primary objective of the charge proposed?
- What services are being provided free of charge and why?
- Do we fully understand competitors to the service and how do we compete with these?
- Has there been sufficient consultation?
- What is the effect of charges on usage/demand?

Forecast Outturn

Enclosure No.5 details the financial position at 30 September 2019 (Quarter 2) for this current financial year. Members are asked to note the current position and consider the impact of the identified variances when reviewing the budget for the future financial years.

OPTIONS

The Committee can choose to refer the draft budgets or elements of them back to officers for further work. It should be noted that this could potentially compromise the budget setting timetable since a further meeting of the committee may be required which could delay the subsequent meetings necessary for the budget setting process. In these circumstances, officers would work closely with members to ensure, to the extent that this is possible, that the council tax and budget were approved by the statutory deadline.

LEGISLATION/POLICY

Budget matters for local authorities are covered by various requirements derived from primary and secondary legislation. Local authorities are also bound by various Codes of Practice that cover their financial activities. The role of the Section 151 Officer in financial matters is set out in Section 2 of the Council's Financial Regulations.

GENERAL INFORMATION

Corporate Plan Promises

The budget and forecast set out how the resources available to the Council will be deployed in support of delivery of the Corporate Plan promises.

Financial Implications

As set out in the report and enclosures.

Risk Management Implications

The risk management implications are set out at **Enclosure No. 1**.

Inclusion, Diversity and Community Cohesion Implications

Managers consider the implications for these matters as part of preparing service plans and the associated detailed budgets. Service impact assessments are completed during this process where it is appropriate to do so.

Other Relevant Considerations

None.

Background Papers

None.

Risk Management Implications Table

<u>Threats</u>	<u>Control measure(s), currently in place, to reduce the Threat</u>	<u>Current Level</u>	<u>Proposed Action(s) to further reduce the Threat</u>	<u>Target Level if Proposed Actions are implemented</u>
<p>Definition of Threat:</p> <p>Failure to ensure that net expenditure is contained within the approved budget will result in a significant deterioration in the Council's overall financial position.</p> <p>Main Threat Category:</p> <p>Financial</p>	<ul style="list-style-type: none"> • Assess the financial implications of new Government policy. • Respond to Government consultation and other initiatives. • Develop and maintain sustainable revenue budgets supported by adequate levels of reserves. • Regular budget monitoring, including forecasting the outturn position, by service managers, finance officers and the Senior Leadership Team. • Actively manage those aspects of the budget that consist of significant demand-led expenditure or income. 	High	<ul style="list-style-type: none"> • Respond to both external and internal events that may influence the budget position, including changes in legislation. • Consider affordability of new proposals and future levels of Council tax. 	Medium

This page is intentionally left blank

Budget Book 2020/21 & Forward Forecast to 2023/24

Summary	Original		Estimates		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Trading Operations	(2,728)	(2,678)	(2,674)	(2,668)	(2,663)
Council Tax & NNDR Cost of Collection	984	680	654	655	659
Housing Benefit & Council Tax Support	(160)	(304)	(329)	(328)	(323)
Electoral Expenses	414	397	287	399	401
Democratic Representation	1,009	919	926	933	941
General Administration & Corporate Core	3,292	3,183	3,807	4,390	4,913
Emergency Planning & Business Continuity	138	129	130	132	134
Central Expenses	1,370	1,803	1,799	1,296	1,297
Corporate Staffing	702	4,589	658	670	4,922
Insurance Pool	-	-	-	-	-
Capital Financing	660	1,708	2,756	2,338	2,338
Investing Activities	(5,445)	(6,568)	(8,781)	(6,782)	(7,080)
Other Corporate Expenses	456	452	459	466	474
Management & Administration Support	-	-	-	-	-
Customer Service Centre	-	-	-	-	-
Office Accommodation	-	-	-	-	-
Total	692	4,310	(308)	1,501	6,013

Budget Book 2020/21 & Forward Forecast to 2023/24

Trading Operations

This service is responsible for the management of Council assets including acquisitions and disposals of property, valuation, commercial asset management, asset review, support to development projects, professional property advice and asset data management.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Employees	222	-	-	-	-
Premises	739	774	778	782	785
Supplies & Services	408	199	198	198	198
Management & Administration	288	192	193	195	198
Capital	881	957	957	957	957
Income	(5,266)	(4,800)	(4,800)	(4,800)	(4,801)
Total	(2,728)	(2,678)	(2,674)	(2,668)	(2,663)

Employees (full time equivalent)	4.0
---	------------

The management and maintenance of the Enterprise Centre located at Shotgate, Wickford, which has 10 industrial units that are let to private firms, along with the management of 158 shops within local neighbourhood parades, town centre pavilions, 10 commercial premises and 12 miscellaneous units.

Budget Book 2020/21 & Forward Forecast to 2023/24

Council Tax & NNDR Cost of Collection

This service is responsible for the Council's administration and recovery costs for local taxation for both Basildon and Brentwood.

	Original		Estimates		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Employees	1,186	1,229	1,215	1,225	1,238
Transport	7	6	6	6	6
Supplies & Services	225	188	190	194	196
Management & Administration	1,158	908	907	908	911
Income	(1,592)	(1,651)	(1,664)	(1,678)	(1,692)
Total	984	680	654	655	659

Employees (full time equivalent)	35.0	35.4
---	-------------	-------------

	Original 2019/20	Estimate 2020/21
Council Tax:		
Total number of properties	78,650	78,837
Taxable base	60,924	61,287
Business Rates:		
Rate Poundage – Small Businesses	49.1p	49.9p
Rate Poundage – Other	50.4p	51.2p
Number of Properties	4,955	4,962
Rateable Value	£191.5m	£192.6m
Rating Reliefs – Number of Properties:		
Discretionary Relief only	8	11
Mandatory plus Discretionary Relief	7	6
Mandatory Relief only	215	217
Community Amateur Sports Club	11	11

Budget Book 2020/21 & Forward Forecast to 2023/24

Housing Benefit & Council Tax Support

Housing Benefit relates to Housing Revenue Account rent rebates, rent of private sector dwellings (including Housing Association), charges for board, lodging and accommodation charges for homeless persons. Council Tax Support relates to Housing Revenue Account properties, private sector dwellings (including Housing Association properties) and owner occupiers.

	Original		Estimates		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Employees	1,191	1,229	1,215	1,225	1,238
Transport	6	6	6	6	6
Supplies & Services	362	337	337	340	342
Transfer Payments	54,266	54,266	54,266	54,266	54,266
Management & Administration	652	542	544	546	550
Income	(56,637)	(56,684)	(56,697)	(56,711)	(56,725)
Total	(160)	(304)	(329)	(328)	(323)

Employees (full time equivalent)	35.5	34.8
---	-------------	-------------

Average number/amount of benefits granted/paid per week

	Original 2019/20		Estimate 2020/21	
	Benefit £	Caseload	Benefit £	Caseload
Private Sector Dwellings (including Housing Associations & Registered Social Landlords)	113	4,474	115	4,150
Housing Revenue Account Properties	80	4,804	81	4,505

Budget Book 2020/21 & Forward Forecast to 2023/24

Electoral Expenses

This service is responsible for the compilation and maintenance of the electoral register for the Borough and absent electors voting provisions in accordance with legislative requirements, as well as the conduct of scheduled Basildon Council elections.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Employees	99	104	105	106	108
Supplies & Services	191	190	70	190	190
Management & Administration	157	135	135	135	135
Income	(33)	(32)	(23)	(32)	(32)
Total	414	397	287	399	401
Employees (full time equivalent)	3.0	3.0			

Electorate as at Sept 2019 – 138,872

Budget Book 2020/21 & Forward Forecast to 2023/24

Democratic Representation

This budget covers the cost of managing and administering the Council's decision making processes, various allowances paid to Members of the Council in accordance with the approved Members Allowances Scheme, provision for the Mayor's travel and hospitality and for Member Training and Development.

	Original	2020/21	Estimates			2023/24
	2019/20		2021/22	2022/23	2023/24	
	£'000	£'000	£'000	£'000	£'000	£'000
Employees	22	18	18	18	18	18
Premises	3	3	3	3	3	3
Supplies & Services	445	633	636	638	640	640
Management & Administration	753	479	483	488	494	494
Income	(214)	(214)	(214)	(214)	(214)	(214)
Total	1,009	919	926	933	941	941

Number of Councillors - 42

Budget Book 2020/21 & Forward Forecast to 2023/24

General Administration & Corporate Core

This budget includes administration and other support costs together with provisions for various initiatives and functions not directly attributable to particular services at the time the budget was agreed.

It also reflects the costs associated with corporate management of the organisation including all activities undertaken by the Council as an elected multi-purpose organisation. Such functions include overall strategic policy making, representing local interests and duties arising from public accountability.

	Original		Estimates		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Employees	739	903	1,509	2,073	2,573
Supplies & Services	666	865	865	865	865
Third Party Payments	1,250	500	500	500	500
Management & Administration	1,817	2,102	2,122	2,146	2,176
Income	(1,180)	(1,187)	(1,189)	(1,194)	(1,201)
Total	3,292	3,183	3,807	4,390	4,913

Budget Book 2020/21 & Forward Forecast to 2023/24

Emergency Planning & Business Continuity

This budget supports the Council's responsibilities in respect of the Civil Contingencies Act 2004. Basildon Council has an important role to play in the event of an emergency occurring within the Borough and the Emergency Planning service works with frontline emergency services and other local authorities in Essex to ensure that the Council is prepared to respond and assist the community in time of need.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Employees	130	128	129	131	132
Transport	4	4	4	4	4
Supplies & Services	18	18	18	18	18
Management & Administration	21	14	14	14	15
Income	(35)	(35)	(35)	(35)	(35)
Total	138	129	130	132	134
Employees (full time equivalent)	2.0	2.0			

Budget Book 2020/21 & Forward Forecast to 2023/24

Central Expenses

This budget relates to a range of fees and charges payable by the Council for corporate functions.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Employees	-	283	283	-	-
Premises	886	882	878	875	875
Supplies & Services	576	753	753	536	537
Management & Administration	14	-	-	-	-
Income	(106)	(115)	(115)	(115)	(115)
Total	1,370	1,803	1,799	1,296	1,297

Budget Book 2020/21 & Forward Forecast to 2023/24

Corporate Staffing

This budget includes a range of staff related costs including the pension provision.

	Original	2020/21	Estimates			2023/24
	2019/20		2021/22	2022/23	2023/24	
	£'000	£'000	£'000	£'000	£'000	£'000
Employees	833	5,442	1,507	1,515	5,470	
Premises	178	183	189	194	200	
Supplies & Services	42	41	41	41	541	
Management & Administration	21	-	-	-	-	
Income	(372)	(1,077)	(1,079)	(1,080)	(1,289)	
Total	702	4,589	658	670	4,922	

Budget Book 2020/21 & Forward Forecast to 2023/24

Insurance Pool

The Insurance Pool provides flexibility in addressing Basildon Council's insurance requirements within the context of general risk management, leading to net savings for the Council through self-insurance and other initiatives, as detailed in the Insurance Strategy. Significant premium savings were achieved in 2020/21 as a result of the market tender of the council's insurance policies, which is completed every five years. Insurance costs are recharged to other Council services.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Employees	136	139	140	142	143
Supplies & Services	13	13	23	13	13
Management & Administration	60	62	62	62	61
Capital	723	633	622	630	629
Income	(932)	(847)	(847)	(847)	(846)
Total	-	-	-	-	-
Employees (full time equivalent)	3.5	3.5			

Budget Book 2020/21 & Forward Forecast to 2023/24

Capital Financing

This page brings together the costs associated with managing the Council's debt position after allowing for recharges to services elsewhere in the Council's budget. Interest earned on cash balances is netted off against interest charges here. The budget reflects the split of debt between the General Fund and Housing Revenue Account.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Capital	7,594	8,417	9,670	9,573	9,573
Income	(6,934)	(6,709)	(6,914)	(7,235)	(7,235)
Total	660	1,708	2,756	2,338	2,338

Average rates of interest

	2020/21	2021/22	2022/23	2023/24
Borrowing Rate	3.93%	3.87%	3.88%	3.88%
Investment Return	1.00%	1.50%	1.60%	1.70%

Budget Book 2020/21 & Forward Forecast to 2023/24

Investing Activities

The Investing Activities budget brings together all of the elements of capital investments and commercial activities undertaken by the Council. The programme includes assumed income from the expanded Commercial Asset Acquisition Strategy as well as Sempra Homes and the costs for the Commercial Team. Any assumed borrowing for the provision of these activities is included in the Capital Financing budget area. This page therefore shows the income generated, without the associated financing costs.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Employees	157	154	156	157	159
Supplies & Services	223	194	214	214	214
Management & Administration	92	21	21	22	22
Income	(5,917)	(6,937)	(9,172)	(7,175)	(7,475)
Total	(5,445)	(6,568)	(8,781)	(6,782)	(7,080)
Employees (full time equivalent)	3.0	3.0			

Budget Book 2020/21 & Forward Forecast to 2023/24

Other Corporate Expenses

This budget relates to a range of fees and charges payable by the Council for corporate functions.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Supplies & Services	444	452	459	466	474
Management & Administration	12	-	-	-	-
Total	456	452	459	466	474

Budget Book 2020/21 & Forward Forecast to 2023/24

Management & Administration Support

This budget represents the salaries and associated costs relating to Council Management & Administration services which are subsequently charged direct to Services.

	Original		Estimates		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Employees	8,701	8,729	8,815	8,905	8,993
Transport	47	48	48	48	49
Supplies & Services	1,309	1,411	1,418	1,429	1,434
Third Party Payments	987	950	905	863	863
Management & Administration	2,927	844	865	886	908
Income	(13,971)	(11,982)	(12,051)	(12,131)	(12,247)
Total	-	-	-	-	-

Employees (full time equivalent)	177.2	176.5
---	--------------	--------------

	Original 2019/20		Estimate 2020/21	
Employees	F.T.E*	£'000	F.T.E*	£'000
Communities	22.0	1,095	22.0	1,114
Corporate Services	42.1	2,083	42.4	2,078
Engagement	12.0	628	12.0	588
Executive Team	3.0	583	3.0	597
Growth	4.8	337	3.8	312
People & Change	31.9	1,373	28.0	1,287
Public Spaces	19.1	731	18.3	715
Resources	42.2	1,870	47.0	2,039
	177.2	8,701	176.5	8,729

* Full-Time Equivalent (including an allowance for temporary, casual and agency staff)

Budget Book 2020/21 & Forward Forecast to 2023/24

Customer Service Centre

This budget represents the salaries and associated costs relating to the Customer Service Centre to provide a single point-of-contact for customers of Basildon Council.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Employees	1,919	1,911	1,881	1,903	1,924
Transport	1	1	1	1	1
Supplies & Services	169	142	142	144	145
Management & Administration	487	294	302	309	317
Income	(2,576)	(2,348)	(2,326)	(2,357)	(2,387)
Total	-	-	-	-	-
Employees (full time equivalent)	65.9	63.9			

Budget Book 2020/21 & Forward Forecast to 2023/24

Office Accommodation

This budget relates to the Basildon Centre and Barleylands Depot.

	Original	2020/21	Estimates			2023/24
	2019/20		2021/22	2022/23	2023/24	
	£'000	£'000	£'000	£'000	£'000	£'000
Employees	487	305	307	310	313	
Premises	893	1,094	1,113	1,130	1,151	
Transport	5	5	5	5	5	
Supplies & Services	89	101	103	105	107	
Management & Administration	156	37	38	39	40	
Capital	161	151	151	151	151	
Income	(1,791)	(1,693)	(1,717)	(1,740)	(1,767)	
Total	-	-	-	-	-	-
Employees (full time equivalent)	16.8	8.0				

This page is intentionally left blank

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Development & Regulation
Service Area: Industrial & Commercial Premises
Charging Directory Area: Industrial and Commercial Premises Garages

Objectives/rationale of the fee/charge (e.g. full cost recovery)

Market rate (the Council is effectively the market for garages in Basildon.)

Proposed change in fee/charge from previous year (%)

25p increase per standard garage (excl. VAT), equivalent to approx 2%. 35p increase per non-standard garages per week (excl. VAT), again equivalent to approx 2%.

Justification for revised charge (compared to previous year)

It is not anticipated that this increase will have an adverse impact on lettings

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Difficult to do as Basildon Council effectively sets the market.

If significant change in charge, what consultation was undertaken with the general public?

None, increase is felt to be modest.

Level of subsidy in respect of service

Nil.

Usage figures and source of this data

5,500 garages of which 3,458 standard garages and 6 non-standard are let at the present time.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

3,458 x £10.95 x 52 weeks = £19,689.85
6 x £17.25 x 52 weeks = £5,382.

