



# Agenda

## Finance, Assets, Investment & Recovery Committee

Wednesday, 20 December 2023 at 7.00 pm  
Council Chamber, Brentwood Borough Council, Ingrave Road,  
Brentwood, Essex CM15 8AY

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### Membership (Quorum – 3 )

Cllrs Kendall (Chair), Lewis (Vice-Chair), Barber, Barrett, Bridge, Laplain, Parker, Poppy and Worsfold

### Substitute Members

Cllrs Aspinell, Dr Barrett, Mrs Murphy, Mynott and Russell

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### Agenda

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### Live broadcast

[Live broadcast to start at 7pm and available for repeat viewing.](#)

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| 1. | Apologies for absence                                |  |          |
| 2. | Minutes of the previous meeting                      |  | 5 - 16   |
| 3. | Chairs Update  |  | 17 - 22  |
| 4. | Housing Debt Write Off                               |  | 23 - 28  |
| 5. | Planning Obligations Supplementary Planning Document |  | 29 - 188 |

(SPD)

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| 6.  | <b>OneTeam Transformation Programme - Strategic Partnership with Rochford District Council - Quarter 3 Update</b>   | 189 - 198 |
| 7.  | <b>Fees &amp; Charges</b>   | 199 - 214 |
| 8.  | <b>Treasury Management Review</b>   | 215 - 304 |
| 9.  | <b>P8 2023.24 Budget Update Report</b>  | 305 - 328 |
| 10. | <b>Urgent business</b>  |           |
| 11. | <b>EXEMPT - Seven Arches Investments Limited Quarterly report</b><br>The public will be excluded from the meeting for this item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 is involved. |           |



Jonathan Stephenson  
Chief Executive

Town Hall  
Brentwood, Essex  
12.12.2023

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### Information for Members

#### Substitutes

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The names of substitutes shall be announced at the start of the meeting by the Chair and the substitution shall cease at the end of the meeting.

Where substitution is permitted, substitutes for quasi judicial/regulatory committees must be drawn from Members who have received training in quasi- judicial/regulatory decision making. If a casual vacancy occurs on a quasi judicial/regulatory committee it will not be filled until the nominated member has been trained.

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#### Rights to Attend and Speak

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Any Members may attend any Committee to which these procedure rules apply.

A Member who is not a member of the Committee may speak at the meeting. The Member may speak at the Chair's discretion, it being the expectation that a Member will be allowed to speak on a ward matter.

Members requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting.

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#### Point of Order/ Personal explanation/ Point of Information

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##### Point of Order

A member may raise a point of order at any time. The Mayor will hear them immediately. A point of order may only relate to an alleged breach of these Procedure Rules or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Mayor on the point of order will be final.

##### Personal Explanation

A member may make a personal explanation at any time. A personal explanation must relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate, or outside of the meeting. The ruling of the Mayor on the admissibility of a personal explanation will be final.

##### Point of Information or clarification

A point of information or clarification must relate to the matter being debated. If a Member wishes to raise a point of information, he/she must first seek the permission of the Mayor. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate. If the Mayor gives his/her permission, the Member will give the additional information succinctly. Points of Information or clarification should be used in exceptional circumstances and should not be used to interrupt other speakers or to make a further speech when he/she has already spoken during the debate. The ruling of the Mayor on the admissibility of a point of information or clarification will be final.

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### Information for Members of the Public

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#### Access to Information and Meetings

You have the right to attend all meetings of the Council and Committees. You also have the right to see the agenda, which will be published no later than 5 working days before the meeting, and minutes once they are published.

Dates of the meetings are available at [www.brentwood.gov.uk](http://www.brentwood.gov.uk).

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#### Guidelines on filming, photography, recording and use of social media at council and committee meetings

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities.

Where members of the public use a laptop, tablet device, smart phone or similar devices to make recordings, these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

If you wish to record the proceedings of a meeting and have any special requirements or are intending to bring in large equipment then please contact the Communications Team before the meeting.

The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of

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these activities, in their opinion, are disrupting proceedings at the meeting.

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 **Private Session**

Occasionally meetings will need to discuss some of its business in private. This can only happen on a limited range of issues, which are set by law. When a Committee does so, you will be asked to leave the meeting.

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  **Access**

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 **Evacuation Procedures**

Evacuate the building using the nearest available exit and congregate at the assembly point in the Car Park.



## Minutes

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### Finance, Assets, Investment & Recovery Committee Wednesday, 13th September, 2023

#### Attendance

Cllr Kendall (Chair)	Cllr Laplain
Cllr Barrett (Vice-Chair, in the Chair)	Cllr Parker
Cllr Barber	Cllr Poppy
Cllr Bridge	Cllr Worsfold

#### Apologies

Cllr Lewis

#### Substitute Present

Cllr Aspinell (substituting for Cllr Lewis)

#### Also Present

Cllr Dr Barrett  
Cllr Mynott  
Cllr Mrs Pound  
Cllr Rigby  
Cllr Russell  
Cllr Sankey

#### Officers Present

Kim Anderson	- Corporate Manager Communities, Leisure & Health
Stuart Anderson	- Facilities Manager
Greg Campbell	- Director - Policy and Delivery
Laurie Edmonds	- Corporate Manager - Economic Development
Zoey Foakes	- Governance & Member Support Officer
Claire Mayhew	- Acting Joint Director of People & Governance & Monitoring Officer
Jonathan Quilter	- Corporate Manager (Strategic Planning)
Jonathan Stephenson	- Chief Executive
Steve Summers	- Strategic Director
David Wellings	- Corporate Health & Safety Advisor
Richard Wilson	- Commercial Consultant
Sam Wood	- Corporate Manager - Finance

## **LIVE BROADCAST**

[Live broadcast to start at 7pm and available for repeat viewing.](#)

### **141. Apologies for absence**

Apologies were received from Cllr Lewis with Cllr Aspinell substituting.

The Chair asked that Cllr Barrett be Vice Chair for the duration of this meeting only.

### **142. Minutes of the previous meeting**

The minutes of the Finance, Assets, Investment & Recovery Committee held on the 12<sup>th</sup> July 2023 were approved as a true record.

### **143. Chairs Update**

The report began on page 23 of the agenda and highlighted the work the Officers have done.

The Chair thanked Officers Laurie Edmonds together with Kaye Thurgood and Nish Patel for the success of the Brentwood BID.

The Chair highlighted the upcoming Brentwood Job Fair which is a bigger event than last year with over 30 employers signed up.

Following the success of previous Brentwood Business Showcase events, there will now be a South East Essex Business Exhibition taking place at the Brentwood Centre on 14<sup>th</sup> March 2024.

This week, Brentwood Borough Council were amongst 20 council's listed in a report by Moody's about local authorities with high levels of debt. What the report didn't have was any other context or commentary around our position.

To reassure members, our staff, and residents - the Council's medium term financial strategy is robust and our governance process is robust.

The value of our assets far outweighs our overall debt, and the returns we get on these assets provides additional income that we invest back into the services we provide.

We also have mitigations in place to reduce the negative impact of unforeseen economic events.

**144. OneTeam Transformation Programme - Strategic Partnership with Rochford District Council - Quarter 2 Update**

The purpose of the report was to provide a quarterly update on progress of the One Team Transformation Programme.

Following a discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report.

Members voted and it was **RESOLVED UNANIMOUSLY**:

**R1. That the Committee notes the progress of the OneTeam Transformation Programme.**

Reason for Recommendation

To ensure that Members are informed of the progress of the OneTeam Transformation Programme.

**145. ULEZ (Ultra Low Emissions Zone)**

This item was for information only and no voting was required.

**146. UK Shared Prosperity Fund (UKSPF) Update August 2023**

This report provided a summary of the projects and spend to date for the UK Shared Prosperity Fund (UKSPF).

Cllr Kendall **MOVED** a new recommendation and Cllr G Barrett **SECONDED** this.

Members **RESOLVED UNANIMOUSLY**:

**R1: That a cross party workshop be introduced to the discuss UKSPF especially in relation to the third year funding and how it will be allocated.**

Mrs Edmonds updated the committee that since the report was written, there are two further UK Shared Prosperity Fund updates to share.

With our Year 2 UKSPF E23 allocation, we have co-commissioned - along with Rochford District Council - a peer networking scheme to support start up businesses, growing businesses, businesses wanting to become more sustainable and businesses looking to innovate.

The £9k that is marked as TBC in the Year 2 budget within the report is now a confirmed expenditure.

The new scheme will be called GET SET GROW and will launch on Monday, 18 September. It will culminate in 'The Big Pitch' - a Dragon's Den style event - that will be held in spring 2024.

We have also used some of our E1 funding to purchase 5 new picnic benches for Crown Street, including 2 that are wheelchair accessible. They were installed earlier today.

#### **147. OneTeam Health & Safety Policy**

The purpose of the Health, Safety and Wellbeing Policy (HSWP) is to fulfil the legal requirement to set out how the Council will manage its responsibilities in law and how this applies to all employees and Council partners. The HSWP sets out the approach the authority takes to the successful management of health and safety.

Through the Council's strategic partnership with Rochford District Council, officers have developed a joint policy for both organisations. This is developed as a leading statutory document that is pivotal to the Health & Safety and Wellbeing plan.

The HSWP is supported by a Health, Safety and Wellbeing Strategy that provides more details on the specific goals of the organisation, along with how these will be achieved. Due to the complexity of health and safety there is also a diverse range of topic specific Policies, Standards, Procedures and Risk Assessments that detail what is required to ensure management and compliance across the organisation.

Following discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report. Members voted and it was **RESOLVED UNANIMOUSLY**:

**For members to endorse the draft OneTeam Health & Safety and Wellbeing Policy attached in Appendix A.**

#### Reason for Recommendation

By endorsing this statutory policy the Council is committed to ensuring there is always a positive and proactive culture towards Health, Safety, and the Wellbeing of its organisation.

By committing to Health, Safety, and Wellbeing, the Council will also be contributing to the National Health and Safety initiative; the Health and Safety Executive's (HSE's) new ten-year strategy: Protecting People and Places.

It recognises that the successful management of health and safety makes a positive contribution towards the achievement of the corporate strategy. It supports effective development of management systems, commitment to



continuous improvement, and service delivery to the community and our residents, in addition to meeting our statutory responsibilities as an employer.

The Council is committed to ensuring the health, safety and welfare of all staff, or others affected by its activities, so far as is reasonably practical. Staff are our most valued resource, and their health, safety, welfare, and overall wellbeing is of paramount importance and essential to the planning and delivering of quality services to our residents, visitors, and others. We are committed to preventing ill health and injuries, including those related to psychosocial risk and promoting people's well-being at work.

**148. Hutton Poplars Lodge and Hutton Poplars Bowling Club**

The Council is committed to ensuring the health, safety and welfare of all staff, or others affected by its activities, so far as is reasonably practical. Staff are our most valued resource, and their health, safety, welfare, and overall wellbeing is of paramount importance and essential to the planning and delivering of quality services to our residents, visitors, and others. We are committed to preventing ill health and injuries, including those related to psychosocial risk and promoting people's well-being at work.

On the date of the meeting, the Chair update the Committee that he received confirmation from Hutton Bowls Club that they were no longer continuing the Club due to low membership numbers. Due to this, R2 was no longer applicable for voting.

The Council would be supporting the Bowls Club in winding up the Club.

Following discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report. Members voted on R1 and R3 and it was **RESOLVED UNANIMOUSLY** to:

**R1: The Council does not renew the lease on Hutton Poplars Lodge with the Bowls Club.**

~~**R2: The Council gives the Hutton Poplars Bowls Club three months to explore and secure the funding for Option 2 as set out within the report.**~~

**R3: The Council looks to market Hutton Poplars Lodge for commercial vendors.**

Reason for Recommendation

The Council needs to ensure that the facilities that it manages are delivering value for money and meet the needs of the residents.

**149. Leisure Contract - Brentwood Centre and Hartswood Pavilion in King George's Playing Fields**

The Brentwood Leisure Centre and Hartwood Pavilion in King George's Playing Fields is currently managed by Everyone Active (SLM) and their contract is due to expire on 1 October 2023. The Council is looking to extend the contract until 31 March 2025 and during that period draw up the tender documents to go out in 2024 for a longer-term leisure contract. This short extension aligns with expiration of the Leisure Contract for Rochford District Council's leisure facilities. It is proposed to do a joint tender for the leisure facilities across Brentwood and Rochford from 1 April 2025. In order to inform the specification for the tender document both authorities Council needs to undertake a condition survey and feasibility study to understand the investment that the Council's and the operator will need to make over the term of the contract. A separate report is going to the Executive Group at Rochford District Council.