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

INDUSTRIAL & COMMERCIAL PREMISES

INDUSTRIAL AND COMMERCIAL PREMISES GARAGES

Garage Rental

RE 0158	Standard Garage Rent (Tenant)	per week	OS	10.75	10.75	11.00	11.00
RE 0159	Standard Garage Rent (Non -Tenant)	per week	S	10.75	12.90	11.00	13.20
RE 0164	Non-Standard Garage Rent (Tenant)	per week	OS	16.90	16.90	17.25	17.25
RE 0165	Non-Standard Garage Rent (Non-Tenant)	per week	S	16.90	20.28	17.25	20.70

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Corporate & Central
Service Area: Democratic Representation
Charging Directory Area: Legislative Charge

Objectives/rationale of the fee/charge (e.g. full cost recovery)

The charges for the supply of the Electoral Register are set statutory fees over which the Council has no discretion.

Proposed change in fee/charge from previous year (%)

No change.

Justification for revised charge (compared to previous year)

The Council has no discretion in the charges for supply of the electoral register.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

No benchmarking has been undertaken. Electoral Register charges are statutory.

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Income from the sale of electoral registers is approximately £2,000 per annum. The electoral register must be supplied free of charge to a large number of organisations and it is primarily credit reference agencies who purchase copies of the register. The electoral register is sold in parts and the charge is dependant on how much of the register people wish to purchase.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

Approximately £2,000 – this is based on previous year's income which is the best guide.

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

DEMOCRATIC REPRESENTATION

LEGISLATIVE CHARGE

Sales of the Electoral Register

SOA 0030	Data - £20 admin fee plus £1.50 per thousand entries (or part thereof)	OS	20.00	20.00	20.00	20.00
	Paper - £10 admin fee plus £5.00 per thousand entries (or part thereof)	OS	10.00	10.00	10.00	10.00

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee:	Policy & Resources
Budget Book Area:	Management & Administration
Service Area:	Management and Administration Support
Charging Directory Area:	Corporate Property Services

Objectives/rationale of the fee/charge (e.g. full cost recovery)

CPS receives a regular number of land ownership enquiries from the public. Much of this information is publicly available from the Land Registry, who makes a nominal charge to applicants. These enquiries require a significant amount of surveyor resource and divert resources from core business.

In addition, the Commonhold and Leasehold Reform Act 2002 introduced rights in respect of administrative charges, which is payable directly for or in connection with the provision of information or documents by or on behalf of the the landlord or person party to the lease other than the landlord or tenant.

Where the information is publicly available the applicant will be referred to the Land Registry or to their own property deeds and/or solicitor if this is appropriate. If the applicant still wishes to use the services of CPS to research the information there will be a charge of £105, representing an increase of £5 over the current year. However, there may be instances where it is in the Council's interest to research the matter without fee e.g. it could lead to the discovery of an encroachment of Council land.

Enquiries to purchase Council land require a significant amount of resource before Heads of Terms can be issued with few applications resulting in disposal.

The charges for processing an application to purchase an interest in Council land will be (incorporating an increase of approx. 2% over the current year):-

1. An initial screening will be without charge i.e. to determine if the land cannot be sold because there are known restrictions, such as, community related assets.
2. If there is no obvious reason why the land cannot be sold off market to the applicant (procedure note will identify the circumstances) the applicant will be required to pay a fee of £105 before detailed enquiries are made prior to issuing Heads of Terms. Whilst we will be unable to issue a formal valuation at this stage wherever possible we will indicate a level of value based on similar recent disposals in order that the applicant can withdraw from the process before paying a fee.
3. If the disposal completes there will be an additional fee charged to the purchaser to cover the Council's surveyor's costs incurred in the transaction. This will be at minimum an additional £310 but there may be instances where the fee will need to be varied and this will be advised to the applicant at an early stage.
4. Legal services will charge an additional fee to the purchaser on completion to cover its costs in the transaction broadly in line with the above charges.

There will be occasions when outside agencies, probably companies, require advice or assistance where there are no Legal Agreements as a result. An hourly rate is suggested here, similar to Legal for senior staff, up to £200.00 per hour.

Where a Wayleave or Licence is requested, our charges will be £105 initially, followed by a further £400 on completion. For complex arrangements, or where we dealing with a Utility, these charges may be varied.

Occasionally, we receive requests from Tenants to provide a hard copy of a lease or Licence, we propose a nominal charge here of £25. Documents sent electronically will not incur a charge.

Our Tenants will occasionally require Landlord consent for perhaps a lease assignment, sub-letting, alterations or a change of use (sometimes two or three consents necessary at the same time). We already charge our Tenants for consent to assign and this should be extended to applications to alter and change use. These matters can be extremely time consuming, and with formal paperwork required, and Legal already charging, CPS should also be charging a proportionate fee, £105 and £310.

Proposed change in fee/charge from previous year (%)

No change to minimum fee but change proposed in total fee equates to an increase of about 2% and we will now have the ability to charge more should the circumstances warrant a more significant fee.

Justification for revised charge (compared to previous year)

Applications to purchase/land enquiries can identify land use issues and the enquiry fee income needs to be set at an affordable level, however, we need to have the ability to charge a higher fee when appropriate.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Association of Chief Estates Surveyors - information exchange relating to other authorities charges.

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Approximately 50 chargeable enquiries per annum resulting in 5-10 disposals (which includes short term licences).

Expected budgeted income – this should be calculated as the usage multiplied by the charge

Approximately £10,000

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

CORPORATE PROPERTY SERVICES

Enquiries (Land Ownership, Land Disputes or General)

CP 0001	Charge	per enquiry	S	102.40	122.88	105.00	126.00
---------	--------	-------------	---	--------	--------	--------	--------

Enquiries for the Purchase, Transfer or Long Lease of Land

CP 0002	Initial Screening to see if the land can be sold and what restrictions are in place (FREE)	per enquiry	S	-	-	-	-
CP 0002A	Formal Offer (if the land can be sold then a formal offer is subject to an upfront non-refundable fee)		S	102.40	122.88	105.00	126.00
CP 0002B	Charge to successful bidder upon completion (should a final offer be accepted)		S	307.20	368.64	310.00	372.00

Enquiries for Assignment of Leases to completion

CP 0003	Charge to include initial enquires/credit check		S	100.00	120.00	105.00	126.00
CP 0004	Charge to successful assignor upon completion		S	300.00	360.00	310.00	372.00

Enquiries for Alterations and/or change of use

CP 0005	Charge to include initial enquiries	per enquiry	S	-	-	105.00	126.00
CP 0006	Charge to Tenant on completion	per enquiry	S	-	-	310.00	372.00

Enquiries for Wayleaves/Licences for services

CP 0007	Charge to include initial enquiries	per enquiry	S	-	-	105.00	126.00
CP 0008	Charge to Tenant on completion	per enquiry	S	-	-	400.00	480.00

Enquiries where a set fee is not established

CP 0009	Charge to member of the public/outside company	per hour	S	-	-	200.00	240.00
---------	--	----------	---	---	---	--------	--------

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Marketing & Communications

Objectives/rationale of the fee/charge (e.g. full cost recovery)

To offset maximum proportion of production costs possible for residents' magazine publication

Proposed change in fee/charge from previous year (%)

Negotiable

Justification for revised charge (compared to previous year)

Was previously set, however this has been amended to negotiable as fees set were rarely charged to customers due to nature of the business.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Against similar residents magazines in other local authorities and similar lifestyle magazines in the local area and using information from soft market testing.

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Based on soft market testing

Expected budgeted income – this should be calculated as the usage multiplied by the charge

£16,500

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

MARKETING & COMMUNICATIONS

Charges are available with zero rated VAT for charities who hold the necessary certificates.

Together Magazine Advertising (1 Edition)

MC 0001	Inside Back Cover Full Page	264mm wide x 330mm high	S	1,500.00	1,800.00	-	-
MC 0002	Inside Back/Front Cover Half Page	264mm wide x 160mm high	S	800.00	960.00	-	-
MC 0003	Full Page (run of paper)	264mm wide x 330mm high	S	1,000.00	1,200.00	-	-
MC 0004	Half Page (run of paper)	264mm wide x 160mm high	S	650.00	780.00	-	-
MC 0005	Quarter Page	130mm wide x 162mm high	S	400.00	480.00	-	-
MC 0008	Front Page Ear Piece	Non Standard	S	500.00	600.00	-	-

Together Magazine Advertising (2-4 Editions - cost per Edition)

MC 0009	Inside Back Cover Full Page (2-4 editions) [Negotiable]	264mm wide x 330mm high	S	1,250.00	1,500.00	-	-
MC 0010	Inside back / front cover half page (2-4 editions) [Negotiable]	264mm wide x 160mm high	S	700.00	840.00	-	-
MC 0011	Full page (run of paper (2-4 editions) [Negotiable]	264mm wide x 330mm high	S	702.00	842.40	-	-
MC 0012	Half page (run of paper((2-4 editions) [Negotiable]	264mm wide x 160mm high	S	409.50	491.40	-	-
MC 0013	Quarter page (2-4 editions) [Negotiable]	130mm wide x 162mm high	S	234.00	280.80	-	-
MC 0016	Front page ear piece (2-4 editions) [Negotiable]	Non Standard	S	292.50	351.00	-	-

Together Magazine Advertising (Design)

MC 0017	Design -full page ad [Negotiable]	per advert	S	200.00	240.00	-	-
MC 0018	Design - half page ad [Negotiable]	per advert	S	100.00	120.00	-	-
MC 0019	Design - quarter page./Ear piece [Negotiable]	per advert	S	66.67	80.00	-	-

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Legal Property and Contracts - Residential

Objectives/rationale of the fee/charge (e.g. full cost recovery)

The Legal Service undertakes a range of work, which includes engagement and preparation of documentation to effect primarily commercial transactions, such as leases, assignments, development agreements, and planning agreements. The Council's position is full cost recovery and, as such, the fees below are proposed to be updated as these have been stagnate for some years. These will be reviewed and updated in future.

The fee payment goes direct to the service department dealing with the request (Legal Property & Contracts Team).

Proposed change in fee/charge from previous year (%)

2%

Justification for revised charge (compared to previous year)

In line with inflation.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Benchmarking Exercise undertaken with London Borough of Hackney, Castle Point DC and Tendring DC

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Due to the nature of these services it is difficult to estimate usage figures. They are dependent upon demand and instructions from other services, therefore the expected income figures are based on previous years' income.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

£10,125

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

LEGAL PROPERTY AND CONTRACTS - RESIDENTIAL

Residential

CU 0102	Registration Fee for Charge (If lease rate is different this will be charged instead of the standard fee)	S	35.00	42.00	36.00	43.20
CU 0103	Letter of Postponement of Discount Charge to enable further borrowing	S	123.00	147.60	125.00	150.00
CU 0104	Repayment of Right to Buy Discount	S	123.00	147.60	125.00	150.00
CU 0105	Production of Mortgage Discharge Deed (DS1)	S	123.00	147.60	125.00	150.00
CU 0106	Retrospective Consent to Alterations	S	77.00	92.40	79.00	94.80

Shared Ownership

CU 0107	Purchase of further share - Freehold	S	205.00	246.00	209.00	250.80
CU 0108	Purchase of further share - Leasehold (Memo of Staircasing)	S	308.00	369.60	314.00	376.80
CU 0109	Purchase of further share - Leasehold (Grant of new Lease)	S	431.00	517.20	440.00	528.00
CU 0110	Licence to Assign/Conditional Consent	S	140.00	168.00	143.00	171.60
CU 0111	Licence to Underlet	S	140.00	168.00	143.00	171.60
CU 0112	Licence renewal	S	134.00	160.80	137.00	164.40
CU 0113	Transaction Registration Fee (If lease rate is higher this will be charged instead of the standard fee)	S	35.00	42.00	36.00	43.20

Pine Close

CU 0114	Acting on Sale (1% will be charged if greater than standard fee)	S	1,250.00	1,500.00	1,275.00	1,530.00
---------	--	---	----------	----------	----------	----------

Lease Extension/Enfranchisement

CU 0115	Lessees' Statutory Right to extend lease or purchase freehold of block	S	770.00	924.00	785.00	942.00
---------	--	---	--------	--------	--------	--------

Lease Variation

CU 0116	Lease Variation	S	375.00	450.00	383.00	459.60
---------	-----------------	---	--------	--------	--------	--------

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Legal Property and Contracts - Commercial

Objectives/rationale of the fee/charge (e.g. full cost recovery)

The Legal Service undertakes a range of work, which includes engagement and preparation of documentation to effect primarily commercial transactions, such as leases, assignments, development agreements, and planning agreements. The Council's position is full cost recovery and, as such, the fees below are proposed to be updated as these have been stagnate for some years. These will be reviewed and updated in future.

The fee payment goes direct to the service department dealing with the request (Legal Property & Contracts Team).

Proposed change in fee/charge from previous year (%)

2%

Justification for revised charge (compared to previous year)

In line with inflation.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Benchmarking Exercise undertaken with London Borough of Hackney, Castle Point DC and Tendring DC

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Due to the nature of these services it is difficult to estimate usage figures. They are dependent upon demand and instructions from other services, therefore the expected income figures are based on previous years' income.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

£6,478

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

LEGAL PROPERTY AND CONTRACTS - COMMERCIAL

Shop Lease (ex CNT) (Non-Statutory renewal)

CU 0117	Shop Lease only	S	923.00	1,107.60	941.00	1,129.20
CU 0118	Shop Lease with Rent Deposit	S	1,025.00	1,230.00	1,046.00	1,255.20
CU 0119	Shop Lease with Licence to alter	S	1,538.00	1,845.60	1,569.00	1,882.80
CU 0147	Registration Fee for Charge (If lease rate is different this will be charged instead of the standard fee)	S	35.00	42.00	36.00	43.20

Commercial Lease (non-ex CNT)

CU 0120	Non-ex CNT Commercial Lease	S	1,128.00	1,353.60	1,151.00	1,381.20
---------	-----------------------------	---	----------	----------	----------	----------

Community Lease (contribution)

CU 0121	Community Lease (contribution)	S	461.00	553.20	470.00	564.00
---------	--------------------------------	---	--------	--------	--------	--------

Licence to Assign

CU 0122	Licence only	S	238.00	285.60	243.00	291.60
CU 0123	Licence with Rent Deposit	S	430.00	516.00	439.00	526.80
CU 0124	Licence with Licence to alter/change use	S	538.00	645.60	549.00	658.80

Other Licence (no assignment)

CU 0125	Other Licence (no assignment)	S	487.00	584.40	497.00	596.40
---------	-------------------------------	---	--------	--------	--------	--------

Combined Licence

i.e. to change use and alter

CU 0126	Combined Licence i.e. to change use and alter	S	420.00	504.00	427.00	512.40
---------	---	---	--------	--------	--------	--------

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Legal Property and Contracts - General Land Transactions

Objectives/rationale of the fee/charge (e.g. full cost recovery)

The Legal Service undertakes a range of work, which includes engagement and preparation of documentation to effect primarily commercial transactions, such as leases, assignments, development agreements, and planning agreements. The Council's position is full cost recovery and, as such, the fees below are proposed to be updated as these have been stagnate for some years. These will be reviewed and updated in future.

The fee payment goes direct to the service department dealing with the request (Legal Property & Contracts Team).

Proposed change in fee/charge from previous year (%)

2%

Justification for revised charge (compared to previous year)

In line with inflation.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Benchmarking Exercise undertaken with London Borough of Hackney, Castle Point DC and Tendring DC

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Due to the nature of these services it is difficult to estimate usage figures. They are dependent upon demand and instructions from other services, therefore the expected income figures are based on previous years' income.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

£19,168

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

LEGAL PROPERTY AND CONTRACTS - GENERAL LAND TRANSACTIONS

Disposals

CU 0127	Under £10k	S	770.00	924.00	785.00	942.00
CU 0128	Other Land disposals £10k+ (Charge will be 1% of the disposal if this is greater than the fixed fee)	S	1,025.00	1,230.00	1,046.00	1,255.20

Wayleaves/Easements

CU 0129	Wayleaves/Easements	S	715.00	858.00	729.00	874.80
---------	---------------------	---	--------	--------	--------	--------

Auction Packs

CU 0130	Auction Packs	S	77.00	92.40	79.00	94.80
---------	---------------	---	-------	-------	-------	-------

Licence Agreement

CU 0131	Licence Agreement	S	745.00	894.00	760.00	912.00
---------	-------------------	---	--------	--------	--------	--------

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Legal Property and Contracts - Planning Agreements

Objectives/rationale of the fee/charge (e.g. full cost recovery)

The Legal Service undertakes a range of work, which includes engagement and preparation of documentation to effect primarily commercial transactions, such as leases, assignments, development agreements, and planning agreements. The Council's position is full cost recovery and, as such, the fees below are proposed to be updated as these have been stagnate for some years. These will be reviewed and updated in future.

The fee payment goes direct to the service department dealing with the request (Legal Property & Contracts Team).