Following discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report. Members voted and it was **RESOLVED UNANIMOUSLY** to:

**R1: Agree to extend the existing Leisure Contract with Everyone Active until 31 March 2025.**

**R2: To appoint Sports, Leisure and Culture (SPL) consultants to undertake feasibility study and provide support with the procurement of a new combined leisure contract for the management and operation of the following facilities across Brentwood and Rochford: • Brentwood Leisure Centre • Hartwood Pavilion (including Splash pad and Adventure play) in King George's Playing Fields • Clements Hall Leisure Centre • Rayleigh Leisure Centre**

**R3: Refer the report to the Housing, Health and Community Committee for information**

Reason for Recommendation

- Brentwood Borough Council needs to develop a robust and evidenced based a feasibility study on potential investment options at the Brentwood Centre.

**150. Wedding Options out of the Town Hall**

Currently Brentwood Borough Council has a wedding offer at the Town Hall on Thursday and Fridays and utilises Committee Room 1 and 2 and on occasions the Council Chamber to undertake weddings. It is proposed that officers look at Merrymeade House as an alternative venue for weddings out of the Town Hall.

Following discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report. Members voted and it was **RESOLVED** to:

**R1: Delegate authority for the Director of Assets and Investment to negotiate an agreement with Brentwood Council for Voluntary Services to manage weddings/civil ceremonies at Merrymeade House.**

**R2: Ensure that the change to the Wedding /Civil Ceremonies is clearly communicated to the public via the Council's website**

Reason for Recommendation

There is a staff resource to manage these bookings, meet and greet the registrar and the couples undertaking the wedding/civil service as well as caretaker support to reconfiguring the committee room furniture. The income that is generated is split between Essex County Council and Brentwood Borough Council.

The ceremonies have been reduced to just two days a week due to the ongoing staff resource requirements, so by moving them out of the Town Hall a much better offer could be provided. Merrymeade House can accommodate a similar number of guests plus the wedding party. It is a Grade II listed building so is an attractive addition for the photographs and has a tearoom which could offer a wedding breakfast option as well.

It also offers Brentwood Council for Voluntary Services (CVS) an opportunity for an additional income stream which could reduce the core funding requirements from the Council going forward.

**151. Response to National Grid Non-Statutory consultation on Norwich to Tilbury**

The report considered the non-statutory consultation in respect of National Grid's Transmission's 400kv grid reinforcement between Norwich and Tilbury. The project was previously referred to as East Anglia Green. This project is a Nationally Significant Infrastructure Project (NSIP).

The report provided an overview of the project and its potential impacts on Brentwood borough. A draft response had been submitted to comply with the consultation deadline and is subject to committee approval in line with the recommendation (Appendix A of the report). The response objects to the proposed Norwich to Tilbury scheme on the basis that alternative options including re-routing and undergrounding need to be given more serious consideration, direct impacts on the delivery of Dunton Hills Garden Village (DHGV), and impacts on affected communities, Green Belt, heritage, landscape and ecology. This is consistent with other responses from affected local authorities, including Essex County Council (Appendix B of the report).

This non-statutory consultation remained the starting point for the project. There will be further statutory consultation in 2024. The Council requests further ongoing engagement with National Grid on the scheme to help resolve its objections.

Following discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report. Members voted and it was **RESOLVED UNANIMOUSLY** to:

**R1. Approve the response to the Norwich to Tilbury non-statutory consultation, as set out in Appendix A of the report.**

Reason for Recommendation

- Officers consider that Brentwood should submit an in-principle objection to the scheme, as the alternative options have not been fully explored and considered versus the impact that the on land overhead pylons and cabling option may have on a variety of factors, as set out in Appendix A.

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**152. Brentwood Borough Council response to the Basildon Borough Council Local Plan Issue and Options Consultation 2027-2042 - Officers Response**

At 9.00pm, a vote was taken on Standing Orders and it was **UNANIMOUSLY AGREED** to extend the meeting for a further 30 minutes.

The chair adjourned for a 10 minutes comfort break.

The report sought approval on a formal response from Brentwood Borough Council (submitted as an officer's response pending approval from the committee) to the Basildon Local Plan, Issues & Options consultation (Regulation 18). The consultation ran from 27 June to 5 September 2023.

The officer response conveys broad support of Basildon Borough Council's aims in preparing a new Local Plan. The Basildon Plan is currently at the beginning stages of the plan-making process with no specific details on the strategic approach for the area.

The consultation focused more on seeking options on what the strategic strategy should be. The consultation document highlights the fact that as of now the standard method indicates that Basildon Borough Council has a housing need of 1,041 new home per annum, resulting in 20,820 new homes over the plan period. The consultation document seeks opinions on what is an appropriate level of housing to be delivered and makes reference that the plan could provide less housing depending on the outcome of the pending NPPF revision. The consultation document also refers to Basildon's gypsy and traveller's needs currently being 85 pitches and 3 travelling showpeople plots for those that meet the planning definition and an additional 93 pitches and 86 traveling showpeople plots for those that do not meet the definition. The officer response highlights the importance of Basildon Borough Council making every effort possible to meet these needs in full.

Following discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report. Members voted and it was **RESOLVED UNANIMOUSLY** to:

**R1. Approve the response to the Basildon Local Plan Issues & Options consultation (Regulation 18), as set out in Appendix A.**

Reason for Recommendation

Basildon Borough Council is currently working towards a new Local Plan, with a possible plan period of 2027 to 2042 (with the possibility of this being extended subject to this consultation outcome). The consultation document was an 'Issues & Options' Plan, which is at the very beginning stages of the Plan making process. The Issues & Options consultation document was out for consultation from 27 June to 5 September 2023. Basildon Council agreed to accept an officer's response to the consultation pending approval from the committee.

Brentwood Borough Council is duty bound to undergo the duty to cooperate with neighbouring authorities on preparation of their local plans. In addition to being a neighbouring authority, both Basildon and Brentwood are members of the Association of South Essex Local Authorities (ASELA), and therefore ongoing joint working and discussion on cross-boundary planning matters, such as unmet housing needs, is discussed as part of the preparation of the South Essex Joint Strategic Framework.

**153. Local Plan Review update**

The Brentwood Local Plan 2016-2033 was adopted in March 2022 following Examination in Public overseen by the Planning Inspectorate on behalf of the Secretary of State. The appointed Inspectors in their final report recommended a number of Main Modifications in order to make the plan sound and capable of adoption. One of those included the addition of Policy MG06: Local Plan Review and Update. This Policy sets out that the Council's commitment to bring forward a partial update of the Plan with the objective of meeting the full Objectively Assessed Housing Needs. The review was required to commence immediately with submission of the review for examination within 28 months.

To facilitate the production of the Local Plan Review it is necessary to reconvene the Local Plan Member Working Group.

Reviewing the Local Plan will ensure that the Council continues to have an up-to-date strategic planning framework for the borough that provides control and certainty at the planning application stage and protects communities from speculative applications. It will also assist in the delivery of the Council's corporate objectives, including climate change and placemaking ambitions, and support job creation and regeneration.

To support the preparation of any Local Plan there is a need to update relevant evidence including undertaking a call for sites.

Following discussion Cllr Kendall **MOVED** and Cllr G Barrett **SECONDED** the recommendations in the report. Members voted and it was **RESOLVED UNANIMOUSLY** to:

**R1. Approve that work is continued for the preparation of the Local Plan Review, including a focus on climate change and sustainability matters, with emerging work presented to a reconvened Local Development Plan Member Working Group and key stages brought to committee in due course.**

**R2. Approve that Local Plan supporting evidence is reviewed and updated where appropriate, including commencing a Call for Sites consultation.**

#### Reason for Recommendation

National Policy requires that Local Plans as a minimum are reviewed at least every five years should be updated as necessary. The adopted Brentwood Local Plan requires under Policy MG06: Local Plan Review and Update that an immediate review is undertaken with submission of the review for examination occurring within 28 months of adoption. This was stipulated by the appointed Planning Inspector who oversaw the examination of the Local Plan as there was an identified shortfall in meeting housing needs. Therefore, it is imperative that the Council proceeds with this work to review the adopted Local Plan to ensure housing supply is maintained to meet identified needs.

In addition, there is a need to consider climate change and sustainability matters and reviewing the policies within the adopted Local Plan particularly given that the Council recently declared a Climate Emergency at Ordinary Council in June 2023.

To facilitate the production of the Local Plan Review it is necessary to reconvene the Local Plan Member Working Group which will allow for cross party discussion on the work as it is prepared. Key consultation stages such as Regulation 18 and 19 will be brought to committee for member approval in due course.

A Local Plan needs to be underpinned by appropriate and proportionate evidence; therefore, this will need to be reviewed and updated to support the Local Plan Review. There is an immediate need to undertake a Call for Sites in line with National Planning Practice Guidance so an up-to-date baseline is established on what development opportunities are available. Findings from any updated and emerging evidence will inform the preparation of the Local Plan which will be brought before the Local Plan Member Working Group

**154. Vary the order of the agenda**

Cllr Kendall **MOVED** to vary the order of the agenda and was **SECONDED** by Cllr G Barrett to take Urgent Business ahead of the exempt items on the agenda.

**155. Urgent business**

There were no items of urgent business. The Chair closed the meeting to the press and public.

**156. EXEMPT - Brentwood Town Football Club Lease – Less than Best Consideration**

At 9.30pm, a vote was taken on Standing Orders and it was **UNANIMOUSLY AGREED** to extend the meeting for a further 30 minutes.

The public were excluded from the meeting for the item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 was involved.

A Motion was **MOVED** by Cllr Kendall and **SECONDED** by Cllr G Barrett to agree the recommendation in the report. A vote was taken by a show of hands and it was **RESOLVED**.

*(Cllr Kendall declared a non registerable interest as his company had made a donation to the Football Club.)*

**157. EXEMPT - Seven Arches Investments Limited Quarterly report**

The public were excluded from the meeting for the item of business on the grounds that the disclosure of exempt information as defined in Schedule 12A of the Local Government Act 1972 was involved.

The report was for information only and no voting was required.

*(Cllr Bridge declared a non pecuniary interest due to working with a previous colleague who had a connection to a SAIL owned property.)*

The meeting concluded at 10:10pm

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## **FINANCE, ASSETS, INVESTMENT AND RECOVERY COMMITTEE**

**20 DECEMBER 2023**

<b>REPORT TITLE:</b>	Chairs Update
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This report provides an update to Members in relation to the areas covered under the Terms of Reference of the Finance, Assets, Investment and Recovery Committee.

### **MULTI STOREY CAR PARK – COPTFOLD ROAD**

As councillors are aware, the payment system at the car park failed at the beginning of September and this failure escalated quite rapidly. As the current system was not operational, the Council took the decision to lift the barrier at the MSCP. This was to reduce the risk of users being trapped inside the car park due to limited resources to man the barrier manually, this resulted in a period of free parking. Whilst the car park was free, officers have been working to resolve the issue as quickly as possible. Attempts were made to bring the current system back online with the current provider however the system was not capable of doing this and the aged system requires replacing.

As an interim measure the Council has installed a QR code system that people can scan and use to pay. This temporary solution went live as of Monday 13th November, this date was chosen to ensure there is no disruption over the Remembrance weekend when staff were not available to assist.

The Council made social media posts advising of the changes that were coming into the place. Signage has been produced and has been placed at the entrance of the car park advising of the new payment method and throughout the other levels in the car park. A member of the parking service teams was present in the lobby of the carpark during the first week of implementation to assist the public on using the app to pay for parking. If users have been unable to use the app, they have been redirected to Chatham Way and William Hunter Way where they are able to pay by cash.

QR codes have been displayed at each pedestrian entrance and lift lobbies. Officers are regularly inspecting the QR codes to ensure they are the Council's QR codes mitigating the risk of fraud that is posed. Officers are also directing users to input the website address into their devices if users are not comfortable with scanning QR codes.

Regarding the loss of income during the period the car park was free, the Council is forecasting a loss of around £13,578. The loss of income is predominantly due to the daily payments. Instead of issuing refunds for season ticket holders, the Council has extended their permits by the period that the MSCP payment season was not operational.

Work is still progressing with the procurement of a new system. The final contract documents have been received and have been reviewed by legal. The new system will utilise ANPR technology and increase the safety of the car park by creating a more secure car park. The ANPR technology will open the barrier and the gates of the car park on exit when payment is made on exit. Season ticket holders and Beckett House residents number plates will be entered into the system so they can enter and exit the car park. This system will be installed and operational within the first quarter of 2024.

### **WILLIAM HUNTER WAY CAR PARK**

Officers are currently preparing a final specification and tender documents to resurface and reline William Hunter Way Car Park. The works will comprise of rebuilding and resurfacing identified areas of the car park, repairs to damaged drainage systems, marking out a new layout to increase capacity. Officers are also looking at option costs for new entrance height restrictors, fencing and gates across the centre of the car park to address ASB in the evening, removal of some shrubbery and replacement of external fencing.