Proposed change in fee/charge from previous year (%)

2%

Justification for revised charge (compared to previous year)

In line with inflation.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Benchmarking Exercise undertaken with London Borough of Hackney, Castle Point DC and Tendring DC

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Due to the nature of these services it is difficult to estimate usage figures. They are dependent upon demand and instructions from other services, therefore the expected income figures are based on previous years' income.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

£31,980.00 *

*To be replaced by Community Infrastructure Levy when introduced

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

LEGAL PROPERTY AND CONTRACTS - PLANNING AGREEMENTS

<u>Replacement and Demolition</u>						
CU 0132	Replacement and Demolition	S	460.00	552.00	469.00	562.80
<u>Contribution Works</u>						
CU 0133	Contribution Works	S	330.00	396.00	367.00	440.40
<u>Affordable Housing</u>						
CU 0134	Affordable Housing	S	870.00	1,044.00	887.00	1,064.40
<u>Open Space Commuted Sum</u>						
CU 0135	Open Space Commuted Sum	S	513.00	615.60	523.00	627.60
<u>Landscaping</u>						
CU 0136	Landscaping	S	512.00	614.40	522.00	626.40
<u>Revocation/Removal of Permitted Development</u>						
CU 0137	Revocation/Removal of Permitted Development Rights	S	950.00	1,140.00	969.00	1,162.80
CU 0138	Revocation/Removal of Permitted Development Rights with additional & advertising costs	S	1,845.00	2,214.00	1,882.00	2,258.40
<u>Obligations and Restrictions on Use</u>						
CU 0139	Major Works	S	872.00	1,046.40	889.00	1,066.80
CU 0140	Private Dwelling	S	460.00	552.00	469.00	562.80

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Legal Property and Contracts - Highways Agreements

Objectives/rationale of the fee/charge (e.g. full cost recovery)

The Legal Service undertakes a range of work, which includes engagement and preparation of documentation to effect primarily commercial transactions, such as leases, assignments, development agreements, and planning agreements. The Council's position is full cost recovery and, as such, the fees below are proposed to be updated as these have been stagnate for some years. These will be reviewed and updated in future.

The fee payment goes direct to the service department dealing with the request (Legal Property & Contracts Team).

Proposed change in fee/charge from previous year (%)

2%

Justification for revised charge (compared to previous year)

In line with inflation.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Benchmarking Exercise undertaken with London Borough of Hackney, Castle Point DC and Tendring DC

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Not able to be predicted.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

Not able to be predicted.

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

LEGAL PROPERTY AND CONTRACTS - HIGHWAYS AGREEMENTS

Major Works

CU 0141	Major Works (Will be charged hourly rate rather than the standard fee if this is greater)	S	1,845.00	2,214.00	1,882.00	2,258.40
---------	---	---	----------	----------	----------	----------

Minor Works

CU 0142	Minor Works (Will be charged hourly rate rather than the standard fee if this is greater)	S	923.00	1,107.60	941.00	1,129.20
---------	---	---	--------	----------	--------	----------

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Legal Property and Contracts - Hourly Rates

Objectives/rationale of the fee/charge (e.g. full cost recovery)

The Legal Service undertakes a range of work, which includes engagement and preparation of documentation to effect primarily commercial transactions, such as leases, assignments, development agreements, and planning agreements. The Council's position is full cost recovery and, as such, the fees below are proposed to be updated as these have been stagnate for some years. These will be reviewed and updated in future.

The fee payment goes direct to the service department dealing with the request (Legal Property & Contracts Team). The hourly rates are to be used where a set fee is not established.

Proposed change in fee/charge from previous year (%)

2%

Justification for revised charge (compared to previous year)

In line with inflation.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Benchmarking Exercise undertaken with London Borough of Hackney, Castle Point DC and Tendring DC

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Not able to be predicted.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

Not able to be predicted.

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

LEGAL PROPERTY AND CONTRACTS - HOURLY RATES

Where set fee not established (based on market)

Solicitors & Legal Execs over 8 years experience

CU 0143	Solicitors & Legal Execs over 8 years experience	per hour	S	223.00	267.60	227.00	272.40
---------	--	----------	---	--------	--------	--------	--------

Solicitors & Legal Execs over 4 years experience

CU 0144	Solicitors & Legal Execs over 4 years experience	per hour	S	197.00	236.40	201.00	241.20
---------	--	----------	---	--------	--------	--------	--------

Other Solicitors & Legal Execs and fee earners of equivalent experience

CU 0145	Other Solicitors & Legal Execs and fee earners of equivalent experience	per hour	S	165.00	198.00	168.00	201.60
---------	---	----------	---	--------	--------	--------	--------

Trainee Solicitors, Paralegals and other fee earners

CU 0146	Trainee Solicitors, paralegals and other fee earners	per hour	S	121.00	145.20	123.00	147.60
---------	--	----------	---	--------	--------	--------	--------

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Management and Administration Support
Charging Directory Area: Borough Filming Charges

Objectives/rationale of the fee/charge (e.g. full cost recovery)

These Fees and Charges have been introduced to bring us in line with other Local Authorities and provide some consistency to location charging for filming within the Borough.

Proposed change in fee/charge from previous year (%)

No charge previously.

Justification for revised charge (compared to previous year)

No charge previously.

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

Benchmarking carried out by Thurrock Film Office (run by Thurrock Council). The Fees have been based on other Londong Boroughs and Essex Authorities, we have matched values to Thurrock as they fall in line with other Essex Local Authorities.

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

N/A

Expected budgeted income – this should be calculated as the usage multiplied by the charge

This is the first year, 2020/21, these charges have been implemented. The expected budgeted income is to be reviewed next year based on this year's usage.

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

MANAGEMENT AND ADMINISTRATION SUPPORT

BOROUGH FILMING CHARGES

There may be additional fees if filming requires traffic management, parking, temporary structures or use of drones. Crews exceeding 50 people will be given a price on application.

Administration for Processing licence application

MC 0020	Small Crew (1 to 5 people)	each	S	-	-	50.00	60.00
MC 0021	Medium Crew (6 to 15 people)	each	S	-	-	100.00	120.00
MC 0022	Large Crew (16 to 50 people)	each	S	-	-	150.00	180.00

Fee for Street Filming - One off

MC 0023	Small Crew (1 to 5 people)	each	S	-	-	50.00	60.00
MC 0024	Medium Crew (6 to 15 people)	each	S	-	-	125.00	150.00
MC 0025	Large Crew (16 to 50 people)	each	S	-	-	175.00	210.00

Location Fee - Per Hour

MC 0026	Small Crew (1 to 5 people)	per hour	S	-	-	125.00	150.00
MC 0027	Medium Crew (6 to 15 people)	per hour	S	-	-	150.00	180.00
MC 0028	Large Crew (16 to 50 people)	per hour	S	-	-	200.00	240.00

Location Fee - Per Half Day

MC 0029	Small Crew (1 to 5 people)	per half day	S	-	-	350.00	420.00
MC 0030	Medium Crew (6 to 15 people)	per half day	S	-	-	450.00	540.00
MC 0031	Large Crew (16 to 50 people)	per half day	S	-	-	750.00	900.00

Location Fee - Per Day

Full Day rates may be negotiable if filming over several days.

MC 0032	Small Crew (1 to 5 people)	per day	S	-	-	-	-
MC 0033	Medium Crew (6 to 15 people)	per day	S	-	-	-	-
MC 0034	Large Crew (16 to 50 people)	per day	S	-	-	-	-

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Office Accommodation
Charging Directory Area: Equipment to be Provided

Objectives/rationale of the fee/charge (e.g. full cost recovery)

Full cost recovery.

Proposed change in fee/charge from previous year (%)

2% in line with policy set.

Justification for revised charge (compared to previous year)

Inflation in line with corporate policy

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

N/A

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Previous income figures.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

£1,000

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

OFFICE ACCOMMODATION

EQUIPMENT TO BE PROVIDED

Equipment

FM 0400	Flip Chart	S	10.00	12.00	10.21	12.25
FM 0401	Over Head Projector and Screen	S	20.00	24.00	20.42	24.50

CHARGING DIRECTORY FROM 2020/21 ONWARDS

Committee: Policy & Resources
Budget Book Area: Management & Administration
Service Area: Office Accommodation
Charging Directory Area: Room Hire

Objectives/rationale of the fee/charge (e.g. full cost recovery)

Full cost recovery.

Proposed change in fee/charge from previous year (%)

2% increase in line with policy.

Justification for revised charge (compared to previous year)

Inflation in line with corporate policy

What benchmarking has been undertaken to inform level of fee/charge (when and frequency)?

N/A

If significant change in charge, what consultation was undertaken with the general public?

N/A

Level of subsidy in respect of service

N/A

Usage figures and source of this data

Previous income figures.

Expected budgeted income – this should be calculated as the usage multiplied by the charge

£10,000

POLICY & RESOURCES
SCHEDULE OF CHARGES EFFECTIVE FROM 1 APRIL 2020

REFERENCE No.	DESCRIPTION OF CHARGE	VAT	CHARGES April 2019-March 2020		CHARGES April 2020-March 2021	
			EXCL VAT	INCL VAT	EXCL VAT	INCL VAT

OFFICE ACCOMMODATION

ROOM HIRE

Basildon Centre - Room 4

FM 0201	Monday to Friday - Full Day (9.00-18.00 - 9hours)	Commercial Rate	E	105.00	105.00	107.10	107.10
		Private Hire (20% Discount)	E	85.00	85.00	86.70	86.70
		Community Rate (40% Discount)	E	65.00	65.00	66.30	66.30
	Monday to Friday - Half Day (9.00-13.00/14.00-18.00 - 4hours)	Commercial Rate	E	60.00	60.00	61.20	61.20
		Private Hire (20% Discount)	E	46.85	46.85	47.80	47.80
		Community Rate (40% Discount)	E	40.00	40.00	40.80	40.80
	Monday to Friday - Hourly Rates	Commercial Rate	E	20.00	20.00	20.40	20.40
		Private Hire (20% Discount)	E	15.00	15.00	15.30	15.30
		Community Rate (40% Discount)	E	10.00	10.00	10.20	10.20
FM 0202	Monday to Thursday - Evening (18.00-23.00/19.00-00.00 - 5hours)	Commercial Rate	E	95.00	95.00	96.90	96.90
		Private Hire (20% Discount)	E	72.40	72.40	73.85	73.85
		Community Rate (40% Discount)	E	55.00	55.00	56.10	56.10
	Monday to Thursday - Evening Hourly Rates	Commercial Rate	E	27.75	27.75	28.35	28.35
		Private Hire (20% Discount)	E	25.00	25.00	25.50	25.50
		Community Rate (40% Discount)	E	20.00	20.00	20.40	20.40
FM 0203	Saturday, Sunday & Bank Holidays - Full Day (9.00-18.00 - 9hours)	Commercial Rate	E	185.00	185.00	188.70	188.70
		Private Hire (20% Discount)	E	150.00	150.00	153.00	153.00
		Community Rate (40% Discount)	E	110.00	110.00	112.20	112.20
	Saturday, Sunday & Bank Holidays - Half Day (9.00-13.00/14.00-16.00 - 4hours)	Commercial Rate	E	105.00	105.00	107.10	107.10
		Private Hire (20% Discount)	E	85.00	85.00	86.70	86.70
		Community Rate (40% Discount)	E	65.00	65.00	66.30	66.30
	Saturday, Sunday & Bank Holidays - Hourly Rates	Commercial Rate	E	27.75	27.75	28.35	28.35
		Private Hire (20% Discount)	E	25.00	25.00	25.50	25.50
		Community Rate (40% Discount)	E	20.00	20.00	20.40	20.40
FM 0204	Friday, Saturday, Sunday & Bank Holidays - Evening (18.00-23.00/19.00-00.00 - 5hours)	Commercial Rate	E	125.00	125.00	127.50	127.50
		Private Hire (20% Discount)	E	97.95	97.95	99.90	99.90
		Community Rate (40% Discount)	E	75.00	75.00	76.50	76.50
	Friday, Saturday, Sunday & Bank Holidays - Hourly Rates	Commercial Rate	E	30.00	30.00	30.60	30.60
		Private Hire (20% Discount)	E	23.65	23.65	24.15	24.15
		Community Rate (40% Discount)	E	20.00	20.00	20.40	20.40

Basildon Centre - Room 2

FM 0301	Monday to Friday - Full Day (9.00-18.00 - 9hours)	Commercial Rate	E	164.45	164.45	167.75	167.75
		Private Hire (20% Discount)	E	135.00	135.00	137.70	137.70
		Community Rate (40% Discount)	E	100.00	100.00	102.00	102.00
	Monday to Friday - Half Day (9.00-13.00/14.00-18.00 - 4hours)	Commercial Rate	E	95.00	95.00	96.90	96.90
		Private Hire (20% Discount)	E	75.00	75.00	76.50	76.50
		Community Rate (40% Discount)	E	55.40	55.40	56.55	56.55
	Monday to Friday - Hourly Rates	Commercial Rate	E	25.00	25.00	25.50	25.50
		Private Hire (20% Discount)	E	20.00	20.00	20.40	20.40
		Community Rate (40% Discount)	E	14.85	14.85	15.15	15.15
FM 0302	Monday to Thursday - Evening (18.00-23.00/19.00-00.00 - 5hours)	Commercial Rate	E	130.00	130.00	132.60	132.60
		Private Hire (20% Discount)	E	105.00	105.00	107.10	107.10
		Community Rate (40% Discount)	E	80.00	80.00	81.60	81.60
	Monday to Thursday - Evening Hourly Rates	Commercial Rate	E	35.00	35.00	35.70	35.70
		Private Hire (20% Discount)	E	30.00	30.00	30.60	30.60
		Community Rate (40% Discount)	E	20.00	20.00	20.40	20.40
FM 0303	Saturday, Sunday & Bank Holidays - Full Day (9.00-18.00 - 9hours)	Commercial Rate	E	288.10	288.10	293.90	293.90
		Private Hire (20% Discount)	E	230.45	230.45	235.10	235.10
		Community Rate (40% Discount)	E	172.85	172.85	176.35	176.35
	Saturday, Sunday & Bank Holidays - Half Day (9.00-13.00/14.00-16.00 - 4hours)	Commercial Rate	E	165.00	165.00	168.30	168.30
		Private Hire (20% Discount)	E	130.00	130.00	132.60	132.60
		Community Rate (40% Discount)	E	100.00	100.00	102.00	102.00
	Saturday, Sunday & Bank Holidays - Hourly Rates	Commercial Rate	E	44.00	44.00	44.90	44.90
		Private Hire (20% Discount)	E	35.00	35.00	35.70	35.70
		Community Rate (40% Discount)	E	30.00	30.00	30.60	30.60
FM 0304	Friday, Saturday, Sunday & Bank Holidays - Evening (18.00-23.00/19.00-00.00 - 5hours)	Commercial Rate	E	185.00	185.00	188.70	188.70
		Private Hire (20% Discount)	E	147.15	147.15	150.10	150.10
		Community Rate (40% Discount)	E	115.00	115.00	117.30	117.30
	Friday, Saturday, Sunday & Bank Holidays - Hourly Rates	Commercial Rate	E	44.85	44.85	45.75	45.75
		Private Hire (20% Discount)	E	40.00	40.00	40.80	40.80
		Community Rate (40% Discount)	E	30.00	30.00	30.60	30.60

This page is intentionally left blank

Budget Book 2020/21 & Forward Forecast to 2023/24

Capital Projects - Policy & Resources

The capital programme contains the cost of maintaining the Council's operational assets to ensure continuing service delivery, the capital element of the IT Strategy and a contingency amount to cover unforeseen expenditure and manage risk across the whole capital programme.