It is anticipated that the works will be carried out late January, depending on the weather. The car park will be closed in stages whilst work is undertaken so that disruption to users is minimal. If the car park is full drivers will be directed to Chatham Way car park as well as the MSCP. Communications will be circulated as soon as there is a start on site date confirmed.

### **BASILDON AND BRENTWOOD NHS ALLIANCE**

Officers are in the process of arranging a meeting with the Basildon & Brentwood NHS Alliance to discuss NHS funding and section 106 agreements to meet the health needs of our Local Development Plan. Further information will come back to a future committee.

### **MEETING WITH TRANSPORT FOR LONDON**

Following a letter sent from the Leader of the Council on its objection to the expansion of the Ultra Low Emission Zone, TfL have offered the opportunity to meet with them to

discuss the expansion of this zone and where and how improvements to rail and bus networks could be improved for Brentwood residents. The council are seeking a meeting with TfL in early January 2024 to discuss these matters.

## **NATIONAL GRID NORWICH TO TILBURY PROJECT AND PROPOSED GOVERNMENT SUBSIDY FOR THOSE LIVING NEAR POWER LINES**

The Norwich to Tilbury project is a proposal by National Grid to reinforce the high voltage power network in East Anglia between the existing substations at Norwich Main in Norfolk, Bramford in Suffolk, and Tilbury in Essex, as well as connect new offshore wind generation. Draft proposals include a new power line around and through the east of Brentwood borough. The project was first proposed in January 2022 followed by two non-statutory consultations, the most recent in summer 2023. FAIR Committee approved a response to the consultation on behalf of the council in September (Item 151, 13 September 2023). A statutory consultation is expected in 2024 when more details will become available for comment.

Separately, as part of the Autumn Statement the Government has recently announced a subsidy for people living near planned pylons and electricity substations to receive up to £10,000 off their energy bills over a decade (£1,000 per year for 10-years).

This is based on the outcomes of the Transmission Acceleration Action Plan that the Department for Energy Security and Net Zero published in November 2023 in response to the Electricity Commissioner's report on accelerating electricity transmission network build.

Recommendation CB2 of the Commissioner's report set out the need for residents in close proximity to new overhead power lines to receive a defined direct payment. In response, the Government's action plan proposes a scheme of electricity bill discounts and states '*Whilst the exact scheme design is still under development, we estimate this could offer, for example, up to £10,000 per property (£1,000 per year, ~£80 per month, over 10 years)*'.

The action plan explains that the Government has already published a consultation on community benefits for transmission network infrastructure in March 2023. The Action Plan goes on to explain that further work is needed to design the detail and implementation of the overall scheme. They intend to publish guidance on wider community benefits in 2024 which will be voluntary whilst they explore options for a mandatory approach.

## **BRENTWOOD JOBS FAIR**

The second Brentwood Jobs Fair was held on 11 October at The Brentwood Centre, in partnership with the Brentwood Jobcentre+. Over 250 visitors attended to speak with 36 local employers. The Jobcentre reported that 14 verbal job offers were made on the day and 28 people enrolled on training courses. The Economic Development is looking at dates in 2024 for another jobs fair, potentially combined with a skills/careers event.

## **BRENTWOOD SPEED NETWORKING**

Working in partnership with the Brentwood Chamber of Commerce, the council will be holding a Speed Networking event on 24 January 2024 at The Old Brentwoods Club. The format will enable participants to meet a lot of people in a short space of time, with the objective of finding like-minded businesses they would like to connect with further.

## **UK SHARED PROSPERITY FUND (UKSPF)**

Further to the decision taken at the 13 September FAIR meeting, a UKSPF workshop was held on 24 October at Town Hall. There was cross party consensus on the recommendations presented to members:

- **E1 (high streets):** Adjust the Year 3 allocation to 50% capital/50% revenue to ensure that legacy projects can be delivered through direct commissioning
- **E6 (culture):** Keep the Year 3 capital/revenue split as is, with a view to launching two grant schemes totalling c£200k and ringfencing c£40k for direct commissioning of local projects
- **E10 (sports):** Adjust the Year 3 allocation to 70% capital/30% revenue to ensure that legacy projects can be delivered through two grant schemes totalling c£185k and ringfencing c£60k for direct commissioning of local projects
- **E23 (business support):** No changes, revenue-only business support schemes will be directly commissioned

A second round of UKSPF grant funding will launch on 11 December for capital grants between £10,000 and £60,000 and for revenue grants between £5,000 and £50,000 to support arts, culture, heritage and sports projects delivered between April 2024 and March 2025. The full guidance and expression of interest forms can be found on [www.brentwood.gov.uk/funding](http://www.brentwood.gov.uk/funding).

A grant scheme will be launching in January 2024 to enable high street businesses in Brentwood, Shenfield and Ingatestone to make shop front and accessibility improvements.

A UKSPF report will be brought to the March FAIR meeting.

## **SOUTH ESSEX BUSINESS EXPO**

Over 160 exhibitor stands have been booked for the South Essex Business Expo. The level of interest from businesses is so strong that the organiser, Networking Essex, is going to build a marquee to the side of Brentwood Centre to create additional floor space.

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## FINANCE, ASSETS, INVESTMENTS AND RECOVERY COMMITTEE

20 DECEMBER 2023

<b>REPORT TITLE:</b>	Housing Debt Write Off
<b>REPORT OF:</b>	Lauren Stretch, Director of Housing

### REPORT SUMMARY

In July 2023 the Council introduced a new Former Tenant Debt Recovery Agency to assist with the collection of all former tenant debts. This triggered a review of all outstanding debts.

Following this review, a number of accounts have been identified as requiring write offs for debts where all avenues of recovery have been exhausted, the debt is statute barred (6 year old debt) rendering it unrecoverable for legal action or the debtor has passed away and there is no money in the estate to cover the debts.

### RECOMMENDATION

**R1: To agree that the following debt amounts are approved for write off.**

**A: Former Tenant Debt £66,663.87**

**B: Temporary Accommodation Debt £122,607.67**

**C: Miscellaneous Debt £13,056**

**Total: £202,327.54**

### SUPPORTING INFORMATION

#### 1.0 REASON FOR RECOMMENDATION

1.1 Following a review of all former tenant debts. The below debts have been deemed to be unrecoverable for various reasons.

- 1.2 10 cases totalling £3691.33 are deemed statute barred. This means they are older than 6 years and officers have been unable to progress to the legal stage of collection.
- 1.3 275 temporary accommodation cases between 2004-2017 totalling £122,607.67 are deemed statute barred. This means they are older than 6 years and Officers have been unable to progress to the legal stage of collection.
- 1.4 18 cases totalling £12,329.16 are deceased residents where there is no money left in the estate to cover the rent debt left on the account.
- 1.5 50 cases totalling £50,643.38 are where all avenues of recovery and tracing of the person have failed by our specialist debt recovery agency and therefore are deemed uncollectable.
- 1.6 A single miscellaneous case of shared equity loan under recovery totalling £13,056.
- 1.7 The overall debt write off figure being proposed is £202,327.54
- 1.8 By writing these debts off officers can focus on the recovery of the debts we are able to redeem and work more efficiently.

## **2.0 BACKGROUND INFORMATION**

- 2.1 In July 2023 the Council introduced a new Former Tenant Debt Recovery Agency to assist with the collection of all former tenant debts after it was identified that there was not the resource in house to actively recover these debts and the Council was losing revenue.
- 2.2 Before we could send the historical cases to the debt recovery agency appointed, we conducted a review of all outstanding debts, a task which was last completed in 2018.
- 2.3 During this review we looked at all former tenant debt accounts, temporary accommodation debt and any other long-term debts that sit within the Housing department. These were cross referenced against the credits we have on accounts to see if any could be cleared by existing funds and what remained, is what we are recommending be written off.
- 2.4 There are also a number of cases which did progress to our debt recovery agency, but efforts to recover the debts have been unsuccessful.



- 2.5 Finally, we also have one case of an equity loan which has become unrecoverable in whole due to a lack of equity following the sale of the property.
- 2.6 All debts to be written off have been consulted on in line with the constitution.
- 2.7 Any new debts which arise due to terminated properties, are being sent immediately to Debt Collection Services (DCS) our specialist recovery agency, to give us the best chance of collecting the debt.
- 2.8 Whilst the figures provided across all accounts will be written off, should that person(s) become known to the council again for the purposes of rehousing, the debt will be written back and asked to be cleared in full.

### **3.0 OTHER OPTIONS CONSIDERED**

- 3.1 It was considered to leave the debt on the accounts but this posed problems in the collection of recoverable debts. It is also best practice to write off debts where all avenues of recovery have been exhausted or where the debt is deemed unrecoverable for statute barred purposes.

### **4.0 RELEVANT RISKS**

- 4.1 Financial loss to the HRA.

### **5.0 ENGAGEMENT/CONSULTATION**

- 5.1 The chair and vice chair of housing committee has been consulted on the write off debts along with the Director of Housing, Strategic Director of Operations and the Section 151 officer.
- 5.2 In addition to the above, the Housing, Health and Community Committee approved the recommendation to present to FAIR committee for formal write off approval on 18 December 2023.
- 5.3 Tenant Talkback were consulted in November 2023 and agreed that unrecoverable debts be written off.

### **6.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources (Section 151 Officer)**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

- 6.1 The recovery of former tenant debts is integral to the maintenance of the Housing Revenue account. However, it is recognised that bad debt needs to be written off.

6.2 It is important that there is an understanding and set process for any amount written off, to be written back on if the persons financial circumstances or whereabouts change. This will allow provision for future recovery.

## **7.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance (Monitoring Officer)**

**Tel & Email 01277 312500 / [claire.mayhew@brentwood.rochford.gov.uk](mailto:claire.mayhew@brentwood.rochford.gov.uk)**

7.1 Statute barred regulations state that debts not at court action by 6 years are unrecoverable through the legal system and should be written off.

## **8.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email 01277 312500 [kim.anderson@brentwood.gov.uk](mailto:kim.anderson@brentwood.gov.uk)**

8.1 The Public Sector Equality Duty applies to the Council when it make decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act make discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and 'civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

8.3 The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

## **9.0 ECONOMIC IMPLICATIONS**

**Name & Title: Phil Drane, Director - Place**

**Tel & Email 01277 312500 / [phil.drane@brentwood.rochford.gov.uk](mailto:phil.drane@brentwood.rochford.gov.uk)**

9.1 There are no economic implications.

**10.0 ENVIRONMENTAL IMPLICATIONS**

**Name & Title: Henry Muss, Sustainability & Climate Officer**

**Tel & Email 01277 312500 [henry.muss@brentwood.gov.uk](mailto:henry.muss@brentwood.gov.uk)**

10.1 There are no environmental implications

**REPORT AUTHOR:**

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**APPENDICES**

None

**BACKGROUND PAPERS**

None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
None	

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## FINANCE, ASSETS, INVESTMENT & RECOVERY COMMITTEE

20 DECEMBER 2023

<b>REPORT TITLE:</b>	Planning Obligations Supplementary Planning Document (SPD)
<b>REPORT OF:</b>	Phil Drane, Director of Place

### REPORT SUMMARY

The draft Planning Obligations Supplementary Planning Document (SPD) was first brought to the Planning, Resources and Economic Development Committee on 23 November 2022 before being published for public consultation. Since then, the Planning Policy team has considered the comments received from the consultation and some minor amendments have been made. Officers are seeking approval to formally adopt the final version of the Planning Obligations SPD.

The Planning Obligations SPD will sit alongside the Brentwood Local Plan 2016-2033, and provide additional guidance on the council's approach towards seeking planning obligations required to make development schemes acceptable in planning terms. It identifies topic areas where planning obligations may be applicable depending on the scale of development and sets out the required obligations or contributions. Once adopted the SPD will be a material consideration in respect of all relevant planning applications.

### RECOMMENDATION

**R1. Adopt the Planning Obligations Supplementary Planning Document (Appendix A).**

## **SUPPORT ING INFORMATION**

### **1.0 REASON FOR RECOMMENDATION**

- 1.1 The Planning Obligations Supplementary Planning Document (SPD) (Appendix A) will provide more detail and clarity in respect of policies within the adopted Brentwood Local Plan 2016-2033 that refer to the circumstances where planning obligations may be appropriate. This in turn will assist the decision-making process when considering and determining planning applications. It will also provide consistent and clear advice to applicants on what might be required from them.

### **2.0 BACKGROUND INFORMATION**

#### **Purpose of the SPD**

- 2.1 The Brentwood Local Plan 2016-2033 sets out the strategic objectives and spatial strategy for the borough. The council places great importance on delivering its planned growth and on providing appropriate infrastructure to ensure development mitigates its own impact and brings wider benefits to the communities who live and work in the borough.
- 2.2 Supplementary Planning Documents (SPDs) supplement Local Development Plans and are intended to provide further detail to policies. SPDs do not introduce new policies or requirements but rather assist in the interpretation and application of existing policies and proposals and should help applicants make successful planning applications.
- 2.3 To support the Local Plan, the Planning Obligations SPD serves the following purposes:
- a) It provides a robust framework to secure the delivery of necessary infrastructure generated by planned and incremental growth in a holistic and coherent manner;
  - b) It sets out detailed guidance and a clear position to developers, landowners and stakeholders, regarding the scope and scale of planning obligations applicable to different types and quantum of development; and
  - c) It supports and supplements the Local Plan policies and once adopted, it becomes an important material planning consideration for the council when determining planning applications.