	Original	2020/21	Estimates		
	2019/20		2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Supplies & Services	165	-	303	-	-
Third Party Payments	537	1,550	1,050	1,050	1,050
Total	702	1,550	1,353	1,050	1,050

The programme includes the following schemes:

	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
Major Repairs & Maintenance	1,500	1,000	1,000	1,000
IT Strategy	-	303	-	-
Contingency	50	50	50	50
Total Expenditure	1,550	1,353	1,050	1,050
Financed by:				
Direct Revenue Financing	-	(303)	-	-
Borrowing	(1,550)	(1,050)	(1,050)	(1,050)
Total Financing	(1,550)	(1,353)	(1,050)	(1,050)

This page is intentionally left blank

Summary of financial performance at Quarter 2 2019/20

The table below summarises the 2019/20 financial position at 30 September 2019:

	Working Budget	Actual variance at end Sep	Estimated year end variance	Carry Forward to 2020/21	Estimated Outturn
	£'000	£'000	£'000	£'000	£'000
Corporate Expenses	2,485	331	(8)	-	(8)
Communities (Support)	-	(44)	7	-	7
Corporate Services (Support)	-	1	103	-	103
Corporate Staffing	1,027	(17)	-	-	-
Democratic Representation	975	(1)	4	-	4
Efficiency Target	220	(1)	(430)	-	(430)
Electoral Expenses	434	231	40	-	40
Emergency Planning	136	(1)	-	-	-
Engagement (Support)	-	(119)	-	-	-
Executive Team (Support)	-	19	-	-	-
General Admin & Corporate Core	3,187	(64)	-	-	-
Growth (Support)	-	12	-	-	-
Insurance Pool	1	(306)	-	-	-
Investing & Capital Financing	(2,558)	(2,868)	(120)	-	(120)
People & Change (Support)	-	(35)	-	-	-
Public Spaces (Support)	3	(40)	-	-	-
Regeneration Delivery	50	7	-	-	-
Resources (Support)	-	(125)	(48)	-	(48)
Revenues & Benefits	909	(5,131)	(23)	-	(23)
Trading Operations	(2,591)	37	-	-	-
	4,488	(8,114)	(475)	-	(475)

Outturn items over £25,000

An outturn is an estimate of the variance between net expenditure compared against the budget for the financial year ending 31 March. Outturns are calculated after any efficiencies are offered up and can be either adverse (overspend against budget) or favourable (underspend against budget). The table summarises items that are projected to outturn with a variance of £25,000 and over:

	Outturn £'000	Reason
Corporate Services (Support)	103	Due to a number of reasons associated with legal services transformation.
Efficiency Target	(430)	Net efficiencies banked to date namely from Insurance, Leisure and various corporate budgets.
Electoral Expenses	40	Overspend due to increased spend on elections in the year.
Investing & Capital Financing	(120)	Improved investment returns.
Resources (Support)	(48)	Salaries underspend due to vacancies.

Forecast Budget Setting

Any ongoing financial impact identified as part of regular budget monitoring is used to inform the forecast budget and any significant changes affecting services relevant to this committee have been incorporated in the budget figures presented earlier in this report. The overall 2019/20 financial outturn position will be presented to the Policy & Resources Committee on 30 January 2020 as part of the full budget report and then to Council for approval on 13 February 2020.

Investment Projects

The table below shows the progress to date of the investment projects relevant to this committee. A number of these projects have only recently been approved, however it is expected that the majority of these will be spent by year end.

	Working Budget	Actual spend
	£'000	£'000
WW1 commemoration events	3.7	2.7
Borough Lighting	146.0	-
	149.7	2.7

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

CAPITAL AND INVESTMENT STRATEGY INTERIM REPORT FOR 2019/20

Report by: Assistant Director - Resources

Supported by: Richard Larkman, Finance Manager, on 01268 207899 or richard.larkman@basildon.gov.uk

Enclosures:

- Enclosure No. 1** - Risk Management Implications
- Enclosure No. 2** - Treasury Management Interim Report
- Enclosure No. 3** - Treasury Management Performance Dashboard 2019/20
- Enclosure No. 4** - Capital Expenditure
- Enclosure No. 5** - Outturn Report 2018/19
- Enclosure No. 6** - Lloyds Bank Set-Off Agreement (Part II)

EXECUTIVE SUMMARY:

This report summarises Treasury Management activity during the first six months of 2019/20 by reference to the key objectives set for the year in the approved Treasury Management Strategy and the Investment Strategy (Minute No 2019/90).

CORPORATE PROMISES

- A place for everyone to call home
- A place where everyone prospers
- A place to be proud of

WARD(S):

All

RECOMMENDATIONS:

1. That the interim report on capital and investment activities for 2019/20 be recommended to Council for approval.
 2. That the outturn report on capital and investment activities for 2018/19 as set out in Enclosure No. 5 be noted
 3. That the Set-Off Agreement as outlined in Enclosure No 6 be recommended to Council for approval and delegated to the Corporate Director for signing.
-

BACKGROUND

In 2002, (revised in 2012) CIPFA published 'The Code of Practice for Treasury Management in the Public Sector', intended to provide a standard framework to regulate treasury management activities carried out by public sector bodies. The Council adopted the Code in 2003 and, in accordance with the Code, approved a Treasury Management Policy Statement (TMPS) and various Treasury Management Practices laying down the policies, objectives and controls by which it would conduct its treasury management activities. These were amended by the Council in February 2012 to comply with the revised Code of Practice and with changes to statutory and other guidance.

Treasury Management is defined in the Code of Practice as "the management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks."

Council delegates all executive decisions on borrowing, investment and financing to the Section 151 Officer who has responsibility for the proper administration of the council's financial affairs. He in turn delegates the day-to-day treasury operations to named staff within Finance and Commercial Services. Activities are further controlled through Section 14 of the Council's Financial Regulations. In view of the complexity of opportunities and options arising in the treasury management field, the Section 151 Officer also employs the services of specialist consultants as advisers.

The Code of Practice for Treasury Management in the Public Services requires a minimum of three reports to the Council on treasury management each year, as follows:

- the Treasury Management Strategy that the Section 151 Officer proposes to adopt for the year ahead (presented in February each year)
- A report after completion of the year comparing the actual treasury management activity and the exercise of delegated powers during the year with the Strategy approved for that year and
- A mid-year (interim) report.

With regard to the first requirement the Strategy for 2019/20 was considered by the Audit and Risk Committee on 29 January 2019, Policy Oversight & Strategy Committee on 7 February 2019 and approved by Council on 14 February 2019 (Minute Nos. 2019/42, 2019/67 and 2019/90 respectively). This report deals with the third of these reporting requirements for the 2019/20 financial year. Members should note that the report covers the period to the end of September 2019. The report will be considered by Policy & Resources Committee on 5 December and Full Council on 12 December 2019.

The report at **Enclosure No. 5** to this agenda deals with the second of these reporting requirements for the 2018/19 financial year.

The Council has authorised the Section 151 Officer to vary the approved Strategy as appropriate during the course of the year to accommodate changing circumstances. This is particularly important in the prevailing economic climate to ensure that the Section 151 Officer is able to react quickly. This approach has over the years proved to be successful both in avoiding undue risk in the money markets and, when possible, maximising returns on investments.

Officers have, and will continue to assess the impact of the UK's exit from the European Union on treasury management activities. To date, it is only where this has had an effect on the wider economy, that this has had a subsequent effect on the treasury function, with

Enclosure No. 2 detailing some of these impacts on, for example, investment rates. This position continues to be monitored, however the delegation in place within the 2019/20 Strategy does provide sufficient authority to the Section 151 Officer to react to these changing circumstances quickly and appropriately as required. Therefore, no changes are deemed necessary to the existing strategy at this time.

Members should note that on 9 October HM Treasury decided, without consultation or notice, to increase all PWLB borrowing rates by 1%. Although this is outside of the period covered by this report, it is important to bring this to the attention of the Committee due to the potential increased costs that this will mean for all future borrowing. The impact of this is currently being assessed, as are alternative borrowing mechanisms.

OPTIONS

Policy & Resources Committee can make amendments to the commentary in the report as it considers appropriate.

LEGISLATION/POLICY

Local authority borrowing and investments are subject to the provisions of statute (e.g. the Local Government Act 2003 and supplementary statutory instruments), together with Codes of Practice and other statutory guidance.

GENERAL INFORMATION

Corporate Plan Promises and Core Principles

Effective treasury management is key to ensuring that the Council has the funds available at the right time to finance the delivery of the Corporate Plan promises whilst ensuring that the costs of such financing (interest payable on borrowing less interest receivable on investments) are optimised at all times.

Financial Implications

The Capital and Investment Strategy has significant implications for both the General Fund and the Housing Revenue Account and these are reflected in the respective revenue budgets and capital programmes. The CIPFA Code of Practice emphasises the importance of the Council setting parameters within which Officers are authorised to act.

Risk Management Implications

As set out in **Enclosure No. 1**.

Inclusion, Diversity and Community Cohesion Implications

The Council's TM arrangements support the delivery of the Council's strategic and operational objectives but have no direct implications in this area.

Other Relevant Considerations

None

Background Papers

None

RISK MANAGEMENT IMPLICATIONS

The Council complies with all of the relevant statutory and regulatory requirements limiting the levels of risk associated with treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that a low risk approach is taken.

The Council actively manages its debt and investments during the year. The risk of volatility in the costs of the current debt portfolio is limited because all long-term loans are at fixed interest rates. Shorter-term interest rates and likely future movements in these rates determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal sums is minimised through application of the annual investment strategy, accurate forecasting of future returns can be difficult.

351

Opportunity	Control measure(s), <u>currently in place</u> , to support the Opportunity	<u>Current Level</u>	<u>Proposed Action(s) to maximise the Opportunity</u>	<u>Target Level if Proposed Actions are implemented</u>
<p>Category: Financial Opportunity</p> <p>Opportunity: Yield (interest rate): that volatility in interest rates will positively affect the potential return on investments and /or cost of borrowing.</p> <p>The scope is dependent on favourable movements in market interest rates, which are outside the influence of the Council.</p>	<ul style="list-style-type: none"> • Subject first to satisfying the requirements of security and liquidity (see risk categories below), the Council can access competitive markets for investment of funds and for short term borrowing. • Funds invested internally in the HRA will attract an appropriate rate, which will compare well with what can be earned externally, and are free of counterparty risk. • Access to TM advisors. 	Medium	<ul style="list-style-type: none"> • No further measures proposed. 	Medium

Threat	Control measure(s), <u>currently in place</u> , to reduce the Threat	<u>Current Level</u>	Proposed Action(s) to <u>further reduce</u> the Threat	<u>Target Level</u> if Proposed Actions are implemented
<p>Category: Financial Risk/Security Risk</p> <p>Risk: Security of investment: that a third party will fail to meet its repayment obligation.</p>	<ul style="list-style-type: none"> • Compliance with Investment Strategy, which defines approved investment counterparties and the arrangements for monitoring counterparty risk. The highest priority is given to security over liquidity and yield (see below). • In response to current adverse market conditions, temporary measures restrict further the amount that may be deposited with any counterparty and the duration of that investment. • Credit rating and other counterparty information is constantly updated by advisers. 	Low	<ul style="list-style-type: none"> • No further measures proposed. 	Low
<p>Category: Financial Risk</p> <p>Risk: Liquidity: that cash will not be available when needed.</p>	<ul style="list-style-type: none"> • Priority is given to liquidity requirements over yield (see below). • We have ready access to money markets to borrow funds when required, and to the Public Works Loans Board as lender of last resort. • Investments normally include a proportion of funds at “call” (repayment on demand). • Observance of limits set by the Council as part of its Prudential and other TM Indicators. 	Low	<ul style="list-style-type: none"> • No further measures proposed. 	Low

<p>Category: Financial Risk</p> <p>Risk: Yield (interest rate): that volatility in interest rates will adversely affect the potential return on investments and /or cost of borrowing, as was evident with the recent 1% rise in PWLB borrowing rates. The scope is dependent on adverse movements in market interest rates, which are outside the influence of the Council.</p>	<ul style="list-style-type: none"> • Subject first to satisfying the requirements of security and liquidity (above), the Council can access competitive markets for investment of funds and for short term borrowing. • Funds invested internally in the HRA will attract an appropriate rate, which will compare well with what can be earned externally, and are free of counterparty risk. • Access to TM advisors. • Observance of limits set by the Council as part of its Prudential and other TM Indicators. 	Low	<ul style="list-style-type: none"> • Option to lengthen term of investments (within the limits set by the Investment Strategy) 	Low
<p>Category: Financial Risk/Compliance Risk</p> <p>Risk: Legal and regulatory: that the Council or a third party fails to act in accordance to its legal powers or contractual obligation.</p>	<ul style="list-style-type: none"> • The Council's TM practices are designed to comply with both its statutory duties and its own self-regulation through TM policies, strategies and the financial limits it sets for itself. • These are reviewed as necessary to reflect any changes in law or best practice. 	Low	<ul style="list-style-type: none"> • No further measures proposed. 	Low
<p>Category: Financial Risk</p> <p>Risk: Market risk: that, through adverse market fluctuation in the value of the principal sum invested, treasury management policies and objectives are compromised.</p>	<ul style="list-style-type: none"> • The council does not, at present (although the option is available within the strategy), expose any borrowing or investment to fluctuations in the value of the principal sum. 	Low	Further measures will be considered before the option to invest in tradeable instruments is exercised.	Low

<p>Category: Financial Risk</p> <p>Risk: Fraud, error and corruption</p>	<ul style="list-style-type: none"> • As required by the Treasury Management Code of Practice, policy and strategies are determined by Full Council and scrutinised regularly by the Audit and Risk Committee and the Cabinet Member for Resources. • Compliance with approved Treasury Management and Investment Strategies. • The Section 151 Officer has defined Treasury Management Practices (TMP) relating to design and operation of procedures to ensure as far as possible that any circumstances that may expose that Council to such risks are identified and managed. A specific TMP deals with risk management and follows the advice in the Code. • The training of management and staff involved in TM decisions and their implementation is kept under regular review. • Reviews of TM arrangements by Internal Audit. 	<p>Low</p>	<ul style="list-style-type: none"> • No further measures proposed. 	<p>Low</p>
--	--	------------	---	------------

CAPITAL AND INVESTMENT STRATEGY INTERIM REPORT

The Council's mid-year gross debt position stood at £242.7 million (£179.1 million net of investments). The net debt position increased by £4.3 million compared with March 2019, which reflects the cash movements in all Council activities over the course of the year so far. External investments at 30 September 2019 stood at £63.6 million.

The overall position at 30 September 2019 is summarised in the table below.

	£m
Long term conventional borrowing	238.1
Finance Leases	4.6
Sub total debt	242.7
Investments	(63.6)
Net debt position	179.1

The details of the strategy approved for 2019/20 are shown in bold print below with explanatory notes and comments on the outcomes for the year.

- **The overall direction of the treasury management strategy will reflect the separation of HRA and GF debt 1 April 2019.**

Full regard has been given during the year to the effects of treasury management activities on the HRA and General Fund of the Council.

- **The overall debt and investment position will be managed having regard to the Prudential Indicators set by the Council.**

The maximum gross external debt (including finance leases) during the first half of the year was £242.7 million, meaning that neither the operational boundary (£545 million) nor the authorised limit (£595 million) for external debt was breached during the period. None of the other prudential indicators relating to treasury management gave cause for concern.

- **The Council will invest its monies prudently, considering security first, liquidity second and yield last whilst also carefully considering its investment counterparties. It will similarly borrow monies prudently to meet the Council's service objectives.**

The necessary action has been taken to ensure all monies are invested prudently. The credit ratings of our approved Counterparties are reviewed on a daily basis ensuring they remain within our chosen credit criteria. Our Counterparty List has been based on security and liquidity over yield to minimise any risk to the Council.

The gross level of borrowing will be maintained below the weighted average Capital Financing Requirement for the year.

The Capital Financing Requirement (CFR) is a statutory calculation, derived from regulations. It represents the underlying need of the Council to borrow for a capital purpose. An accurate calculation of the CFR would require a lengthy exercise based on the annual accounts closure process; this has not been attempted for this

interim report. From a review of the elements of the calculation, it has been estimated that the CFR at 30 September 2019 was close to the estimates made at the beginning of the year. The weighted average for the entire year is expected to be in accordance with the forecast, and the level of external debt is expected to remain below this figure. The overall debt level during the year to date has been maintained at below the weighted average CFR.

- **Surplus funds (with the exception of funds required for liquidity purposes or for internal investment) will be invested in accordance with the approved Investment Strategy.**

The table below compares the year to date actual with the original estimate.

	Average interest Rate	Average principal invested	Investment Income
	%	£000	£000
Budget	1.05	926	10
Actual as @ 30/09/19	0.63	69,285	436

The average level of external investment for the period was £69.285 million, and the total interest earned for the six months to 30 September 2019 on external investments was £436,352. There are many factors that have contributed to the increase in funds to be invested over those forecast. The most significant are the level of reserves that the Council holds and the fact that spending tends to be backloaded towards the end of the year.

The average rate of 0.63% earned on investments compares with an average three-month LIBID rate of 0.66%. The strategy of placing increased emphasis on security over return reduced the risk of losing our investment principal. Interest rates for short term investments saw a slight increase during the first half of the year, but remain below the rates expected at the point the budget was set.

During the period to 30 September 2019, the use of our Money Market Funds as permitted in the Investment Strategy was maximised. Use of Money Market Funds also offers the advantage of high liquidity, meaning the Council can call back funds invested on the same day if required. Short term fixed investments were also placed with Local Authorities where possible via the Money Markets as higher rates than the Debt Management Office (DMO) were available.

New borrowing will be diversified over a range of maturity periods, including short-term (less than one year), having regard to longer-term projections of CFR, liquidity considerations and expected movements in interest rates.

No additional borrowing has been undertaken to 30 September 2019.

- **Opportunities for rescheduling debt will be kept under continual review according to market and other relevant factors.**

No loans were repaid prematurely during the six months under review. Premature repayment gives rise to the necessity to pay premiums (where current premature repayment interest rates are lower than the coupon on the loan) or may result in the

receipt of discounts (where the coupon rate is higher than current repayment rates). As the PWLB issue a discrete set of interest rates on which the premium or discount is to be calculated, the opportunities to repay long-term loans without penalty are rare.

- **The Treasury Management Strategy, including the Investment Strategy, will be continually reviewed in the light of changing circumstances including legislation, and, within the limits set by this Strategy as set out above, the Section 151 Officer will exercise his discretion to determine the extent to which surplus funds will be used to minimise new borrowing and exposure to external investments.**

No material changes to the approved Treasury Strategy or Investment Strategy were required. The Council sets limits for funds that can be placed with individual counterparties in its Investment Strategy.

On 8 August 2019 Council approved (minute 2019/419) an increase for the Commercial Asset Acquisition Programme from £80 million to £150 million and the introduction of a Strategic Asset Acquisition Programme of £100 million. To accommodate these, the Capital Financing Requirement has been increased to £532.7 million, the Operational Boundary to £545.0 million and the Authorised Limit to £595.0 million. These revisions are reflected in the treasury management performance dashboard that can be found in **Enclosure No. 3**.

This page is intentionally left blank

Basildon Borough Council

2019/20

Dashboard

Period 6 September Balance Date 30/09/2019

Borrowing Statistics

Summary of Borrowing

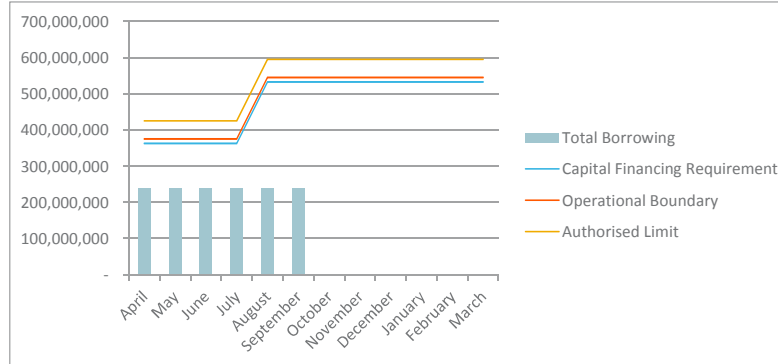
Interest Payable

	Working Budget	Actual (Accruals Basis)	Variance
	£	£	£
Long Term Borrowing:			
PWLB	4,580,050	4,726,967	146,917
Bonds	127,500	42,188	(85,313)
Total Long Term	4,707,550	4,769,155	61,605
Short Term Borrowing:			
Temporary	35,900	0	(35,900)
Total Short Term	35,900	0	(35,900)

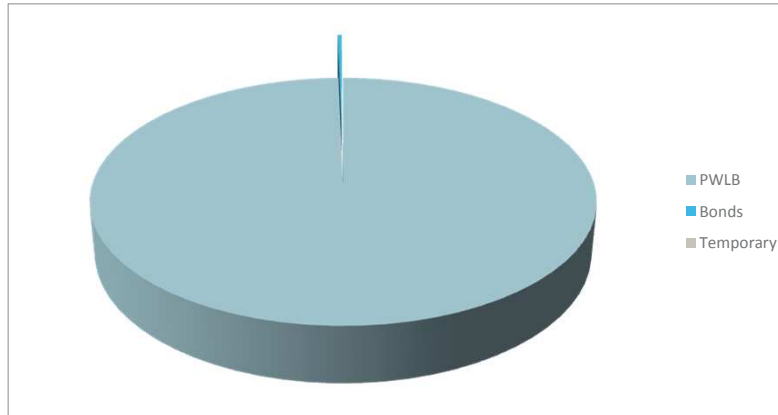
New Borrowing In Period

	No of New Loans in Period	Value of New Loans in Period
		£
Long Term Borrowing:		
PWLB	0	0
Bonds	0	0
Total Long Term	0	0
Short Term Borrowing:		
Temporary	0	0
Total Short Term	0	0

Actual Borrowing Compared to CFR, Operational Boundary and Authorised Limit



Structure of Borrowing



Basildon Borough Council

2019/20

Dashboard

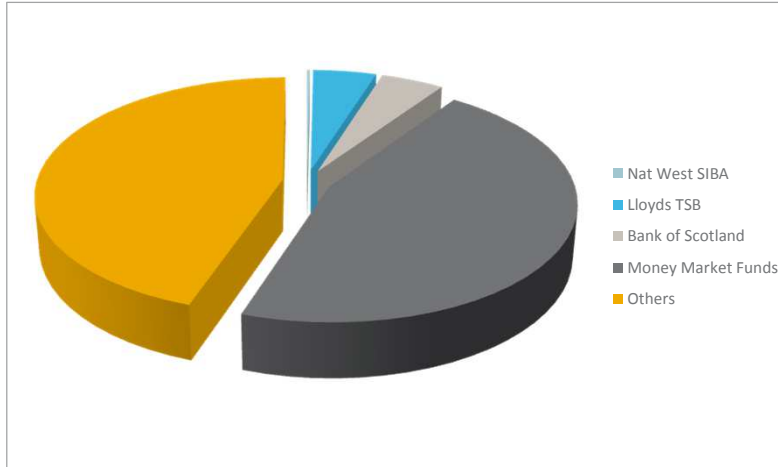
Period 6 September Balance Date 30/09/2019

Investment Statistics

Summary of Call Accounts & Investments

	Balance at Period End	Maximum Year to Date	Average Year to Date
	£	£	£
Call Accounts:			
Nat West SIBA	(134,768)	(5,793,564)	(704,068)
Lloyds TSB	(3,000,000)	(3,000,000)	(2,883,152)
Bank of Scotland	(3,000,000)	(3,000,000)	(2,287,500)
Total Call Accounts	(6,134,768)	(11,793,564)	(5,874,720)
Other Investments:			
Money Market Funds	(29,000,000)	(29,000,000)	(24,625,000)
Others	(28,500,000)	(58,000,000)	(44,660,326)
Total Other Investments	(57,500,000)	(87,000,000)	(69,285,326)

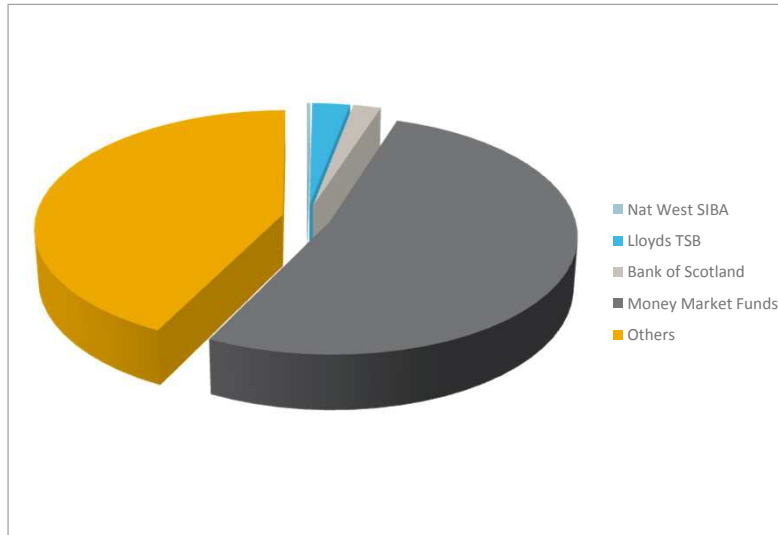
Structure of Investments



Interest Earned

	Working Budget	Actual (Accruals Basis)	Variance
	£	£	£
Call Accounts:			
Nat West SIBA	(3,125)	(1,066)	2,059
Lloyds TSB	(1,563)	(11,994)	(10,431)
Bank of Scotland	(1,563)	(8,867)	(7,304)
Total Call Accounts	(6,250)	(21,926)	(15,676)
Other Investments:			
Money Market Funds	0	(228,324)	(228,324)
Others	0	(186,102)	(186,102)
Total Other Investments	0	(414,425)	(414,425)

Sources of Interest Earned



Call Account Movements in Period

	Value of Movements in Period
	£
Call Accounts:	
Nat West SIBA	(110,106)
Lloyds TSB	0
Bank of Scotland	0
Total Call Accounts	(110,106)

New Investments In Period

	No of New Investments in Period	Value of New Investments in Period
		£
Other Investments:		
Others	9	(27,500,000)
Total Other Investments	9	(27,500,000)

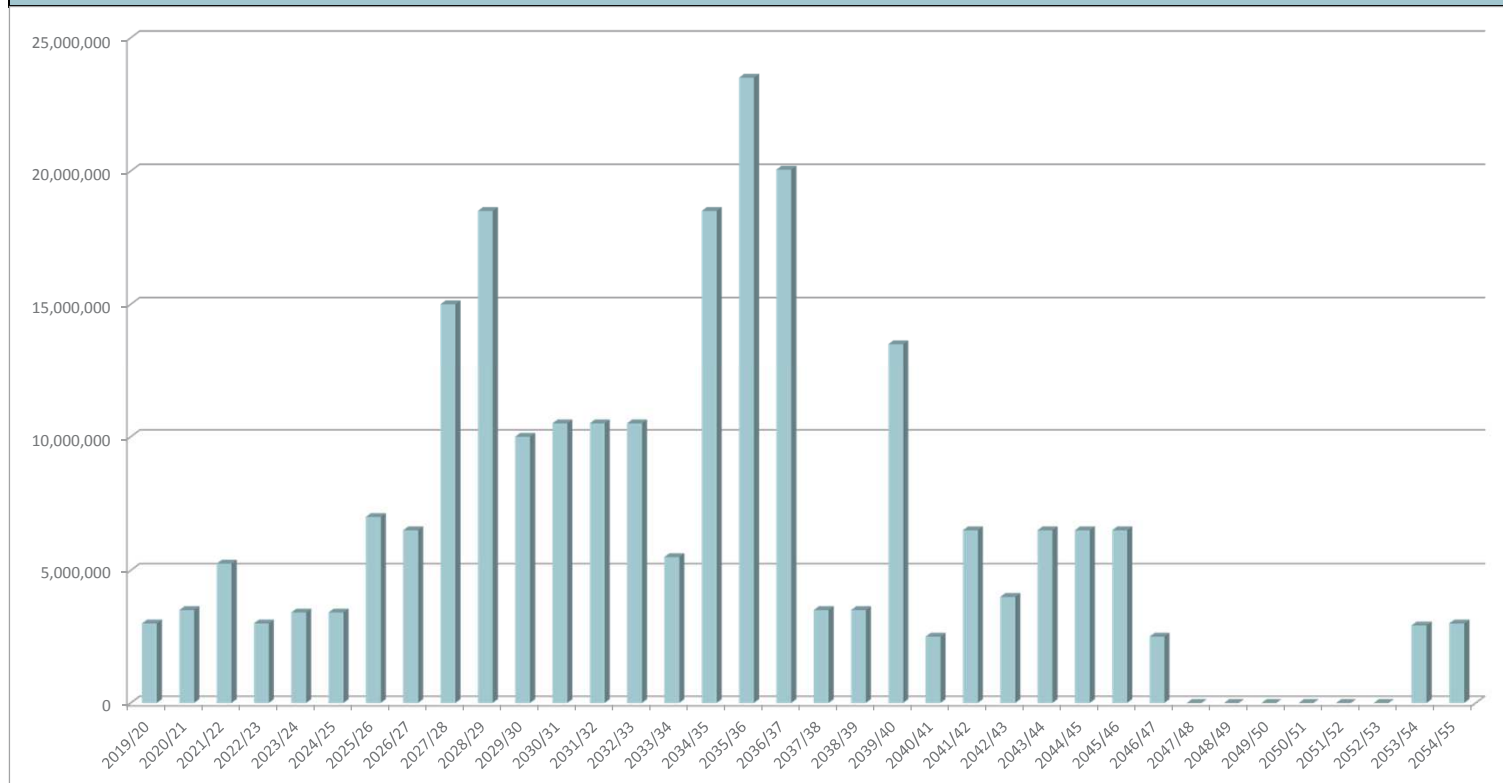
Basildon Borough Council

2019/20

Dashboard

Period 6 September Balance Date 30/09/2019

Risk Management



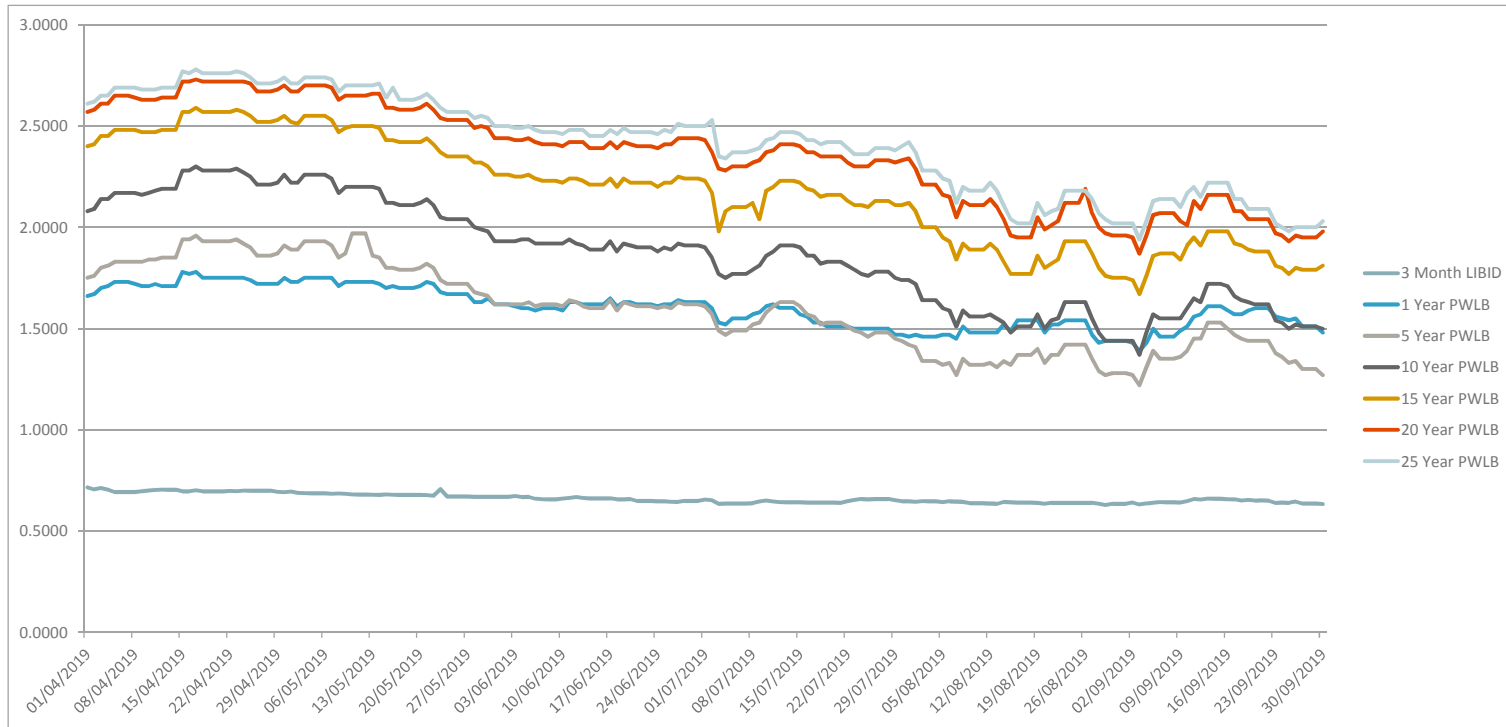
Maturity Profile of Outstanding Debt

Basildon Borough Council

2019/20

Dashboard

Period 6 September Balance Date 30/09/2019



PWLB Interest Rates 2018/19

Capital Expenditure

Capital Programme

The table below summarises the position for the Council's approved capital programme for the period ending 30 September 2019. The programme was approved by Full Council on 14 February 2019 as part of Budget Setting reports for the General Fund and HRA.

	Annual Original Budget £'000	Annual Working Budget £'000	Expenditure to 30 Sept 2018 £'000	Remaining Budget £'000
General Fund	12,502	48,652	8,158	40,494
HRA	27,914	32,033	7,547	24,486

The main difference between the Original and Working budgets are items that were carried forward from 2018/19 and new items approved during the year. A more detailed breakdown will be presented to the relevant committee as part of the Budget Monitoring Report for Quarter 2.

Commercial Assets

The Council has a total spend to date on Commercial Assets of £41.6 million which are currently held at a value of £39.3 million, the difference being fees and taxes that did not add to the value of the assets. £80 million of borrowing was originally approved for this purpose (Minute No. 2017/141), which was increased to £150 million in August 2019 (Minute No. 2019/419). The requirement for commercial assets is that they will meet the target yield of 2% after borrowing costs are deducted. Applying a notional interest rate of 2.5%, the interest cost for the year amounts to £492K, with actual income received at £903K. The target return for investment at this level is £393K, with the commercial assets actually returning £411K, therefore exceeding the target yield.