## Changes made to the SPD

2.4 The draft Planning Obligations Supplementary Planning Document (SPD) was first brought to the Planning, Resources and Economic Development Committee on 23 November 2022 and approved for consultation. The SPD was consulted on for six weeks from 8 December 2022 to 19 January 2023. Since then, officers have considered the comments received from the consultation and some minor amendments have been made. Key changes to the SPD are outlined within the Consultation Statement, which include:

- a) Included reference to the Essex Green Infrastructure Strategy (2020) and Essex Infrastructure Standards: Technical Guidance (June 2022), as requested by Essex County Council.
- b) Additional text added to make clear the council's intentions if Monitor and Manage was to become an approach agreed and used by Essex County Council, as this is currently still work in progress.
- c) Included text regarding built sports facilities and removed playing pitches from the council's open space calculator as both playing pitches and built facilities are to be calculated using Sport England Active Places Power calculator (which aligns with the council's Local Plan and Playing Pitch and Built Facilities Strategy). The figures generated by the Sport England Playing Pitch and Built Facilities calculator can only be accessed by planning officers where a council has an up-to-date strategy. These figures would need to be manually inputted to the council's Open Space calculator. Therefore, a new paragraph under G18 has been inserted to make clear that the figures generated within the council's Open Space calculator will be provided to applicants. This will ensure that there is a consistent approach.
- d) Additional text added at the end of T9 to reflect that the relevant highway authorities will provide details on the formal procedure to be followed, as requested by National Highways.
- e) Concerns were raised regarding the proposed calculation for identifying the required commuted sum for affordable housing where on-site provision is not possible. Criteria H13 set out that the commuted sums will be calculated based on 55% x Open Market Value. An independent review of this criteria was undertaken by Ark Consultancy, who provide expert advice to the Council's Housing Department. This independent review identified that the use of 55% was too low and did not provide appropriate flexibility.

On the advice of the consultant, this criteria has been changed to: 'The commuted sum for the off-site provision of affordable housing will be the difference between the market value of equivalent provision off site (to be determined by the most recent Land Registry new build sales data for a given unity typology within the borough) and the value of the same unit as an affordable unit (as validated by what an approved Registered Provider operating within the borough would be prepared to pay for the affordable. unit(s) in question).' This change provides the required flexibility as well as being more reflective of the methodology utilised by other neighbouring local authorities.

- 2.5 A full summary of the comments received, and the council's response are included as appendices within the Consultation Statement.

### **National Policy Context**

- 2.6 The SPD was prepared in accordance with all the relevant planning guidance and regulations.
- 2.7 The statutory framework for planning obligations is set out in Section 106 of the Town and Country Planning Act 1990 (as amended).
- 2.8 Paragraphs 55 to 58 of the National Planning Policy Framework (NPPF) published in July 2021 and Regulations 122 of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended) set out the Government's policies on planning obligations.
- 2.9 The NPPF advises that planning authorities should consider the use of planning obligations where they could make an otherwise unacceptable development acceptable. They should only be used where it is not possible to address unacceptable impacts through planning conditions.
- 2.10 The CIL Regulations 122 set out what planning obligations an constitute and paragraph 57 of the NFFP reiterates that planning obligations should only be sought where they meet all the following tests:
- a) necessary to make the development acceptable in planning terms;
  - b) directly relate to the development; and
  - c) fairly and reasonably relate in scale and kind to the development.



### **3.0 OTHER OPTIONS CONSIDERED**

None

### **4.0 RELEVANT RISKS**

None

### **5.0 ENGAGEMENT/CONSULTATION**

5.1 Public consultation on the draft Planning Obligations Supplementary Planning Document (SPD) was undertaken for a six week period between 8 December 2022 and 19 January 2023, in accordance with the council's Statement of Community Involvement and the Town and Country Planning (Local Planning)(England) Regulations 2012 (as amended).

### **6.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources (Section 151 Officer)**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

6.1 Negotiated Section 106 planning obligations, together with the Community Infrastructure Levy (CIL), make up the system of developer contributions used to secure funding towards mitigating the social and environmental effects of development. The value of Section 106 contributions varies depending on the type of contribution.

### **7.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance (Monitoring Officer)**  
**Tel & Email: 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

7.1 The council must ensure that the Planning Obligations SPD is in line with the policies of the adopted Brentwood Local Plan 2016-2033 and should not seek to introduce new policies. The draft SPD has undertaken a public consultation as required by the Town and Country Planning (Local Planning)(England) Regulations 2012 (as amended) and all representations received fully considered.

### **8.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**  
**Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk**

- 8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful;
  - b) Advance equality of opportunity between people who share a protected characteristic and those who do not; and
  - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3 The proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **9.0 ECONOMIC IMPLICATIONS**

**Name & Title: Phil Drane, Director - Place**

**Tel & Email: 01277 312500 / phil.drane@brentwood.rochford.gov.uk**

- 9.1 The production of the Planning Obligations SPD sets out clear guidance on the processes and costs for contributions where they are deemed necessary through relevant policies in the adopted Brentwood Local Plan 2016-2033. This is an essential mechanism to secure infrastructure funding that contributes to the health of the local economy.

## **10.0 ENVIRONMENTAL IMPLICATIONS**

**Name & Title: Henry Muss, Sustainability & Climate Officer**

**Tel & Email: 01277 312500 / henry.muss@brentwood.rochford.gov.uk**

- 10.1 In November 2022, the Community, Environment & Enforcement Committee approved the updated [Environment Strategy](#) 2023-2026 which set out the high-level approach as to how Brentwood Borough Council will achieve its

declared aims of achieving carbon neutrality within its own activity by 2040 and district wide by 2050.

- 10.2 Further to that report, at a meeting on 21 June 2023, Council approved the declaration of a Climate Emergency, where a commitment was made to achieve net-zero carbon by 2030 for its own estate, rather than the previous 2040 ambition.
- 10.3 In the Environment Strategy with respect to the built environment, the council's high-level approach with respect to housing states: "To ensure that new homes built in the Borough meet current the net zero emissions standard" as such those development that align with the current standard will be looked upon more favourably.

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## **APPENDICES**

- Appendix A: Planning Obligations Supplementary Planning Document (SPD)
- Appendix B: Planning Obligations SPD Consultation Statement
- Appendix C: Planning Obligations SPD Adoption Statement

## **BACKGROUND PAPERS**

None

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Planning, Resources and Economic Development Committee Item (246): Draft Planning Obligations Supplementary Planning Document (SPD)	23/11/2022



# BRENTWOOD LOCAL PLAN

## Planning Obligations

## Supplementary Planning Document

December 2023

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# 1. The purpose of this document

- 1.1. The Brentwood Local Plan 2016 – 2033 (the Local Plan) sets out the strategic objectives and spatial strategy for Brentwood. The Council places great importance on delivering its planned growth and on providing appropriate infrastructure to ensure development mitigates its own impact and brings wider benefits to the communities who live and work in the Borough.
- 1.2. To support the Local Plan, this Planning Obligations Supplementary Planning Document (SPD) serves the following purposes:
  - a. It provides a robust framework to secure the delivery of necessary infrastructure generated by planned and incremental growth in a holistic and coherent manner;
  - b. It sets out detailed guidance and a clear position to developers, landowners and stakeholders, regarding the scope and scale of planning obligations applicable to different types and quantum of development; and
  - c. It supports and supplements the Local Plan policies and once adopted, it becomes an important material planning consideration for the Council when determining planning applications.
- 1.3. It should be noted that not all the obligation types within this SPD will apply to all types of development. This SPD has been produced to apply to varying types and scales of development, but proposals will be assessed on a case-by-case basis with the individual circumstances of each site being taken into consideration.
- 1.4. The content of this SPD will be kept under periodic review; amendments may need to be made in order to take account of changing circumstances.
- 1.5. Other documents that provide guidance on planning obligations, for example, the Essex Coast Recreational disturbance Avoidance and Mitigation Strategy SPD and Essex County Council (ECC)'s Developers Guide to Infrastructure Contributions (DGIC) (2020 or as amended) should be read in conjunction with this document. Developers should refer to ECC's latest DGIC which provides details on the scope and range of contributions towards infrastructure which ECC may seek from developers and landowners in order to mitigate the impact that development may have on ECC services and infrastructure and make development acceptable in planning terms.

## What are the role and status of Supplementary Planning Documents?

- 1.6. SPDs supplement the Local Development Plan and are intended to provide further detail to policies. SPDs do not introduce new policies or requirements but rather assist in the interpretation and application of existing policies and proposals and should help applicants prepare planning applications. They are a material consideration in decision making.

## 2. Policy Background

### A. National Policy Context

- 2.1. The statutory framework for planning obligations is set out in Section 106 of the Town and Country Planning Act 1990, as amended.
- 2.2. Paragraphs 55 to 58 of the National Planning Policy Framework (NPPF) published in July 2021 and Regulations 122 of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended) set out the Government's policies on planning obligations.
- 2.3. The NPPF advises that planning authorities should consider the use of planning obligations where they could make an otherwise unacceptable development acceptable. They should only be used where it is not possible to address unacceptable impacts through planning conditions.
- 2.4. The CIL Regulation 122 sets out what a planning obligation can constitute and paragraph 57 of the NPPF re-iterates that planning obligations should only be sought where they meet all the following tests:
  - i. necessary to make the development acceptable in planning terms;
  - ii. directly related to the development; and
  - iii. fairly and reasonably related in scale and kind to the development.
- 2.5. Previously, under the CIL Regulations introduced in 2010, Local Planning Authorities (LPAs) were not able to pool more than five planning obligations together towards a single piece of infrastructure or infrastructure 'pot'. However, the government recognised issues associated with this restriction and removed the pooling restriction via the 2019 amendments to the CIL regulations.

## B. Corporate Objectives

2.6. The [Corporate Strategy 2020-2025](#) sets out five priority areas for Brentwood Borough Council:

- i. Growing our economy
- ii. Protecting our environment
- iii. Developing our communities
- iv. Improving housing
- v. Delivering an efficient and effective council

2.7. The provision of planning obligations, through this SPD, seeks to address the above priorities, particularly the first four.

### Brentwood Local Plan 2016-2033

2.8. Development proposals should be considered in line with the Brentwood Local Plan 2016 – 2033 (the Local Plan). Proposals which require planning obligations should be considered in accordance with the relevant policies.

2.9. The overarching reasoning and justification for requiring planning obligations are set out in the relevant Local Plan policies, in particular:

- i. Strategic Policy MG05: Developer Contributions
- ii. Strategic Policy BE08: Strategic Transport Infrastructure
- iii. Policy BE12: Mitigating the Transport Impacts of Development
- iv. Strategic Policy HP01: Housing Mix
- v. Policy HP04: Specialist Accommodation
- vi. Policy HP05: Affordable Housing

- vii. Policy PC05: Brentwood Town Centre
- viii. Policy PC11: Education Facilities
- ix. NE01: Protecting and Enhancing the Natural Environment
- x. Policy NE02: Green and Blue Infrastructure
- xi. Policy NE05: Open Space and Recreation Provision
- xii. Strategic Policy NE08: Air Quality
- xiii. Strategic Policy NE09: Flood Risk

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- 2.10. In addition, site specific policies in Chapter 9 set out the amount and type of development provided within each site allocation, as well as what specific supporting infrastructure and other requirements are needed for each site.
  - 2.11. Other policies within the Local Plan provide specific and detailed justification for various types of planning obligations and will be referred to in the relevant sections of this SPD.
  - 2.12. The Local Plan must be read as a whole when considering development proposals.

## D. Infrastructure Delivery Plan

- 2.13. The Brentwood Infrastructure Delivery Plan (IDP) has been undertaken to provide the Council with the understanding of infrastructure deficit in the context of planned growth and inform the Brentwood Local Plan 2016 – 2033. The IDP Part B (Schedule) provides a list of required infrastructure to deliver Brentwood’s growth over the Plan period. Information on the indicative phasing, costing, delivery mechanism, priority ranking, and relevant site allocations of identified infrastructure can also be found in Part B.
- 2.14. The IDP by its very nature is a ‘snapshot in time’ as the information provided by infrastructure providers will naturally date and alter over time, reflecting changing needs. Therefore, the IDP should be viewed as a ‘live document’ and information should be treated as indicative

rather than prescriptive. The Council will keep the IDP under review and update it where information becomes available. Applicants should refer to the latest version of the IDP, available on the Council's website<sup>1</sup>.