Sempra Homes

As dictated by statute, the Council is required to account for its investment in its subsidiary company, Sempra Homes Limited, as capital expenditure. From the Council's perspective, this investment can take the form of either providing loans to the company, or the purchase of equity in the form of shares. The business plan was approved by Housing Committee in February 2018 (Minute 2018/109) and the timing is driven by the Sempra Homes Business Plan. The company current owns 40 properties and operates a further 3 under licence from the Council and owns land at the former Basildon Zoo site. In addition, there are a number of sites under construction. The investment in Sempra Homes as at 30 September was £6,249k in long term loans, £233k in short term loans to support cash flow and £3,502k in shares. It is anticipated that these sums will generate a return to the Council in line with Business Plan expectations.

Strategic Assets

A sum of £100 million was approved in August 2019 (Minute No. 2019/419) for the purchase of strategic assets, however for the period to the end of September 2019 there were no purchases so nothing further to report in this area.

Conclusion

All of the above activity is currently in line with expectations, so there are no additional issues to report at this time.

CAPITAL AND INVESTMENT ANNUAL REPORT 2017/18**1. Capital expenditure**

The table below summarises the outturn on the capital programme for the year.

	Original Budget	Working Budget	Actuals	Variance from Working Budget	Carry Forwards	Outturn Variance from Working Budget
	£000	£000	£000	£000	£000	£000
Expenditure						
Housing – General Fund	800	1,693	1,189	-504	504	0
Housing - HRA	25,543	30,335	26,216	-4,119	4,119	0
General Fund	677	43,118	8,807	-34,311	34,315	4
Total Expenditure	27,020	75,146	36,212	-38,934	38,938	4

	Original Budget	Working Budget	Actuals	Variance from Working Budget	Carry Forwards	Outturn Variance from Working Budget
	£000	£000	£000	£000	£000	£000
Financing						
Capital Receipts	-4,506	-7,425	-5,408	2,017	-2,017	0
Grants & Contributions	-800	-8,094	-3,018	5,076	-5,076	0
Contributions from Revenue	-6,440	-5,596	-56	5,540	-3,407	2,133
Major Repairs Reserve	-14,737	-21,400	-23,491	-2,091	-42	-2,133
Borrowing	-537	-32,631	-4,239	28,392	-28,396	-4
Total Financing	-27,020	-75,146	-36,212	38,934	-38,938	-4

In addition to the above, the following items have been accounted for as capital expenditure in the council's accounts, but did not form part of the capital programme:

	£000
New Finance Leases	218
Commercial Asset Acquisitions	41,569
Sempra Homes Loans	5,345
Sempra Homes Shares	2,627
Donated asset	2,184
Total Expenditure	51,943

2. Commercial Asset Acquisition

Commercial Asset Portfolio Performance 2018/19

Asset location	Date of acquisition	Acquisition cost £000	Rent per annum £000	Gross yield	Notional interest (@ 2.5% per annum)	Portfolio Management £000	Net yield
Stevenage	10/05/2018	19,884	970	4.88%	444	21	2.26%
Bath	28/09/2018	6,505	353	5.43%	82	2	2.85%
Tunbridge Wells	12/10/2018	6,773	309	4.56%	79	2	1.99%
Richmond	20/11/2018	8,407	420	5.00%	76	3	2.40%
Total		41,569	2,052	4.92%	682	29	2.32%

The council acquired 4 assets during the year and the table above sets out the performance of those assets

The council's target net yield of 2.00% and budgeted income of £0.8 million were both exceeded. The balance over budget has been transferred to the commercial asset acquisition equalisation reserve to assist with managing future risks.

The commercial acquisition in Bath included a residential flat at 12a Northgate Street, which was purchased simultaneously by Sempra Homes at a cost of £465,000 and provides an annual rental income of £26,400. The gross yield is 5.68% (2.32% net). This has not been included in the table above.

3. Sempra Homes Ltd

As dictated by statute, the Council is required to account for its investment in its subsidiary company, Sempra Homes Limited, as capital expenditure. From the Council's perspective, this investment can take the form of either providing loans to the company, or the purchase of equity in the form of shares. The total level of this investment is capped at £117 million, which was approved by Cabinet in March 2017 (Minute 2017/146) and the timing is driven by the Sempra Homes Business Plan.

The investment in Sempra Homes as at 31 March was £6.2 million in long term loans and £3.5 million in shares. The business plan did not forecast a return for the Council in 2018/19, as the company is developing and constructing new sites and it will take time for these developments to generate income and therefore profits for the company.

The notional cost to the Council for investment in Sempra Homes is outlined in the table below:

	Opening Balance	Closing Balance	Equated Balance	Notional Interest @ 2.5%
	£000	£000	£000	£000
Financing				
Long Term Loans	904	6,249	3,577	89
Equity (Shares)	875	3,502	2,189	55
Total Financing	1,779	9,751	5,765	144

The Council received interest income from Sempra on loans provided of £0.2 million for the year as a result of lending to the company at a market rate. This differential provides a surplus to the council for the financial year.

In its fourth year of trading the Company reported a net loss of £0.06 million. This was after charging £208k of initial development costs which will yield returns as sites are developed out. Construction costs of £3.7m were incurred.

The company's net assets are valued at £4.2m while the share capital invested by the council is £3.5 million. The value of the council's interest in the company is, therefore, £0.7 million.

The company acquired land during the year at a cost of £2.3 million for development in future years.

The company's audited accounts were approved by the Board of Directors on 23 May 2019.

4. Treasury Management

The Council's year-end gross debt position stood at £243.4 million or £175.1 million net of investments. The net debt position has increased by £43.6 million compared with March 2018, which reflects the cash movements in all Council activities over the course of the year including capital investments as outlined above. External investments at 31 March 2019 stood at £68.3 million.

The overall position at 31 March 2019 is summarised in the table below. Further detail is given in **Enclosure No. 3**.

31-Mar-19	
£m	
Borrowing	239.1
Finance leases	4.3
Total External Debt	243.4
Investments	-68.3
Net External Debt	175.1

The details of the strategy approved for 2018/19 are shown in bold print below with explanatory notes and comments on the outcomes for the year.

- **The overall direction of treasury management strategy will reflect the separation of HRA and GF debt.**

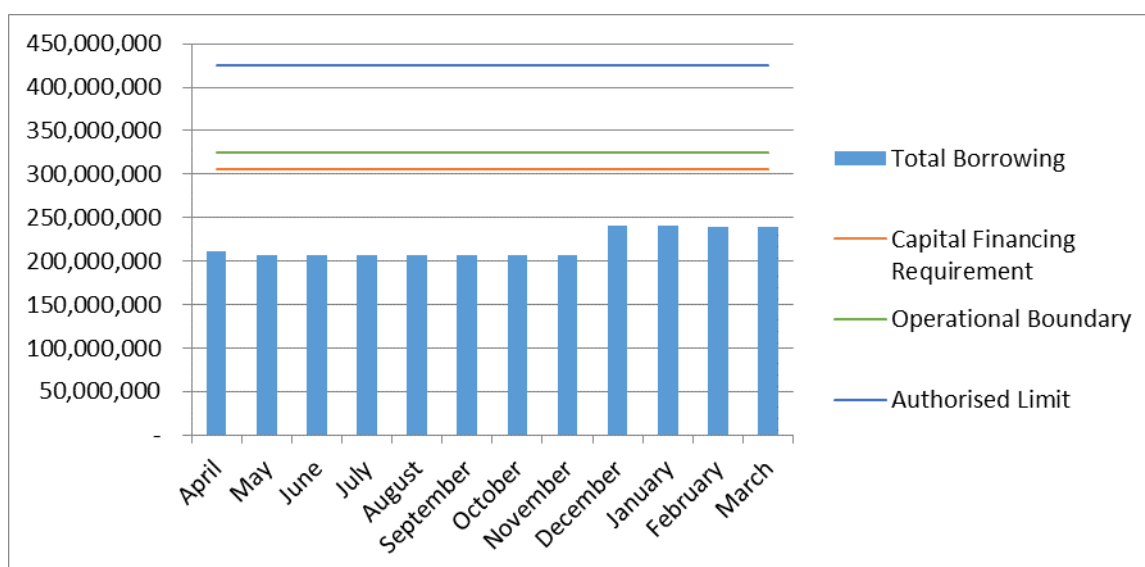
Full regard was given in the year to the effects of treasury management activities on the various funds of the Council. During the year the general fund effectively 'borrowed' internally from the Housing Revenue Account to maintain its' balances and a charge of £0.27 million was made by the HRA to the General Fund for this. The balances held in HRA Reserves and the level of HRA debt is deducted from the HRA Capital Financing Requirement (see below). If this results in a negative figure, then surplus HRA cash balances are being used by the General Fund.

- **The overall debt and investment position will be managed having regard to the Prudential Indicators set by the Council and the treasury indicators set out above.**

The maximum level of external debt during the year was £239.1 million, which was well below the Operational Boundary of £325.0 million and Authorised Limit of £425 million.

The following table shows the change in conventional external debt during the year with the graph below showing the total debt position by month for the year:

	Loan Ref	£m
Opening Debt		210.6
Repaid:		
PWLB (Maturity)	460350	-1.0
PWLB (Maturity)	464663	-2.0
PWLB (Maturity)	488190	-3.5
New Borrowing:		
PWLB (Maturity)	508166	15.0
PWLB (Maturity)	508168	5.0
PWLB (Maturity)	508169	5.0
PWLB (Maturity)	508170	5.0
PWLB (Maturity)	508171	5.0
Closing		239.1



The following is a table of average debt, interest paid and average rate, by quarter, for 2018/19.

	Q1	Q2 (Cumulative)	Q3 (Cumulative)	Q4 (Cumulative)
	£'000	£'000	£'000	£'000
Average Debt	208,787	207,667	209,784	207,206
Cumulative Interest Paid	2,750	5,043	7,619	9,865
Average Rate	5.27%	4.86%	4.84%	4.54%

- **The gross level of borrowing will be maintained below the weighted average Capital Financing Requirement for the year.**

The Capital Financing Requirement (CFR) is a statutory calculation, derived from regulations. It represents the underlying need of the Council to borrow for a capital purpose. The CFR at 31 March 2019 was £305.7 million and, as can be seen from the table above, the level of external debt was kept below this.

The average weighted CFR for the year was £282.5 million and average weighted debt was £207.2 million.

As far as the HRA is concerned, the relevant measure of debt is the mid-year Capital Financing Requirement, being the average of the year's opening and closing requirement, which, for 2018/19, was £205.1 million.

- **Surplus funds (with the exception of funds required for liquidity purposes or for internal investment) will be invested in accordance with the approved Investment Strategy.**

The table below compares the outturn for the year with the original estimate.

	Average interest rate	Average principal invested	Investment Income
	%	£000	£000
Budget	0.40	32,700	331
Outturn	0.64	76,034	484

The average rate of 0.64% earned on investments compares with an average three-month LIBID rate of 0.67%. Some of the interest rates available to the Council for investments (complying with our strategy) were below the average three month LIBID rate, although this was mitigated to a degree by undertaking short term lending to other local authorities at slightly preferential rates.

We continued to use our Special Interest Bearing Account (SIBA A/C) as an alternative to incurring overdraft costs. This account gives us instant access to our funds but only offers an interest rate of 0.15%.

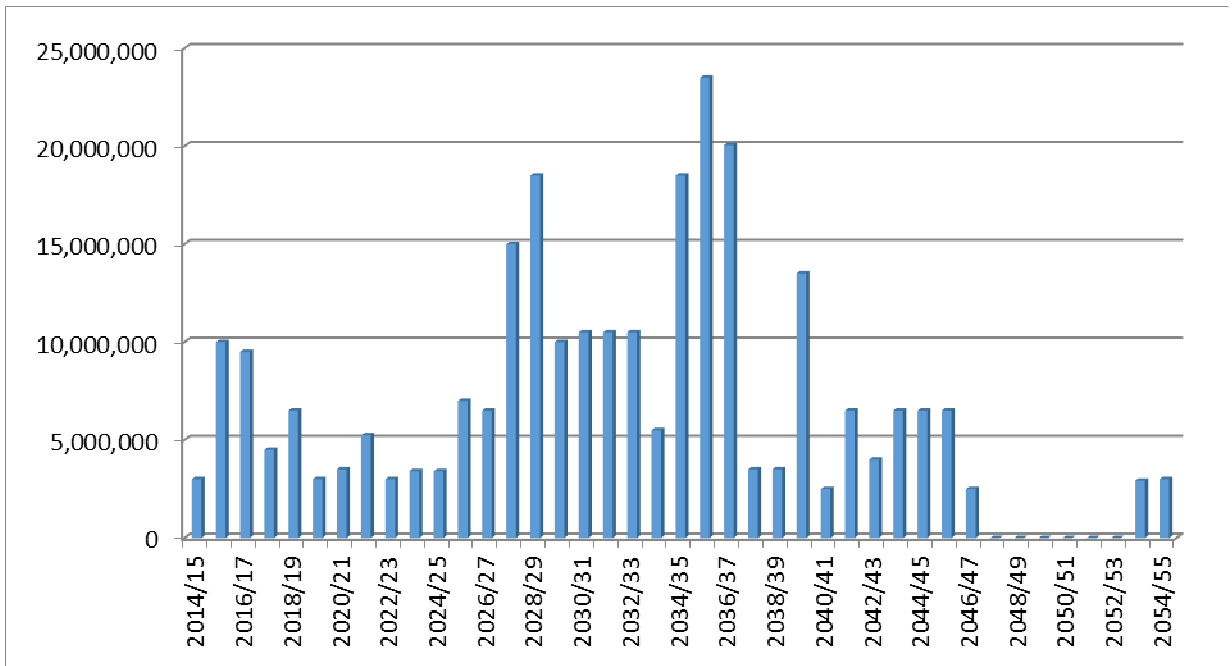
Use was made of Money Market Funds as permitted in the Investment Strategy.

During the financial year, the Debt Management Office (DMO), an Executive Agency of Her Majesty's Treasury which deals with debt and cash management for the UK Government, lending to local authorities and managing certain public sector funds, was used only when necessary and this had an impact on the average interest rate, as the DMO offers an extremely low rate of interest, which differs daily but is typically around 0.50%, compared to other investment vehicles. When possible during this time short term fixed investments were placed with other Local Authorities via the Money Markets as rates offered were higher than the DMO. Further information on short-term interest rates is given in **Enclosure No 3**. The strategy of security over return reduced the risk to our investments.

- **New borrowing will be diversified over a range of maturity periods, including short-term (less than one year), having regard to longer-term projections of CFR, liquidity considerations and expected movements in interest rates.**

£35 million of PWLB Maturity borrowing was taken on 11 December 2018.

All PWLB debt maturities have been spread over the next 20 to 30 years as can be seen on the following graph.



- **Opportunities for rescheduling debt will be kept under continual review according to market and other relevant factors.**

It was not in the Council's interest to undertake any debt rescheduling this year.

- **The Capital and Investment Strategy, will be continually reviewed in the light of changing circumstances including legislation, and, within the limits set by this strategy as set out above, the Section 151 Officer will exercise his discretion to determine the extent to which surplus funds will be used to minimise new borrowing and exposure to external investments.**

No changes to the approved Treasury Strategy or Investment Strategy were required.

TREASURY MANAGEMENT PERFORMANCE INDICATORS

Performance Indicators for 2018/19 are summarised in **Annex No. 1**.

Actual values for the Prudential Indicators that require publication after the year-end are included in **Annex No. 2**.

Basildon Borough Council

2018/19

Dashboard

Period 12 March

Balance Date 31/03/2019

Borrowing Statistics

Summary of Borrowing

	Balance at Period End	Maximum Year to Date	Average Year to Date
	£	£	£
Long Term Borrowing:			
PWLB	238,300,967	238,300,967	216,456,280
Bonds	750,000	750,000	750,000
Total Long Term	239,050,967	239,050,967	217,206,280
Short Term Borrowing:			
Temporary	0	0	0
Total Short Term	0	0	0

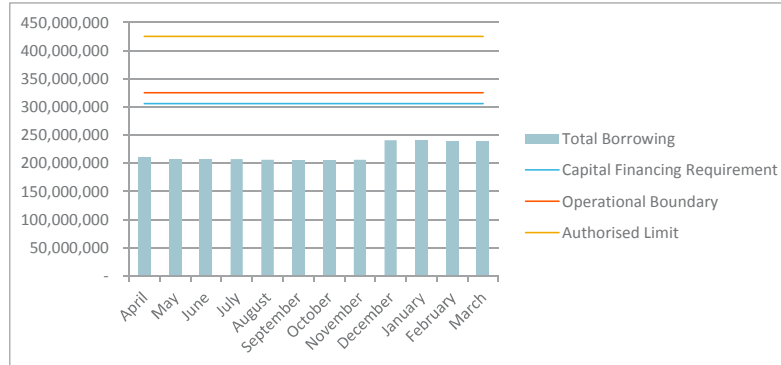
Interest Payable

	Working Budget	Actual (Accruals Basis)	Variance
	£	£	£
Long Term Borrowing:			
PWLB	10,093,700	9,780,934	(312,766)
Bonds	84,400	84,375	(25)
Total Long Term	10,178,100	9,865,309	(312,791)
Short Term Borrowing:			
Temporary	0	0	0
Total Short Term	0	0	0

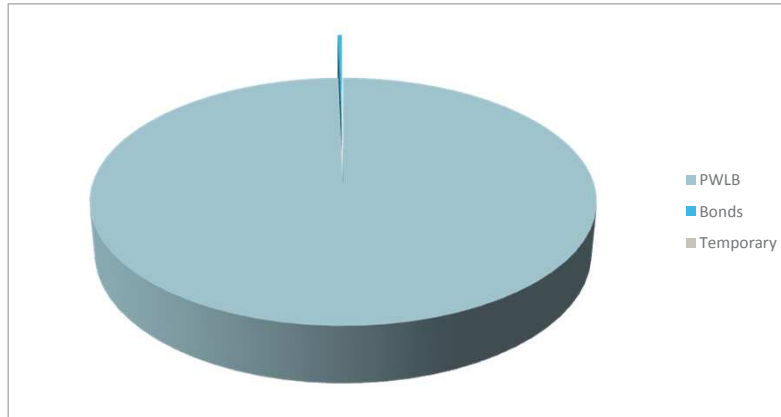
New Borrowing In Period

	No of New Loans in Period	Value of New Loans in Period
		£
Long Term Borrowing:		
PWLB	5	35,000,000
Bonds	0	0
Total Long Term	5	35,000,000
Short Term Borrowing:		
Temporary	0	0
Total Short Term	0	0

Actual Borrowing Compared to CFR, Operational Boundary and Authorised Limit



Structure of Borrowing



Basildon Borough Council

2018/19

Dashboard

Period 12 March

Balance Date

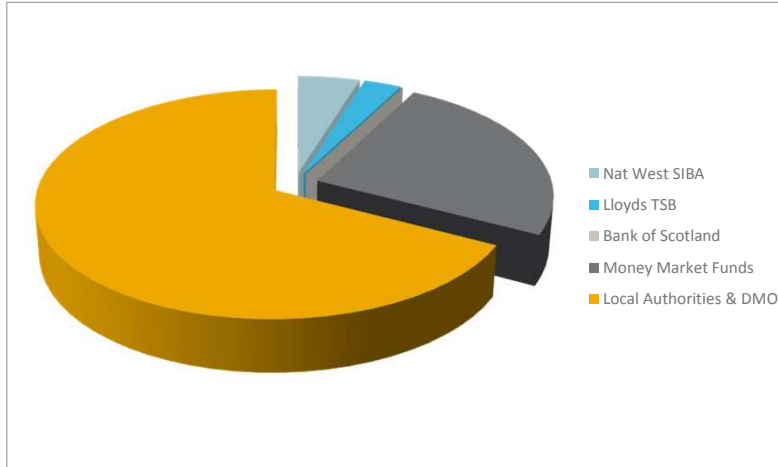
31/03/2019

Investment Statistics

Summary of Call Accounts & Investments

	Balance at Period End	Maximum Year to Date	Average Year to Date
	£	£	£
Call Accounts:			
Nat West SIBA	(3,276,790)	(7,762,768)	(2,733,052)
Lloyds TSB	(2,000,000)	(3,000,000)	(404,372)
Bank of Scotland	0	(2,000,000)	(218,579)
Total Call Accounts	(5,276,790)	(12,762,768)	(3,356,003)
Other Investments:			
Money Market Funds	(17,000,000)	(25,000,000)	(22,427,793)
Local Authorities & DMO	(46,000,000)	(76,000,000)	(47,065,395)
Total Other Investments	(63,000,000)	(101,000,000)	(69,493,188)

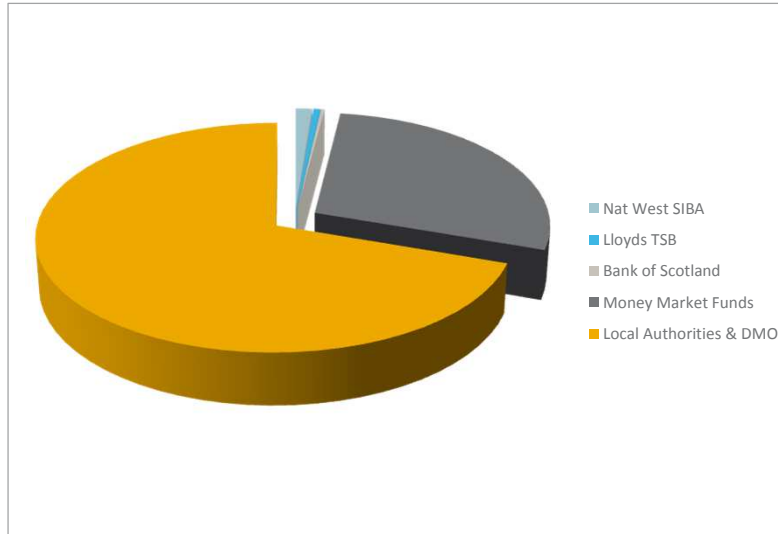
Structure of Investments



Interest Earned

	Working Budget	Actual (Accruals Basis)	Variance
	£	£	£
Call Accounts:			
Nat West SIBA	(165,500)	(6,327)	159,173
Lloyds TSB	(82,750)	(2,600)	80,150
Bank of Scotland	(82,750)	(1,425)	81,325
Total Call Accounts	(331,000)	(10,351)	320,649
Other Investments:			
Money Market Funds	0	(141,070)	(141,070)
Local Authorities & DMO	0	(348,993)	(348,993)
Total Other Investments	0	(490,063)	(490,063)

Sources of Interest Earned



Call Account Movements in Period

	Value of Movements in Period
	£
Call Accounts:	
Nat West SIBA	2,486,069
Lloyds TSB	0
Bank of Scotland	0
Total Call Accounts	2,486,069

New Investments In Period

	No of New Investments in Period	Value of New Investments in Period
		£
Other Investments:		
Others	104	(363,500,000)
Total Other Investments	104	(363,500,000)

Basildon Borough Council

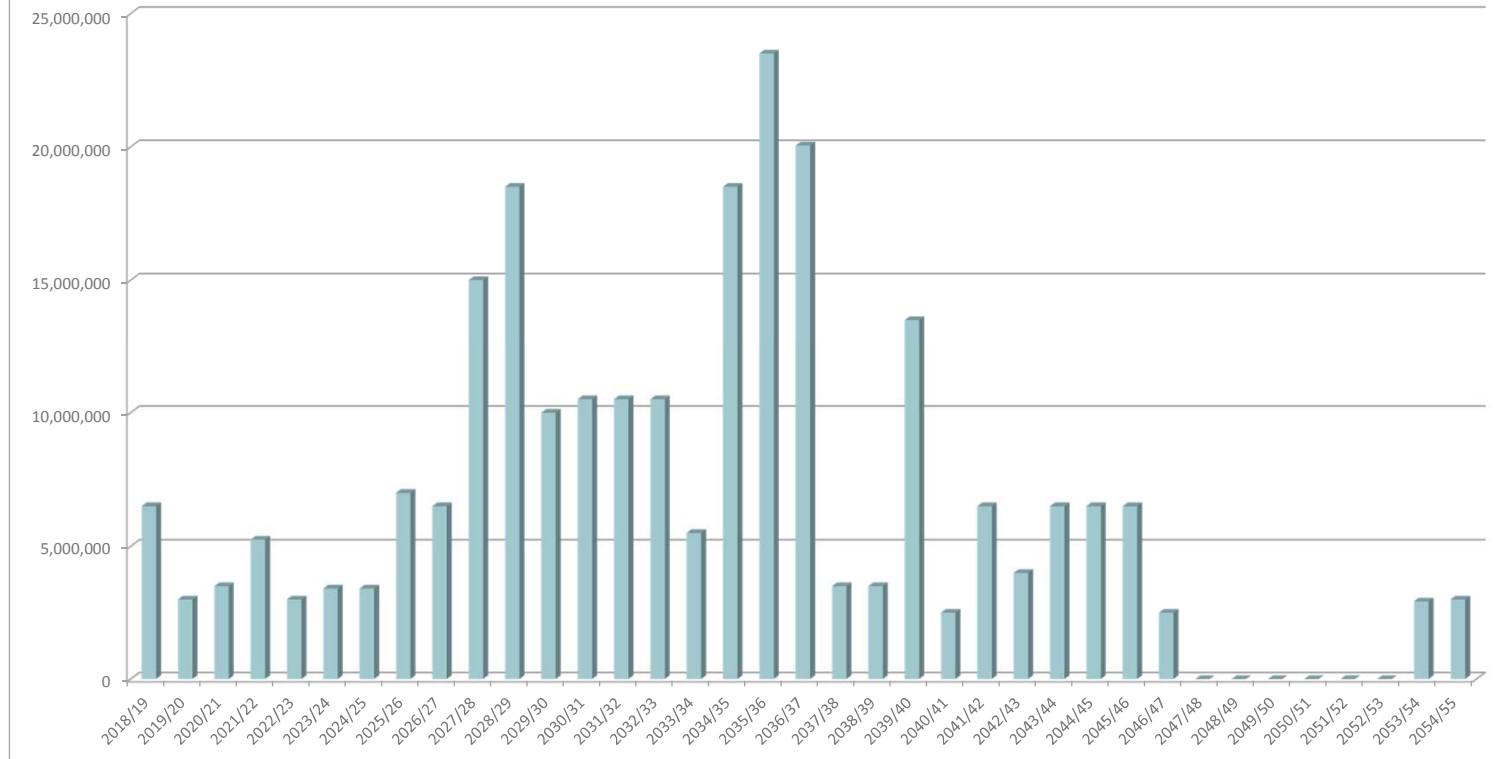
2018/19

Dashboard

Period 12 March

Balance Date 31/03/2019

Risk Management



Maturity Profile of Outstanding Debt

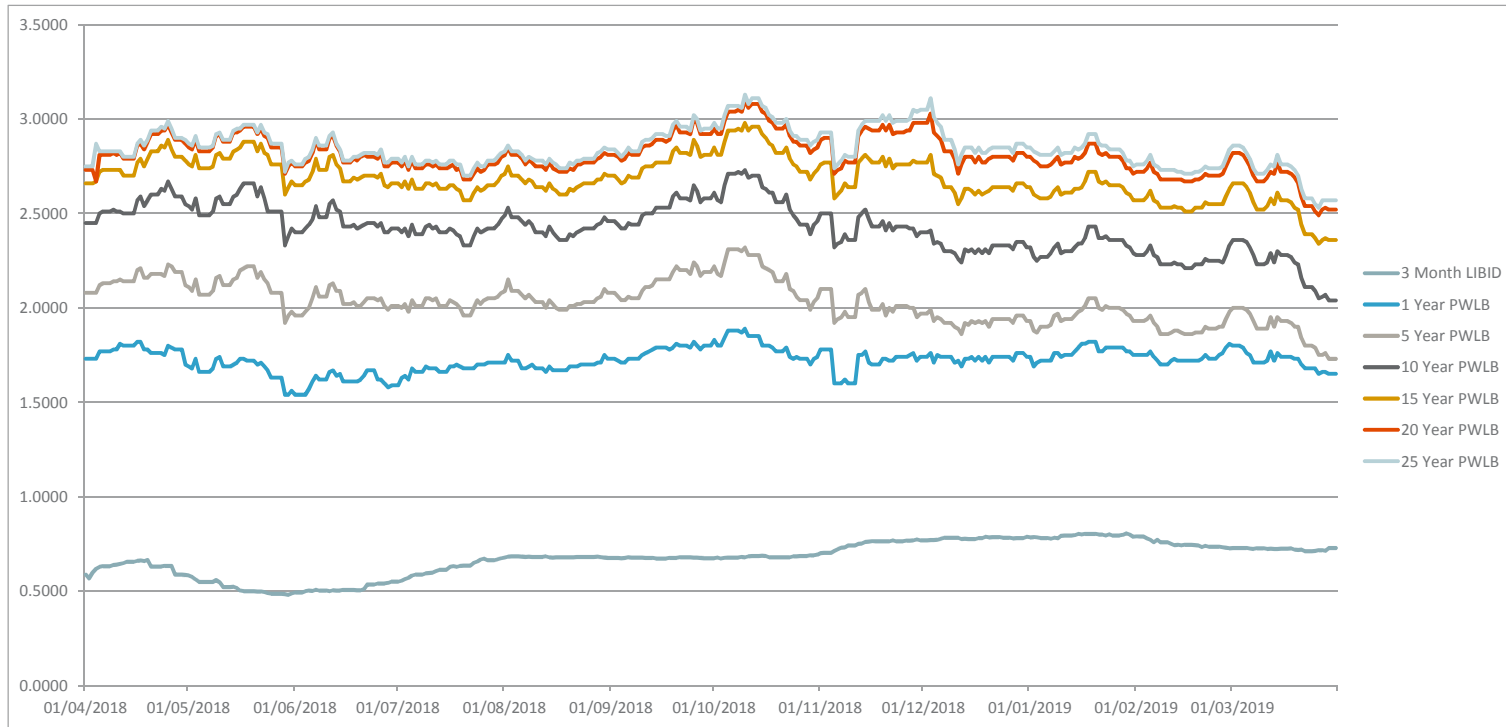
Basildon Borough Council

2018/19

Dashboard

Period 12 March

Balance Date 31/03/2019



PWLB Interest Rates 2018/19

ACTUAL PRUDENTIAL INDICATORS 2018/19

The CIPFA Prudential Code for Capital Finance in Local Authorities applying to 2018/19 (“the Prudential Code”) required some of the Prudential Indicators detailed in the code to be reported as actuals following the end of the year in question. These indicators are reported in the table below. The indicators for 2018/19 were approved by Council on 8 February 2018.

Indicator	Working Budget	Actual
Capital Expenditure in the year	£75.1 million	£38.9 million
Capital Financing Requirement at the year end	£310.8 million	£305.7 million
External debt at 31st March 2019	£259.5 million	£243.4 million
Ratio of financing costs to net revenue stream – GF	12%	9%
Ratio of financing costs to net revenue stream – HRA	17%	15%

The following comments are made on the variances from estimate to outturn:

Capital Expenditure in the year

Further detail on the outturn for the capital programme can be found in the report to the Policy & Resources Committee.

Capital Financing Requirement at 31 March 2019

The capital financing requirement is influenced by the way in which the capital programme is financed and it essentially represents the Council’s borrowing requirement. The increase is the direct result of changes in delivery of the capital programme and its financing.

External Debt at 31 March 2019

Annex No. 1 provides further information on the level of external debt at the year end.

Ratios of financing costs to net revenue stream

It should be noted that financing costs are calculated net of investment returns.

This page is intentionally left blank

Lloyds Bank Set-Off Agreement (Part II)

On April 1 2019, the Council entered into a contract with Lloyds to provide banking services. As part of this new arrangement, Lloyds can provide the option to consider balances across all the Council's bank accounts to determine the overall position on which interest (or charges should an overdraft position be present) is calculated. A copy of the necessary agreement is attached as **Annex 1**. At present, balances need to be transferred between accounts when large payments are being made as part of the Council's treasury management activities, so having this facility in place will reduce time taken to undertake these activities.

The legal team at Lloyds require the approval of Council for this facility to be offered, although the signing can be delegated to the Chief Financial Officer (S151 Officer).

This facility does not affect the risk profile of any of the Council's day to day treasury management activities, it is merely a facility offered by the bank to simplify day to day operating procedures.

This page is intentionally left blank

SET-OFF AGREEMENT

(SOA – Eng Local authorities)

VF 3125014

Set-Off Agreement

Local authorities

Lloyds Bank plc

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	3
2.	BANK'S RIGHTS	4
3.	FIXED TERM DEPOSITS	4
4.	UNDERTAKINGS	4
5.	NO WITHDRAWALS.....	5
6.	NO LIABILITY	5
7.	CURRENCY CONVERSION	5
8.	CONTINUING SECURITY	6
9.	CONCLUSIVE EVIDENCE	6
10.	OTHER SECURITIES OR RIGHTS.....	6
11.	UNLAWFULNESS, PARTIAL INVALIDITY	6
12.	NON-MERGER, ETC.	6
13.	RESTRICTION ON LIABILITY OF THE BANK.....	6
14.	NO RELIANCE ON THE BANK	6
15.	MISCELLANEOUS	7
16.	LAW AND JURISDICTION.....	8

THIS SET-OFF AGREEMENT is made on the day of 20.....