- 2.15. Although the IDP does not form part of the development plan, its latest version will be a material consideration when determining planning application against Policy MG05: Developer Contributions of the Local Plan.

## E. CIL

- 2.16. The Council adopted its Community Infrastructure Levy (CIL) Charging Schedule on 27 September 2023 with an effective date of the 15 January 2024. The preparation of the CIL charging schedule was supported by a viability assessment which was accepted by an independent Planning Inspector through Examination in Public as being appropriate evidence. The Council is aware of the proposed changes to CIL (and indeed to the system of S106 obligations generally) in the Levelling Up and Regeneration Bill, however the final outcome of these proposed changes is unknown at present. The Council will continue monitoring the progress of the Bill and take appropriate actions as required.

- 2.17. In considering appropriate CIL rates, the Council has taken into account development viability and contribution requirements from site allocations. It is envisaged that there would be no unacceptable financial burden on landowners/ developers as a result of CIL introduction.

## F. Two-tier Local Government System

- 2.18. The Council operates within a two-tier local government system. Essex County Council (ECC) has a statutory role as the highway and transportation authority, appropriate local authority for education, minerals and waste planning authority (MWPA), lead local flood authority (LLFA), lead advisors on public health, the provision of libraries and adult social care. As such, if a planning obligation is sought for contributions covering these matters, then ECC should be party to the Section 106 (S106) agreement.
- 2.19. An overriding principle regarding infrastructure contributions is that applicants are expected to contribute to the infrastructure that is required to mitigate their developments, as well as cumulative impacts, and any other developments benefitting from the infrastructure should contribute towards it. It should not be for the public purse to fund these necessary mitigation measures and there should be no financial risk for the Council or Infrastructure providers such as Essex County Council.

<sup>1</sup> The IDP can be found on the Council's website: ([www.brentwood.gov.uk/evidence-base](http://www.brentwood.gov.uk/evidence-base))

## G. Other Statutory Bodies

- 2.20. Statutory bodies and organisations will be consulted on relevant planning applications<sup>2</sup> and the Council will give significant weight to the advice of the key statutory consultees on specialist technical issues where it may have limited expertise. In some cases, the statutory consultees may request planning contributions and the S106 agreements may involve them. The statutory consultees include (but not limit to):
- a. Environment Agency;
  - b. Natural England;
  - c. Historic England;
  - d. National Highways (NH). In Brentwood, NH is the highways authority responsible for the strategic road network including the M25 Junctions 28 and 29, and Lower Thames Crossing;
  - e. Mid and South Essex Integrated Care Board (ICB) which is an NHS body covering Brentwood Borough under a new partnership between the organisations that meet health and care needs (the Integrated Care System) across mid and south Essex.
- 2.21. A full list of statutory consultees on applications for planning permission is set out in the Planning Practice Guidance<sup>3</sup>.

## 3. Infrastructure Types

- 3.1. Different types of infrastructure will require different approaches to securing them. The exact approach to securing the mitigations through S106 planning obligations or other legal agreements will be agreed through development management process on an individual site by site

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<sup>2</sup> Please note: Planning law prescribes circumstances where local planning authorities are required to consult specified bodies prior to a decision being made on an application. However, not all statutory consultees are consulted on all planning applications. The circumstances for statutory consultation are set out in the Development Management Procedure Order: <http://www.legislation.gov.uk/uksi/2010/2184/article/20/made>

<sup>3</sup> Paragraph: 030 Reference ID: 15-030-20190722

basis (detailed guidance and considerations for different approaches are set out in Chapter 4). This chapter provides guidance on what types of planning obligations and funding mechanisms the Council will use to fund the below types of infrastructure:

- i **Strategic transport infrastructure** requirements (category 1 and 2 in the IDP);
- ii **Important Borough-wide infrastructure** required for sustainable growth and place-making in the Borough (category 3 in the IDP);
- iii **Site-specific infrastructure** requirements to make development acceptable in planning terms (where these are specific to Local Plan allocated sites and also support wider objectives, they have been identified and assigned 2 in the IDP accordingly; many will only be known as applications come forward and be assessed against the Local Plan policies).

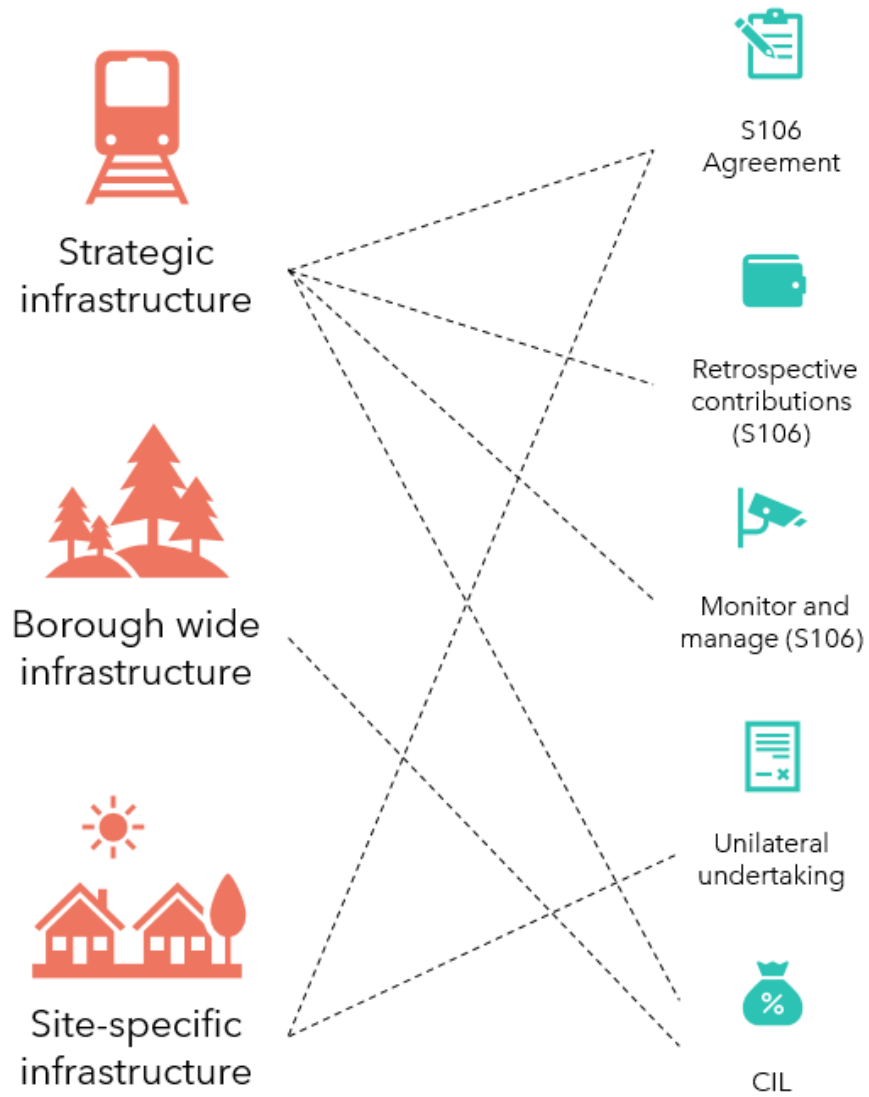
3.2. The categorisation of infrastructure types above is informed by the IDP priority ranking, summarised below:

- i Category 1: strategic transport infrastructure that are critical to the delivery of the Local Plan, the provision of which must be in place at the right time to support development.
- ii Category 2: necessary infrastructure to mitigate the impacts arising from development or to support wider strategic or site-specific objectives which are set out in planning policy or are subject to a statutory duty. It enables development to come forward in a way that is both sustainable and acceptable in planning terms. Development may be able to commence ahead of its provision.
- iii Category 3: important Borough-wide infrastructure that is required for sustainable growth and place-making, development may be able to commence ahead of its provision.
- iv The IDP does not concern site-specific infrastructure unless it falls under category 1 and 2 above.

3.3. Developer contributions will be sought towards category 1, category 2, and site-specific infrastructure, whilst CIL would be primarily used to fund category 3 infrastructure. However, the ability to fund the same piece of infrastructure using both S106 and CIL monies is not precluded.

3.4. Details of what funding mechanism is expected to apply to required infrastructure is set out within the IDP Part B.

Figure 1: The types of planning obligations and mechanisms the Council will consider using to fund its different types of infrastructure





## A. Strategic Transport Infrastructure

### Policy background

- 3.5. The requirements relating to strategic and necessary transport infrastructure are underpinned by Policy MG05 Developer Contributions, Policy BE08 Strategic Transport Infrastructure, Policy BE12 Mitigating the Transport Impacts of Development and site-specific policies in the Local Plan.

### The Council's approach to funding its strategic transport infrastructure

- 3.6. Funding for strategic and necessary transport infrastructure schemes will be secured primarily through S106 agreements to mitigate, support and facilitate planned growth.
- 3.7. For some strategic transport infrastructure, such as the A127 link road, the mitigation measures need to be in place or at least planned early on, because it may take time for the design, technical issues and feasibility of a project infrastructure to be finalised. Monies need to be secured so that funding is available when the detailed design is ready to enable delivery. Since no public funding has been secured or identified at this point in time, it will therefore be necessary to obtain funding from alternative sources and to collect developers' contributions retrospectively for these projects. (More details are discussed in **Chapter 4**, particular the 'Retrospective Contribution' section)
- 3.8. For other strategic transport infrastructure, the identified measures may not be required early on in the Plan period but are still strategic infrastructure that may need to be in place at the right time to support planned growth.
- a. The first challenge with this type of infrastructure is that, whilst mitigations have been identified to support planned growth in Brentwood, the infrastructure itself also accommodates the demand of the wider region. Whilst National Highways confirms that Brentwood is not required to address traffic from the wider region, there will need to be a holistic approach in the planning and delivery of this infrastructure to avoid piecemeal improvements.
  - b. Another challenge associated with this type of infrastructure is that the identified mitigation measures have been modelled under the worst-case scenario assumptions; considering there is a desire to move towards more sustainable forms of travels, there is a need to generate more evidence of development's impact on the strategic road network and to positively challenge developers to keep their traffic impacts well below the worst-case scenarios.

- c. As such there needs to be a more innovative and bespoke approach in securing S106 contributions to this type of infrastructure. (More details are discussed in **Chapter 4**, particularly the 'Monitor and Manage' section)
- 3.9. In addition, Section 278 (S278) agreements may be relevant for specific transport schemes to be arranged through the highway authorities (Essex County Council and National Highways). Where necessary, the County Council and National Highways may require developers to enter into a S278 agreement to fully pay or make contributions towards mitigation measures that address the individual and cumulative impacts of the development scheme on the highway network. In some cases, a developer may be required to carry out the works in lieu of payment.
- 3.10. The Local Plan is clear that the timely delivery of strategic and necessary infrastructure is central to sustainable growth. In some instances, delivery in advance of all contributions having been collected may be required.

### The cost and funding gap of strategic infrastructure

11. The Council will seek to apportion the costs to fund strategic infrastructure as required through S106 obligations.
12. The Council acknowledges that the costs and funding gaps of infrastructure are likely to change from time to time. As a live document, the IDP is subject to a flexible regime of review. The Council will update the IDP where new or updated information becomes available and make amendments to the IDP and the level of funding gap on this basis.
- 3.13. At this moment in time, no external funding has been made available towards the identified strategic and critical infrastructure. There is a realistic expectation that sources of external funding may become available where required and that the necessary steps have been taken to access this funding and address the funding gap. Further details on potential sources of external funding are set out within Chapter 15 of the IDP. However, the Council must ensure that growth will still be deliverable if funding turns out not to be forthcoming. As such, a worst-case scenario where external funding is not available has been assumed in calculating the developer contributions to inform site viability and ensure that critical projects can and will be delivered to support planned growth. Where external funding becomes available, the IDP will be updated to reflect the remaining funding gap. Further guidance on when external funding becomes available is discussed in **Chapter 5** (Considerations in Drafting Section 106 Agreement) of this document. It should not be assumed that any identified infrastructure costs or funding gaps are to be covered by the Council or Statutory Bodies such as Essex County Council and National Highways.

### Apportionment

- 3.14. The approach to apportioning the costs of strategic and necessary infrastructure to the Local Plan site allocations is discussed in Chapter 15 of the IDP. Based on this apportionment methodology the Council will advise on the appropriate level of contributions that would be

expected from a proposal. This will also be informed by the quantum, mic and location of the proposal, the existing capacity of the infrastructure and available funding at the time the application is submitted. This should be the subject of detailed consideration at the pre-application or application stage.

### Non- allocated development

- 3.15. Where development is proposed on non-allocated sites in the vicinity of the identified strategic and necessary infrastructure and development will benefit or be acceptable due to the said infrastructure, landowners and developers of those sites may also be required by the Council to contribute towards the cost of such strategic infrastructure via a S106 agreement. The Council shall determine on a case-by-case basis, in line with the statutory tests for planning obligations, whether such contributions or a proportion thereof, should be payable.

## B. Important Place-making Infrastructure Requirements

- 3.16. Important place-making infrastructure in the context of this SPD is category 3 items in the IDP.

- 3.17. The Council intends to fund place-making infrastructure primarily via CIL. This is because whilst CIL is an effective tool to generate income towards the provision of infrastructure, one notable issue with CIL is that revenue is contingent upon development being brought forward, and payments may be phased so as not to impact negatively upon development cash flow, and in turn, viability. CIL revenues are therefore volatile and uncertain as they are linked to new developments and the receipts may change with the economic cycle. The incremental nature in which it is collected means that it cannot solely be relied upon to fund the Borough's strategic infrastructure in its entirety.

## C. Site Specific Infrastructure Requirements

- 3.18. Site specific infrastructure requirements are to make a development proposal (that would not be acceptable otherwise) acceptable in planning terms and will be determined on a case-by-case basis, in consideration of relevant policies, and secured via S106, S278 or other legal agreements.
- 3.19. Site specific infrastructure requirements are underpinned by the Local Plan policies, and its supporting evidence base documents. These requirements apply to development on allocated as well as non-allocated sites.
- 3.20. The following tables in this section set out the obligation types which may be required as part of any S106 agreement, the policy background to requiring such obligations, when the obligation is expected to be provided, any exceptions and any other relevant information. The exact

approach to securing site-specific infrastructure will be agreed through the development management process. Obligations set out in this section may not otherwise be secured through a planning condition. As is the case for obligations, conditions will be used to make development acceptable which would otherwise be considered unacceptable. Conditions will typically apply to on-site works such as public realm improvements or issues relating to the design of development. For clarity, impacts which the Council will seek to address through condition have been included following each thematic section. This is not an exhaustive list of matters which the Council may seek to address via condition.

## Housing

Obligation	Criteria	Justification	Policy background
Provision of on-site affordable housing	<p>H1. Policy HP05 requires the provision of 35% of the total number of residential units to be provided and maintained as affordable housing within all new residential development sites which comprise of 10 or more residential units. The 35% applies across the whole development; it does not only apply to the part of the development above the threshold.</p> <p>H2. Schemes that provide 100% affordable housing may not require S106 agreements subject to there being a registered provider; approved nomination agreement; and the units to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative housing provision in the Brentwood Borough.</p> <p>H3. Where there is a proposal to increase the number of residential units on a site following grant of permission, for example a non-residential ground floor use subsequently secures planning permission for additional residential dwellings, the Council will apply Policy HP05 to the total number of residential</p>	<p>To address the need for affordable housing in the Borough in accordance to Policy HP05 and evidenced in the Council's SHMA.</p> <p>To comply with Policy BE15 which requires development to ensure that “buildings and places are designed in a way that everyone regardless of their ability, age, income, ethnicity, gender, faith, sexual orientation can use confidently, independently, with dignity and without engendering a sense of separation or segregation”</p>	<p>Policy HP05: Affordable Housing</p> <p>Policy BE15: Planning for Inclusive Communities</p>

Obligation	Criteria	Justification	Policy background
	<p>dwelling on the site, if the increase in the number of units take the total on site to 10 units or more. In instances where the initial proposal has been built, the additional proposed dwellings would be required to 'offset' the affordable housing requirement across the whole site.</p> <p>H4. As set out in the Written Ministerial Statement published on 24 May 2021, National policy on the requirement for First Homes does not apply where local plans are adopted under the 'transitional arrangements', as applies to the Brentwood Local Plan 2016-2033. As such the First Homes requirement is not applied when considering planning applications, and will be considered as part of the future Local Plan reviews.</p> <p>a. Planning obligations will be used to secure the following elements related to the provision of affordable housing:</p> <ul style="list-style-type: none"> <li>• the number of units;</li> <li>• the size and type of units;</li> <li>• tenure of units;</li> <li>• location of units;</li> <li>• parking provision; affordable units should be provided with sufficient parking spaces for by the same standards with non-affordable units.</li> </ul> <p><b>Layout and clustering</b></p> <p>H5. The Council recognises that grouping together a number of affordable homes is practical from a construction and management perspective</p>		

Obligation	Criteria	Justification	Policy background
	<p>yet it is vital that the goal to achieve mixed, inclusive and sustainable communities is not undermined. As such, affordable housing should:</p> <ul style="list-style-type: none"> <li>a. be dispersed in more than one single parcel or to a certain extent throughout a development to ensure that new communities are both mixed and sustainable, except in schemes where the overall number of residential dwellings is below 15 units;</li> <li>b. be designed in a way that on sites incorporating 30 or more dwellings, affordable housing are provided in groups of no more than 15% of the total number of dwellings being provided or 12 affordable dwellings, whichever is the lesser. Where separate phases of the development adjoin each other, careful consideration should be given to the location of clusters in adjacent permitted or developed parcels to avoid creating an overall cluster of more than 12 dwellings. For example, two clusters of affordable homes divided simply by an estate road would not be considered acceptable;</li> <li>c. the location of affordable units within a scheme should not be to the detriment of the wider creation of inclusive and mixed communities, for example by locating the affordable units to prevent access to communal amenity space.</li> </ul>		

Obligation	Criteria	Justification	Policy background
	<p><b>Design</b></p> <p>H6. Affordable housing units should be designed to the same high quality and sustainability standards as market housing. The Council encourages the early involvement of Registered Providers in site discussions when there is still an opportunity to influence the design of a scheme. On mixed tenure schemes, the affordable housing must be of the same style and materials so as to appear visually consistent and indistinguishable from the market housing.</p> <p><b>Phasing</b></p> <p>H7. The delivery of the affordable housing must keep pace with that of market housing. On larger schemes, the Council will ensure that affordable housing is delivered in phases in parallel with the development of market housing, and will control phasing in the S106 agreement. The Council will not support the phasing of a development which sees the affordable housing being delivered in the later stages of the site’s development taking into account site specific viability.</p>		

Obligation	Criteria	Justification	Policy background								
	<table border="1" data-bbox="629 256 1144 571"> <tr> <td>Market Housing - Occupied</td> <td>Affordable Housing - Completed and Transferred to AHP</td> </tr> <tr> <td>&lt;25%</td> <td>25%</td> </tr> <tr> <td>&lt;50%</td> <td>50%</td> </tr> <tr> <td>&lt;75%</td> <td>75%</td> </tr> </table> <p><b>Submission</b></p> <p>H8. Detailed plans submitted to the Council for planning consideration should clearly show the phasing, location and layout of all affordable dwellings within the development, including parking spaces and wheelchair adaptable units. The affordable housing provision should not be disproportionately concentrated above non-residential uses.</p>	Market Housing - Occupied	Affordable Housing - Completed and Transferred to AHP	<25%	25%	<50%	50%	<75%	75%		
Market Housing - Occupied	Affordable Housing - Completed and Transferred to AHP										
<25%	25%										
<50%	50%										
<75%	75%										
Off-site delivery	<p>H9. There will be a strong presumption in favour of the affordable homes being provided on site. There may however be some circumstances in which the Council is willing to accept an off-site delivery by the developer, subject to robust evidence (further guidance on viability evidence is provided in Chapter 5) and subject to the Council’s satisfaction that its objective of creating mixed and balanced communities being met.</p> <p>H10. This will require the provision of 35% of total dwellings as affordable housing in a location related to the main development site, and</p>	<p>The Council’s default position is that affordable housing requirements should be delivered on the site of the planning application that it applies to, in order to create communities that are mixed and balanced. However, the Council acknowledges that there will be circumstances where a developer is unable to meet the full quota of affordable housing without prejudicing the delivery of housing on the site. In accordance with Policy HP05, part 4, the Council will “only accept off-site provision [...] where it can be robustly demonstrated that on-site provision is not possible and that, in the</p>	Policy HP05 Affordable Housing								



Obligation	Criteria	Justification	Policy background
	<p>within Brentwood Borough’s administrative area.</p> <p>H11. Appropriate financial contributions may also be sought for off-site provision where necessary to ensure that the dwellings provided can be made available to meet local needs.</p>	<p>individual case and to the satisfaction of the Council, the objective of creating mixed and balanced communities can be effectively and equally met through either off-site provision or an appropriate financial contribution in lieu or a combination of the two.”</p>	
<p>Commuted payment in lieu of on-site provision of affordable housing</p>	<p>H12. In very exceptional circumstances where a developer is unable to provide appropriate levels of affordable housing on-site or off-site, a commuted sum may be accepted where it is clearly demonstrated that it is a more appropriate approach and would result in higher overall quantum of affordable housing compared to on-site delivery.</p> <p>H13. The commuted sum for the off-site provision of affordable housing will be the difference between the market value of equivalent provision off site (to be determined by the most recent Land Registry new build sales data for a given unity typology within the borough) and the value of the same unit as an affordable unit (as validated by what an approved Registered Provider operating within the borough would be prepared to pay for the affordable unit(s) in question).</p> <p>H14. The calculation of the commuted sum will be based on the proposed mix of market housing and will assume the affordable housing proportionately reflects the market mix of housing in terms of the bedroom size of the market housing proposed and the mix of flats</p>	<p>As above, par 4 of Policy HP05 states that the Council will only accept “an appropriate financial contribution in lieu of on-site provision where it can be robustly demonstrated that on-site provision is not possible and that, in the individual case and to the satisfaction of the Council, the objective of creating mixed and balanced communities can be effectively and equally met through either off-site provision or an appropriate financial contribution in lieu or a combination of the two.”</p>	<p>Policy HP05 Affordable Housing</p>

Obligation	Criteria	Justification	Policy background
	<p>and houses. The floor area in sqm for each property size will reflect the Nationally Described Space Standard (as set out in Policy HP06).</p> <p>H15. If a commuted sum in lieu of on-site affordable housing is agreed by the Council, the commuted sum will need to be paid prior to commencement of the development.</p> <p>H16. Outline planning applications that include a commuted sum in lieu of on-site affordable housing will include the formula for calculating the commuted sum in the S106 agreement, using this guidance. Full planning applications, where the market mix of residential dwellings is agreed, will state the commuted sum amount and be index linked.</p>		
Mid and late-stage viability reviews	<p>H17. Mid and late-stage review mechanisms will be secured via a s106 agreement for all residential development where the minimum policy requirement level of affordable housing is not being provided.</p> <p>H18. Late-stage reviews will be carried out at the point at which 75% of private residential units have been sold or let.</p> <p>H19. For larger schemes which are being delivered over multiple phases, mid stage review mechanisms will also be secured.</p> <p>H20. In the event that on-site affordable housing units was not policy compliant, then any surplus developer profit identified through viability reviews will, in the first instance, result</p>	<p>Viability reviews are necessary to ensure that affordable housing delivery is maximised as a result of any future improvement to a scheme's viability. This is particularly relevant in Brentwood where there has been a consistent uplift in the value of properties for market sale and rent. In light of planned growth and infrastructure, it is expected that this trend will continue.</p> <p>The Council expects that any surplus identified through viability reviews, including late stage reviews, to result in additional affordable housing units on-site. This will help deliver the Local Plan strategic objectives regarding creating a mixed and balanced communities.</p>	Policy HP05 Affordable Housing

Obligation	Criteria	Justification	Policy background
	<p>in a clawback commuted sum on the additional units.</p>		
<p>Provision of Specialist Accommodation</p>	<p>H21. On sites where Specialist Accommodation will be required as per policy HP01 and HP04, the Council will seek to secure a S106 obligation which sets out the amount, type, size, mix and where necessary, priority mechanisms of the Specialist Accommodation to be provided in perpetuity. Further detailed requirement for each identified type of Specialist Accommodation is set out below.</p> <p>H22. The S106 agreement will seek to secure that Specialist Accommodation for the above group is made available before occupation of 50% of market housing provision, to ensure timely delivery of the Specialist Accommodation.</p> <p>H23. For new development of more than 100 dwellings, the Council will also consult Essex County Council (ECC) to seek advice on their priority Specialist Residential Accommodation needs, including Independent Living for older people and adults with disabilities. The Council will also refer to their latest Position Statement regarding Independent Living Programme for Older People.</p>	<p>To meet an identified local need, as per the latest evidence and Policy HP01 and Policy HP04 requirements.</p> <p>The SHMA 2016 Part 2 and the Gypsy and Traveller Accommodation Assessment forms the main Evidence Base for the Council's assessment of Specialist Accommodation provision. These identified the following Specialist Accommodation requirements of the following groups in the Borough:</p> <ul style="list-style-type: none"> <li>• Older persons;</li> <li>• People with disabilities;</li> <li>• People wishing to build their own homes;</li> <li>• Gypsies, Travellers and Travelling Showpeople;</li> <li>• Family households.</li> </ul> <p>Further information on the characteristics of suitable sites/buildings for older people and adults with learning disabilities is available in the Essex County Council's Developers' Guide to Infrastructure Contributions (2020 or as amended).</p>	<p>Policy HP01 Housing Mix</p> <p>Policy HP04 Specialist Accommodation</p> <p>Site specific policies</p>
<p>Provision of accessible and adaptable housing,</p>	<p>H24. To ensure compliance with policy HP01 requirements regarding M4(2) and M4(3) standards, planning conditions will be used to</p>	<p>Policy HP01 requires development proposals of 10 or more (net) additional dwellings to provide M4(2) accessible and adaptable dwellings,</p>	<p>Policy HP01: Housing Mix</p>