BETWEEN:

- (1) **Basildon Borough Council** a local authority constituted under English law and having its principal offices at **The Basildon Centre, St Martin’s Square, Basildon, Essex SS14 1DL** (the “**Customer**”); and
- (2) **LLOYDS BANK plc** (Company number 2065) whose address for the purposes of this agreement is at **Mid Market Securities, 5th Floor, 110 St Vincent Street, Glasgow, G2 5ER** (or at such other address as the Bank may from time to time notify to the Customer in writing for this purpose) (the “**Bank**”),

in consideration of the Bank providing or continuing facilities, products or services or giving time or releasing any security or releasing any person from any obligation in respect of facilities, products or services to or at the request of the Customer, whether alone or jointly with any other person or persons.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, so far as the context admits, the following words and expressions shall have the following meanings:

“**Accounts**” means all the present and future accounts of the Customer with the Bank and includes accounts in the Bank’s name with any designation which includes the name of the Customer and “**Account**” means any one of them;

“**Credit Balance**” means any sum standing to the credit of an Account, whether in Sterling or any other currency or currency unit and the debt from time to time owing by the Bank represented by that sum and “**Credit Balances**” means all of them;

“**Liabilities**” means all money and liabilities whether actual or contingent (including further advances made hereafter by the Bank) now or at any time hereafter due, owing or incurred from or by the Customer to the Bank anywhere or for which the Customer may be or become liable to the Bank in any manner whatsoever without limitation (and (in any case) whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same may at any earlier time have been due, owing or incurred to some other person and have subsequently become due, owing or incurred to the Bank as a result of a transfer, assignment or other transaction or by operation of law) whether in Sterling or any other currency or currency unit and “**Liability**” means any one of them; and

“**Sterling**” means the legal currency for the time being of the United Kingdom.

1.2 In this Agreement:

- (a) the expression “**Bank**” and “**Customer**” where the context admits includes their respective successors in title and/or assigns whether immediate or derivative;
- (b) unless the context requires otherwise:
 - (i) the singular shall include the plural and vice versa;
 - (ii) any reference to a person shall include an individual, a company, corporation, limited liability partnership or other body corporate, a joint venture, society or unincorporated association, an organisation or body of persons (including a trust and a partnership) and any government, state, government or state agency or international organisation whether or not a

legal entity. References to a person also include that persons successors and assigns whether immediate or derivative;

- (iii) the expression this Agreement shall mean this Set-Off Agreement and shall extend to every separate and independent stipulation contained herein;
 - (iv) any right, entitlement or power which may be exercised or any determination which may be made by the Bank under or in connection with this Agreement may be exercised or made in the absolute and unfettered discretion of the Bank and the Bank shall not be under any obligation to give reasons therefor;
 - (v) references to any statutory provisions (which for this purpose means any Act of Parliament, statutory instrument or regulation or European directive or regulation or other European legislation) shall be deemed to include a reference to any modification, re-enactment or replacement thereof for the time being in force, all regulations made thereunder from time to time and any analogous provision or rule under any applicable law; and
 - (vi) references to clauses, sub-clauses and schedules shall be references to clauses, sub-clauses and schedules of this Agreement; and
- (c) except where expressly otherwise stated or where the context requires otherwise, each of the provisions of this Agreement shall apply both before and after any demand for payment under this Agreement.

1.3 The clause headings and marginal notes shall be ignored in construing this Agreement.

2. BANK'S RIGHTS

Without prejudice to any other provisions of this Agreement, the Customer agrees that in addition to any general lien, right of set-off, combination or consolidation or other rights to which the Bank as bankers may be entitled by law, the Bank may at any time and from time to time and with or without notice to the Customer:

- (a) combine or consolidate all or any of the Accounts with all or any of the Liabilities; and
- (b) set-off or transfer any Credit Balance in or towards satisfaction of any of the Liabilities.

3. FIXED TERM DEPOSITS

The Bank may at any time and from time to time exercise any of the rights referred to in clause 2 with or without notice to the Customer notwithstanding any other term or condition applying to the Accounts and notwithstanding that any Credit Balance may have been placed with the Bank for fixed or determinable periods of time.

4. UNDERTAKINGS

4.1 In the event of:

- (a) the Customer going into liquidation whether voluntary or compulsory;
- (b) a receiver being appointed of the whole or any part of the undertaking, property or assets of the Customer;

- (c) an application for the appointment of an administrator of the Customer being presented;
- (d) a voluntary arrangement being approved in relation to the Customer; or
- (e) a notice of appointment of or notice of intention to appoint an administrator is issued by or in respect of the Customer,

the Liabilities shall be deemed to have become presently due and payable without demand or further demand immediately before the making of the interim order or the presentation of the petition or application or the passing of the resolution for such winding up or administration or the issuing of the notice of appointment of or notice of intention to appoint such administrator or the appointment of such receiver or the approval of such voluntary arrangement.

- 4.2 The Customer agrees with the Bank that it shall not (without the prior written consent of the Bank) assign, mortgage, charge or otherwise confer upon any third party any right, title or interest in or to any Credit Balance, or otherwise dispose of any Credit Balance or agree to do any such thing, or allow any such third party right, title or interest to subsist (except in each case in favour of, or upon, the Bank).
- 4.3 Upon demand at any time and at its cost, the Customer shall take all steps and do all such things as the Bank may consider to be necessary or desirable to give effect to and procure the perfection of the rights intended to be granted by this Agreement.
- 4.4 The Customer undertakes to notify the Bank of the occurrence of any of the events specified in sub-clause 4.1.

5. NO WITHDRAWALS

Until all of the Liabilities have been fully discharged and satisfied, the Bank may at any time and from time to time (including, without limitation, after the expiry of any fixed or determinable period of time during which a Credit Balance has been placed with the Bank) refuse to permit any withdrawal of the whole or any part of a Credit Balance (whether by dishonouring cheques or otherwise).

6. NO LIABILITY

The Bank shall not be liable for any loss occasioned to the Customer by reason of the exercise of the Bank's powers under this Agreement including, without limitation, any loss of interest occasioned by any deposit being terminated without notice or before its maturity.

7. CURRENCY CONVERSION

If and to the extent that the Customer fails to pay on demand the amount due under this agreement in the currency or currency unit or currencies or currency units demanded, the Bank shall be entitled in its absolute discretion with or without notice to the Customer elect to convert the whole or any part of a Credit Balance into the currency or currencies of any Liability (deducting from the proceeds of the conversion any currency premium or other expense). The Bank may take any such action as may be necessary for this purpose, including without limitation opening additional Accounts. The rate of exchange shall be the Bank's spot rate for selling the currency of the Liability for the currency of such Credit Balance at or about 11.00 a.m. on the date the Bank exercises its right to combine or consolidate and/or to set-off or transfer.

8. CONTINUING SECURITY

This Agreement shall continue to bind the Customer as a continuing security notwithstanding that the Liabilities may from time to time be reduced to nil and notwithstanding any change in the name, style, constitution or otherwise of the Customer.

9. CONCLUSIVE EVIDENCE

A certificate by an official of the Bank as to the Liabilities shall (save for manifest error) be binding and conclusive on the Customer in any legal proceedings both in relation to the existence of the liability and as to the amount thereof.

10. OTHER SECURITIES OR RIGHTS

This Agreement is in addition to and is not to prejudice or be prejudiced by any other guarantee, lien, right of set-off, combination or consolidation or other rights exercisable by the Bank in connection with all or any of the Accounts or all or any of the Liabilities and is in addition to and is not to prejudice or be prejudiced by any security the Bank may now or hereafter hold.

11. UNLAWFULNESS, PARTIAL INVALIDITY

Each of the provisions in this Agreement are severable and distinct from one another and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

12. NON-MERGER, ETC.

Nothing herein contained shall operate so as to merge or otherwise prejudice or affect any bill, note, guarantee, mortgage or other security or any contractual or other right which the Bank may at any time have for any of the Liabilities or any right or remedy of the Bank thereunder. Any receipt, release or discharge of the security provided by, or of any liability arising under, this Agreement shall not release or discharge the Customer from any liability to the Bank which may exist independently of this Agreement.

13. RESTRICTION ON LIABILITY OF THE BANK

Except to the extent that any such exclusion is prohibited or rendered invalid by law, neither the Bank nor its employees and agents shall:

- (a) be under any duty of care or other obligation of whatsoever description to the Bank in relation to or in connection with the exercise of any right conferred upon the Bank; or
- (b) be under any liability to the Customer as a result of, or in consequence of, the exercise, or attempted or purported exercise, or failure to exercise, any of the Bank's rights under this Agreement.

14. NO RELIANCE ON THE BANK

- (a) The Customer acknowledges to and agrees with the Bank that, in entering into this Agreement:
 - (i) the Customer has not relied on any oral or written statement, representation, advice, opinion or information made or given to it in good faith by the Bank

- or anybody on the Bank's behalf and the Bank shall have no liability to the Customer if it has in fact so done;
- (ii) the Customer has made, independently of the Bank, its own assessment of the viability and profitability of any purchase, project or purpose for which the Customer has incurred the Liabilities and the Bank shall have no liability to the Customer if it has not in fact so done; and
 - (iii) there are no arrangements collateral or relating to this Agreement which have not been recorded in writing and signed on behalf of the Bank and the Customer.
- (b) The Customer agrees with the Bank that the Bank did not have prior to the date of this Agreement, does not have and shall not have any duty to it:
- (i) in respect of the application by the Customer of the money hereby secured; or
 - (ii) in respect of the effectiveness, appropriateness or adequacy of the security constituted by this Agreement or of any other security for the Liabilities.
- (c) The Customer agrees with the Bank for itself and as trustee for the Bank's officials, employees and agents that neither the Bank nor its officials, employees or agents shall have any liability to the Customer in respect of any act or omission by the Bank, its officials, employees or agents done or made in good faith.

15. MISCELLANEOUS

- 15.1 Any amendment of or supplement to any part of this Agreement shall only be effective and binding on the Bank and the Customer if made in writing and signed by both the Bank and the Customer. References to this Agreement include each such amendment and supplement.
- 15.2 The Customer and the Bank shall from time to time amend the provisions of this Agreement if the Bank notifies the Customer that any amendments are required to ensure that this Agreement reflects the market practice at the relevant time following the introduction of economic and monetary union and/or the euro in all or any part of the European Union.
- 15.3 The Customer and the Bank agree that the occurrence or non-occurrence of European economic and monetary union, any event or events associated with European economic and monetary union and/or the introduction of any new currency in all or any part of the European Union shall not result in the discharge, cancellation, rescission or termination in whole or in part of this Agreement or give any party hereto the right to cancel, rescind, terminate or vary this Agreement in whole or in part.
- 15.4 Any waiver, consent, receipt, settlement or release given by the Bank in relation to this Agreement shall only be effective if given in writing and then only for the purpose for and upon any terms on which it is given.
- 15.5 Any change in the constitution of the Bank or the Bank's absorption of or amalgamation with any other person shall not in any way prejudice or affect its or their rights under this Agreement and the expression "the Bank" shall include any such other person.
- 15.6 This document shall at all times be the property of the Bank.
- 15.7 Without prejudice to clause 15.6, the Customer may disclose the content of this Agreement in compliance with the Freedom of Information Act 2000 (FOIA) and/or the Environmental

Information Regulations 2004 (EIRs) or as a consequence of order by any court, tribunal or body with authority to order disclosure (including the Information Commissioner). If the Customer receives a request under Section 1 of FOIA (or, if applicable, a request under the EIRs) relating to this Agreement, the Customer may seek the consent of the Bank to release some or all of the information in response to the said request and shall do so if the Customer is minded to disclose such items, whether in terms of the public interest or otherwise. If the Bank fails to respond to such a request for consent within seven days of the request being made, it shall be deemed to have consented to the release of information as requested by the Customer. In all cases the Customer may, without the consent of the Bank, disclose the content of this Agreement if the Customer (acting reasonably) is satisfied that it is in the public interest for it to do so. In reaching this conclusion the Customer shall take into account any representations made in connection with this by the Bank but the decisions of the Customer as to what constitutes the public interest shall be final and conclusive in any dispute, difference or question arising in respect thereof.

16. LAW AND JURISDICTION

- 16.1 This Agreement and any dispute (whether contractual or non-contractual, including, without limitation, claims in tort, for breach of statutory duty or on any other basis) arising out of or in connection with it or its subject matter (“**Dispute**”) shall be governed by and construed in accordance with the laws of England and Wales.
- 16.2 The parties to this Agreement irrevocably agree, for the sole benefit of the Bank, that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any Dispute. Nothing in this clause shall limit the right of the Bank to take proceedings against the Customer in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

IN WITNESS whereof the Customer has executed this Agreement as a deed and has delivered it on its being dated.

Signed as a deed by **Basildon Borough Council**

Acting by
 Authorised Signatory

In the presence of:

Witness (name)
 (signature)

Address

Occupation

This page is intentionally left blank

BASILDON BOROUGH COUNCIL

Report to: Policy and Resources Committee
18 December 2019

WORK PROGRAMME 2019/20

Report by: Assistant Director – Corporate Services

Enquiries to: Corinna Bramley, Committee and Member Services Team Manager
on 01268 207946 or corinna.bramley@basildon.gov.uk

Enclosures: None

EXECUTIVE SUMMARY:

This report provides Members with an opportunity to review and identify items for the committees work programme for the ensuing municipal year.

CORPORATE PLAN PROMISES:

- A place for everyone to call home
- A place where everyone prospers
- A place to be proud of

WARD(S):

All Wards

RECOMMENDATION:

That the Committee considers and endorses items for inclusion in its work programme for the 2019/20 municipal year.

BACKGROUND

It is beneficial for each committee to develop and maintain a work programme setting out the main issues it intends to consider during the ensuing municipal year.

At the Policy and Resources Committee meeting held on 2 October 2019, the Committee agreed its work programme as set out below:

<u>Committee Date</u>	<u>Report</u>	<u>Description</u>
30 January 2020	ICT Strategy	To consider and approve an ICT Strategy
30 January 2020	Asset Management Framework for Corporate	To provide an update on progress against the action plans for corporate

	(General Fund)/HRA Assets	and HRA assets
30 January 2020	Senior Management Arrangements	To consider changes to the Senior Management team following the retirement of the Corporate Director as agreed at the meeting held on *
30 January 2020	Outcome of Options for Future Administration Arrangements at Basildon Council	To report on the options following the Policy and Resources Committee on 4 July 2019
30 January 2020	Workforce Profile	To receive details of the Workforce Profile
30 January 2020	Gender, Ethnic and Diversity Pay Gap	To consider a report regarding gender, ethnic and diversity pay gap
30 January 2020	Shadow Wickford Town Council	To consider proposals for the shadow Wickford Town Council
30 January 2020	Budget, MTFs and Treasury Management Strategy 2020/21	To consider for approval the Budget, MTFs and Treasury Management Strategy 2020/21
30 January 2020	Council Tax Support Scheme	To be recommended to Council for approval
30 January 2020	General Fund and HRA Budgets 2020/21 inc General Fund Capital Programme	To approve and recommend to Council the draft budget
12 March 2020	Review of Enforcement Arrangements for debt collection by oneSource	To review the arrangements following Policy and Resources approval on 4 July 2019
12 March 2020	Complaints Policy	To consider a review of the complaints policy
June 2020	Hardship Policy	To consider the Hardship Policy for approval
June 2020	Corporate Debt Policy	To consider the new Corporate Debt Policy as an outcome of the previously agreed member working group

The Committee is asked to consider the work programme for the forthcoming year and identify issues to form the basis of its work during the year.

Additional items can be added to agendas as necessary in liaison with the Chairman, should business needs require. However, in general, additional items that are not on the work programme should be subject to agreement by the Committee for those to be included and subsequently a report brought forward to ensure that officer resources are directed towards matters that the Committee has agreed it wishes to consider.

This approach ensures the Committee has control of its work programme and allows Officers to do the necessary preparatory reports to committee.

LEGISLATION/POLICY

The terms of reference of the Committee are set out in the Council's Constitution. It is good practice to include work programming to help the Council manage priorities.

GENERAL INFORMATION

Corporate Plan Promises

The activities of the Committee should reflect and take account of the core promises and outcomes set out in the Council's Corporate Plan and support achievements of these.

Financial Implications

There are no direct financial implications arising from consideration of this report.

Risk Management Implications

The relevant risk and opportunities in connection with this matter have been considered and have been referred to in the body of this report as appropriate.

Inclusion, Diversity and Community Cohesion Implications

Where relevant, Service Impact Assessments will be undertaken and the findings will be presented to Members for consideration.

Other Relevant Considerations

None

Background Papers

None

This page is intentionally left blank