Obligation	Criteria	Justification	Policy background
and wheelchair user dwellings	<p>ensure the housing needs of older persons and people with disabilities, including households which contain a person who is a wheelchair user will be met. Where deemed necessary, the Council may also impose restricting occupation to persons requiring specialist accommodation.</p> <p>H25. Development proposals within the Ingatestone and Fryerning Parish boundary will also need to ensure compliance with Policy 2 of the Ingatestone and Fryerning Neighbourhood Plan regarding M4(3) standards.</p>	<p>unless it is built in line with M4(3) wheelchair adaptable dwellings is required. Additionally, on developments of 60 or more (net) dwellings the Council will require a minimum of 5% of new affordable dwellings to be built to meet requirement M4(3) wheelchair accessible dwellings standard.</p> <p>In addition, development proposals within the Ingatestone and Fryerning Parish boundary will need to comply with the Ingatestone and Fryerning Neighbourhood Plan. Policy 2: Design for New Developments of this plan requires development proposals of 20 or more dwellings the IFNP requires 5% to be built to meet requirements M4(3) wheelchair accessible dwellings standard.</p>	
Provision of self-build and custom build homes	<p><b>Amount, type, and mix</b></p> <p>H26. The Council will seek to secure a S106 obligation which sets out the amount, type, mix and priority mechanisms that the self-build or custom housebuilding must achieve.</p> <p>H27. At the time a planning application is submitted, the Council will review the preferences of the people on the register to advise developers and landowners on the type of self and custom housebuilding required<sup>4</sup>.</p>	<p>Policy HP01 sets out that on development sites of 100 or more dwellings the Council will require a minimum of 5% self-build homes which can include custom housebuilding.</p> <p>This section ensures that self-build and custom housebuilding provision are delivered in a way that meets local need whilst comply with Policy HP01.</p>	<p>Policy HP01: Housing Mix</p> <p>Site specific policies</p>

<sup>4</sup> The borough wide need for self and custom builds is included in the Council's annual monitoring report which can be viewed: [www.brentwood.gov.uk/monitoring](http://www.brentwood.gov.uk/monitoring)

Obligation	Criteria	Justification	Policy background
	<p><b>Priority mechanism</b></p> <p>H28. The priority mechanism will include a restrictive marketing period of 3 months. In this 3-month period a household containing at least one adult that lives or works in the administrative area of Brentwood Borough Council that can demonstrate, to the satisfaction of the vendor, that they have the financial means to purchase a serviced plot at the advertised price, will be given priority over other potential self and custom build purchasers that do not live or work in Brentwood.</p> <p><b>Design Code</b></p> <p>H29. Sites with multiple serviced plots or other forms of self-build and custom housebuilding provision, will be required to be supported by a Design Code at outline or full planning stage. Design Codes will vary depending on the amount of development proposed and the context of the site. They will need to be agreed by the Council prior to the marketing of any self-build and custom build plots. The implementation of a Design Code will be secured through a planning condition rather than a planning obligation.</p> <p><b>CIL exemption</b></p> <p>H30. The CIL Regulations 2010 (as amended) defines self-build housing for CIL exemptions purposes as housing built or commissioned by</p>		

Obligation	Criteria	Justification	Policy background
	<p>a person and occupied by that person as their sole or main residence for the duration of the claw back period (3 years).</p> <p>H31. Qualifying self-build developments will be required to accept liability for CIL and declare that their development is intended to be self-build, prior to the commencement of development.</p> <p><b>Reverting back to market housing</b></p> <p>H32. Plot providers reverting self-build and custom housebuilding back to market housing will be responsible for the full CIL liability, if CIL is adopted by that time in the Borough. If the dwelling is sold or let within three years of completion, the Council will claw back the CIL liability.</p> <p><b>Marketing</b></p> <p>H33. The S106 agreement will seek to secure that self-build and custom housebuilding provision will need to be made available and actively marketed before occupation of 50% of market housing provision.</p> <p>H34. Providers of self-build and custom housing building will be required to market appropriately serviced plots and ensure they remain available for at least 36 months at a price which is comparable to other serviced plots marketed in the administrative area of Brentwood in the same 36-month period. If after 36 months a serviced plot has been made</p>		

Obligation	Criteria	Justification	Policy background
	<p>available and actively marketed but has not sold, the plot can either remain on the open market or be built out by the Developer in accordance with other relevant Local Plan policies.</p> <p><b>Other consideration</b></p> <p>H35. Self-build and custom housebuilding will not be considered as part of the affordable housing obligations, irrespective of whether the accommodation is subject to suitable restrictions on occupation and price, because it is meeting a different identified housing need.</p>		
<p>Provision for Gypsy, Traveller or Travelling Showperson</p>	<p>H36. Gypsy, Traveller or Travelling Showperson sites will need to provide a suitable living environment for the proposed residents, with mains water, electricity supply, drainage and sanitation to be available on-site or be made available on-site. Sewerage should normally be through mains systems, however, in some locations this may not always be possible and in that case suitable alternative arrangements can be made. All sanitation provision must be in accordance with current legislation, regulation and British Standards. Specifically designated play area should be provided that meets the normal Council standards.</p> <p>H37. Applicants should refer to the Essex Design Guide regarding design, layout and density of traveller sites and where appropriate, relevant legislation.</p>	<p>To provide clarity to Policy HP10 (part 1) which requires essential services to be available or made available on Gypsy and Traveller caravan sites and sites for Travelling Showpeople.</p> <p>To provide clarity to Policy HP09 and HP10 with regards to the term ‘pitch’ and ‘plot’.</p>	<p>HP09: Sub-Division of Pitches or Plots</p> <p>Policy HP10: Proposals for Gypsies, Travellers and Travelling Showpeople on Windfall Sites</p> <p>Site specific policies</p>

Obligation	Criteria	Justification	Policy background
	<p>H38. The term 'pitch' refers to the space required on a site to accommodate a Gypsy and Traveller household and are typically residential. There is no set size for an individual pitch. They can vary like house sizes depending on the number of family members. A pitch, however, must meet the licensing requirements to prevent overcrowding and be large enough to provide at least all the following:</p> <ul style="list-style-type: none"> <li>a. hardstanding for one static caravan;</li> <li>b. hardstanding for one travelling caravan;</li> <li>c. two parking bays for larger vehicles;</li> <li>d. an amenity building containing a kitchen, lounge and dining area, shower and utility room; and</li> <li>e. separate toilet facilities;</li> <li>f. an external shed;</li> <li>g. a secure enclosure for metal gas bottles; and</li> <li>h. clothes drying area.</li> </ul> <p>H39. The term 'plot' refers to the space required on a site to accommodate a household of Travelling Showpeople, and therefore can comprise mixed uses of residential and storage.</p> <p>H40. The area of land set aside for accommodation by one family unit and the area of land set aside for the storage and maintenance of equipment collectively forms a single plot. The storage and maintenance space can sometimes be a communal area, however, for security reasons there may be a preference for them to form part of individual plots.</p>		



Obligation	Criteria	Justification	Policy background
Provision of other forms of Specialist Accommodation	<p>H41. Where Specialist Accommodation is identified for adult social care (as identified by Essex County Council) a priority mechanism for households that reside, work or have strong family connections with persons living in the administrative area of Brentwood Borough from whom they require support, will be prioritised for a period of three months from the time the dwellings are ready for occupations.</p> <p>H42. The Council will consult Essex County Council (ECC) to seek advice on their priority Specialist Residential Accommodation needs.</p>	<p>Policy HP01 (part 4) states that “On development sites of 100 or more dwellings the Council will require [...] provision for other forms of Specialist Accommodation taking account of local housing need in accordance with [...] Policy HP04 [...]”</p> <p>Policy HP04 (part 1a) is clear that development should meet demonstratable need.</p>	<p>Policy HP01: Housing Mix</p> <p>Policy HP04: Specialist Accommodation</p>
Vacant Building Credit (VBC)	<p><b>Required evidence</b></p> <p>H43. In order to apply for the VBC seeking reduced affordable housing contribution, the following information will need to be provided by the applicant to demonstrate that the building is genuinely vacant:</p> <ol style="list-style-type: none"> <li>Evidence that any building within the red line application boundary is a ‘vacant building’. It should be demonstrated that every reasonable attempt has been made to secure an occupier through marketing over a minimum continuous period of 6 months.</li> <li>The whole building must be vacant to apply for the VBC; and</li> <li>Evidence that any building within the red line application boundary is not an ‘abandoned building’ or artificially made</li> </ol>	<p>The VBC is intended to provide an incentive for development on brownfield sites containing vacant buildings.</p> <p>The Ministerial statement issued on the 28th November 2014 stated that where a vacant building is brought back into lawful use or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of the relevant vacant building when the local planning authority calculates any affordable housing contribution. Affordable housing contributions will be required for any increase in floorspace.</p>	<p>Policy HP05: Affordable Housing</p>

Obligation	Criteria	Justification	Policy background
	<p>vacant solely for the purpose of redevelopment.</p> <p>H44. To determine whether the building is truly vacant the Council will consider the condition of the building and its suitability for occupancy as well as the length of time the building has not been used. The Council will also take into account whether the building has been used for any other purposes.</p> <p>H45. Information on the existing Gross Internal Floor Area (GIFA) and the proposed GIFA need to be provided. GIFA is the area of a building measured to the internal face of the perimeter walls at each floor level. The Royal Institution of Chartered Surveyors (RICS) Code of Measuring Practice will be used for the purposes of assessing VBC.</p> <p>H46. For wholly residential schemes the total proposed GIFA will be the GIFA of the sum of all dwellings. Where flatted development is proposed the GIFA will include all communal and circulation areas. For mixed use schemes, only the GIFA of the proposed residential elements will be included. However, floor space with headroom of less than 1.5m is excluded from the GIFA calculation.</p> <p>H47. The Council will determine on a case-by-case basis whether a building is vacant or abandoned. Outline planning applications may present challenges in quantifying whether the vacant building credit will be applicable as the actual number of dwelling or size of dwellings may be determined during Reserved Matters applications. The Council will scrutinise</p>	<p>The vacant building credit only applies where the vacant building has not been abandoned.</p>	

Obligation	Criteria	Justification	Policy background
	<p>planning applications to ensure that sites are not artificially subdivided to avoid the thresholds in Policy HP05.</p> <p><b>Calculation</b></p> <p>H48. A financial credit, equivalent to the existing gross floor space of any vacant buildings within the red line boundary of the application site brought back into any lawful use or demolished for re-development, should be deducted from the calculation of any affordable housing contributions sought from relevant development schemes. The Council will apply the following formula to calculate the revised affordable housing percentage:</p> <div data-bbox="629 815 1198 991" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Revised affordable housing requirements                      = 35% x (1 - existing vacant gross internal area/proposed gross internal area)</p> </div> <p>H49. The number of affordable dwellings will be calculated to two decimal points and rounded to the nearest whole number.</p> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>• The proposal:                             <ul style="list-style-type: none"> <li>a. 25 dwellings proposed @ 75m<sup>2</sup></li> <li>b. Total floorspace 1,875m<sup>2</sup></li> </ul> </li> </ul>		

Obligation	Criteria	Justification	Policy background
	<ul style="list-style-type: none"> <li>c. Existing building on site 200m2</li> <li>d. Normal affordable housing requirement: 35% or 10 dwellings</li> <li>• Revised affordable housing requirements: = 35% x (1 - 200/1875) = 31.2% = 7.81 units out of 25 units</li> <li>• The total affordable units required is 8.</li> </ul>		

### Transport, Highways, and Access

Obligation	Criteria	Justification	Policy background
Provision or payment of highway work	<p>T1. All development proposals will be assessed on their own merits in relation to the impact they have upon the highway network, against relevant Local Plan overarching transport policies and site-specific policies. There are no types of development which are exempt from necessary highway infrastructure obligations.</p> <p><b>Timing / triggers of provision or payment:</b></p> <p>T2. The developer is required to implement the agreed highway infrastructure works in such a way that the works can be adopted by the</p>	Essex County Council (ECC) and National Highways as the highway authorities for Brentwood Borough area and are consulted on planning proposals that affect their highway network. They provide advice on the scope of obligations for highway infrastructure works where it is considered that there is a need to mitigate the impact of new development(s) on the highway network.	<p>Policy MG05: Developer Contributions</p> <p>Policy BE08 Strategic Transport Infrastructure</p> <p>Strategic Policy BE09: Sustainable Means of Travel and Walkable Streets</p> <p>Policy BE10: Sustainable Passenger Transport</p>

Obligation	Criteria	Justification	Policy background
	<p>highway authorities once it has been agreed that they are built to an adoptable standard. In general, the developer is obliged to submit suitable detailed engineering drawings to the highway authorities prior to any commencement of the development on site, for the highway authorities' approval.</p> <p>T3. Unless otherwise agreed, before occupation of a development, the developer is usually obliged to implement the approved scheme and the highway authorities will issue a certificate of practical completion. The developer will still have responsibility for maintaining the highway works for a minimum of 12 months and to carry out any remedial works required since the issue of the certificate of practical completion. After the 12-month period, or when the remedial works have been satisfactorily completed, a certificate of adoption will be issued, and the works adopted by the highway authorities.</p> <p>T4. Developers will be required to pay fees to cover ECC's and NH's costs incurred in approving the detailed engineering drawings, processing and advertising Traffic Regulation Orders, and for inspecting the highway works and issuing the relevant certificate. Details of these fees are to be included in a S106 agreement.</p> <p>T5. Where appropriate, a S278 Agreement under the Highways Act can be entered into between the developer and the Highway Authorities. This agreement enables a developer to carry out works on a public highway and is separate</p>		<p>Policy BE11: Electric and Low Emission Vehicle</p> <p>Policy BE12: Mitigating the Transport Impacts of Development</p> <p>Policy BE13: Parking Standards</p> <p>Site specific policies</p>

Obligation	Criteria	Justification	Policy background
	<p>to a S106 agreement. The full details of the processes will be set out in any relevant S106 or S278 Agreements.</p> <p><b>Maintenance plans / payments</b></p> <p>T6. Where the infrastructure works include items with the possibility of a major maintenance requirement e.g. traffic signals or where the works are beyond the usual ECC or NH specification, the highway authorities require a commuted sum from the developer to maintain that infrastructure. Where the highway authorities take on assets from developers, there is a requirement for maintenance costs for the life of the assets, and replacement costs at the end of their useful life. Further information on this matter is available in Essex County Council's Developers' Guide to Infrastructure Contributions (2020 or as amended).</p> <p><b>Other consideration to be included as part of the obligation</b></p> <p>T7. Where a developer intends to carry out works to/ in the public highway they will be required to provide third party insurance.</p> <p>T8. Developers will be required to enter into a bond for an amount specified by ECC or National Highways to ensure that the highways works are completed to their satisfaction, should the</p>		

Obligation	Criteria	Justification	Policy background
	<p>developer default on any of its obligations in relation to the works. This bond will vary dependent on the works required. The bond can be a formal bond with an approved third-party surety, or it can be a deposit in cash to ECC or National Highways.</p> <p>T9. Land compensation bonds will be required where there is a possibility of existing properties being affected by new highway development, e.g. by increased noise resulting from new highway development, including the possibility of a reduction in value. Further details will be sought from the relevant highway authorities about the details of formal procedures that will be followed.</p>		

### Flood Protection and Water Management

Obligation	Criteria	Justification	Policy background
Provision or payment of works relating to flood protection and SUDs	<p>F1. Policies NE09 and BE05 form the basis for seeking contributions for flood protection and surface water drainage infrastructure. In some cases, it may necessitate the use of planning obligations and Grampian conditions.</p> <p>F2. ECC as the LLFA only adopt SuDS in exceptional circumstances and further guidance is contained in ECC's SuDS Design Guide.</p>	<p>Policies NE09 and BE05 seek to ensure that development is not carried out in locations that are at risk of flooding and that developers look to incorporate sustainable drainage solutions within their developments.</p> <p>Policy NE09 requires development to incorporate appropriate mitigation measures to address flood risk and where possible, reduce flood risk overall. Policy BE05 requires relevant</p>	<p>Policy BE02: Water Efficiency and Management</p> <p>Policy BE05 Sustainable Drainage</p> <p>Strategic Policy NE09 Flood Risk</p> <p>Site specific policies</p>

Obligation	Criteria	Justification	Policy background
	<p>G1. SuDS is an important part of the Green and Blue Infrastructure; as such, Policy NE02 (part 4) regarding maintenance plan will also apply to the provision of this type of space on-site. Refer to further guidance on Green and Blue Infrastructure maintenance plan in this document.</p> <p><b>Timing / triggers of provision or payment:</b></p> <p>F3. There is no general rule for the timing of payments as each scheme will be judged on a case-by-case basis. Should off-site works be required, it is expected these would be in place prior to the first occupation or completion of the development.</p> <p><b>Maintenance plans / payments</b></p> <p>F4. Where ECC is not the SuDS adoption body, the Council will work with developers to identify an alternative SuDS adoption body which could include a Water Authority or private management company. The Council will work with the developer to secure the long-term maintenance of all flood risk protection and water management through a combination of planning obligation, planning condition and commuted sum payment, guaranteeing their long-term maintenance.</p>	<p>developments to achieve a greenfield runoff rate to avoid any increase in surface water flood risk or adverse impact on water quality. As per the drainage hierarchy set out in Policy BE05, proposals are required:</p> <ul style="list-style-type: none"> <li>• in the first instance, to achieve this through infiltration measures;</li> <li>• secondly attenuation and discharge to watercourses, and if these cannot be met, through discharge to surface water only sewers.</li> </ul> <p>This section provides clarity on when a S106 agreement may be required towards off-site SuDS projects.</p> <p>The Essex SuDS Design Guide sets out practical guidance for new development to promote SuDS.</p>	



## Early Years, Childcare and Education

Obligation	Criteria	Justification	Policy background
Provision or contributions towards education facilities	<p>E1. Developers should refer to ECC’s latest DGIC for guidance relating to education contributions, which incorporates early years and childcare, primary, secondary, post 16 and Special Educational Needs, and school transport.</p> <p>E2. Developers should also refer to ECC’s <a href="#">Garden Communities and Planning School Places Guide</a> which provides additional detail pertinent to larger developments including non-financial obligations regarding the environment around schools.</p>	<p>Policy PC11 is clear that developments that generate a need for additional education facilities should make appropriate provision for their timely delivery as part of the development or through financial contributions if appropriate and in accordance with ECC’s DGIC.</p> <p>ECC’s DGIC provides information on education contributions including how to calculate demand from new housing development and additional requirements for education sites and the surrounding environments. It also explains ECC’s statutory responsibility to make suitable travel arrangements free of charge for eligible children, which depending on the location of a development, may require a developer contribution.</p>	<p>Policy PC11: Education Facilities</p> <p>Site specific policies</p>

## Health and Social Wellbeing

Obligation	Criteria	Justification	Policy background
Provision or payment of healthcare infrastructure	<p>S1. The Council will consult the Mid and South Essex ICB for their specialist advice regarding the capacity of existing healthcare infrastructure, whether and when planning</p>	<p>Where a proposed development is likely to have a negative health impact or an impact on the services of the healthcare facilities operating within the vicinity of the application site,</p>	<p>Policy MG05: Developer’s Contribution</p>

Obligation	Criteria	Justification	Policy background
	<p>obligations may be required and how contributions will be calculated.</p> <p>S2. Where proposed development generates the need for additional healthcare infrastructure, which includes health and well-being measures, investment in existing premises or services, may be required through S106 agreements.</p> <p>S3. Where proposed development, on its own or in conjunction with other proposed development in the area, generates the need for a new primary healthcare facility or service, such as a new GP surgery and other new healthcare infrastructure and services, the cost and timing of this provision will be secured through S106 agreements and the location of the facility identified through the master planning and planning application process.</p> <p><b>Timing / triggers of provision or payment</b></p> <p>S4. The timing for the provision of healthcare facilities or financial mitigation will be considered on a case-by-case basis, with the specific requirements being set out within any S106 agreement reflecting the need for healthcare infrastructure to be in place in a timely fashion to support the health and wellbeing of existing and new residents. It is likely to be linked to phases of a development, with facilities being required either upon a certain level of units being completed, or when</p>	<p>contributions may be required, in accordance with Policy MG05.</p>	

Obligation	Criteria	Justification	Policy background
	a certain threshold of occupation at a development is reached.		

### Carbon Reduction and Renewable Energy

Obligation	Criteria	Justification	Policy background
Carbon reduction and carbon offsetting contribution (allowable solutions contribution)	<p>R1. To ensure development comply with Policy BE01 part (1), the Council will consider the use of planning conditions that refer to the current version of Part L Building Regulations at the time of construction commencement.</p> <p>R2. A financial contribution will be required where renewable technologies provision target and carbon dioxide emissions reduction targets are not achieved on-site. A rate of £378 per tonne of carbon dioxide each year for a period of over 30 years will be applied as the basis of calculating the financial contribution. This price is index linked to inflation; and the Council will review the recommended carbon offset price and adjust this rate as necessary. This rate is aimed at encouraging developers to provide renewable energy on-site where possible instead of offsetting. This price will be kept under review and may change to reflect the most up to date carbon prices from a nationally recognised carbon pricing mechanism particularly at points where the Building Regulations or the SAP (Standard Assessment</p>	<p>The Local Plan's approach to reducing carbon dioxide emissions in the built environment can be summarised in three step:</p> <ul style="list-style-type: none"> <li>the first step is to focus development in sustainable locations to reduce greenhouse gas emission;</li> <li>the second step is to require carbon emission reduction on-site and energy efficiency via construction standards; and</li> <li>the third step is to require renewable energy provision on-site.</li> </ul> <p>Policy BE01 requires to major development to achieve at least a 10% reduction in carbon dioxide emissions above the requirements of Part L Building Regulations as well as 10% of the predicted energy needs of the development from renewable energy. Policy BE01 is clear that where on-site provision of renewable technologies is not appropriate, or where it is clearly demonstrated that the policy target</p>	Strategic Policy BE01: Carbon Reduction and Renewable Energy

Obligation	Criteria	Justification	Policy background
	<p>Procedure) regime (and therefore standard carbon factors) change.</p> <p>R3. With the exception of sites where cash-flows are demonstrated to be a challenge, and very large sites where it is reasonable to phase contributions in parallel with the build programme, payment should be made prior to the commencement of development.</p> <p>R4. The Council will consider including within planning conditions a requirement for as-built SAP measurements to be submitted, to ensure predicted performance standards are achieved. SAP is the government's recommended method system for measuring the energy rating of residential dwellings.</p> <p>R5. When drafting the S106 agreement, the Council will consider claw back additional carbon offset contributions where the predicted energy performance standards are not achieved. The requirement for a carbon offsetting payment will be informed by an assessment of the completed development.</p>	<p>cannot be fully achieved on-site, 'allowable solutions contributions' via S106 or CIL will be required.</p> <p>Every effort should be made to comply with policy requirements regarding reductions in emissions, and provision of renewables through on-site measures. Only when this is not achievable would the Council accept carbon offsetting contribution.</p> <p>Planning obligations will be used to fund projects where offsetting benefits are retained locally including local community energy projects. This is to ensure that proposals still deliver and contribute towards the Local Plan strategic objectives.</p>	

## Natural Environment Mitigation

Obligation	Criteria	Justification	Policy background
Financial contribution for natural environment mitigation	<p>N1. Natural environment mitigation measures will be considered on a site-by-site basis. Where issues are localised and small scale, it is appropriate to deal with them by way of planning conditions. There may be circumstances where schemes require environmental mitigation measures to be included within an S106 agreement.</p> <p>N2. Natural environment matters which may be included in a Section 106 Agreement include, but are not limited to:</p> <ul style="list-style-type: none"> <li>a. major contamination issues;</li> <li>b. biodiversity offsetting and net gain;</li> <li>c. ecological mitigation/ remediation;</li> <li>d. climate change mitigation, including tree planting and new woodlands;</li> <li>e. Essex Coast Recreational Disturbance Avoidance and Mitigation Strategy (RAMS);</li> <li>f. environmental enhancements;</li> <li>g. archaeological investigations, access and interpretation where the site potentially provides significant habitats and wildlife;</li> <li>h. repair and re-use of building or other heritage assets where the site potentially provides significant habitats and wildlife.</li> </ul> <p>N3. Further details on some of the above issues are provided below.</p>	<p>Policy NE01 is clear that (only) when natural environment impacts are not fully mitigated, compensatory measures will be considered. Part 1 of Policy NE01 states that: “The Council will require development proposals to use natural resources prudently and protect and enhance the quality of the natural environment. All proposals should, wherever possible, incorporate measures to secure a net gain in biodiversity, protect and enhance the network of habitats, species and sites (both statutory and non-statutory) and avoid negative impacts on biodiversity and geodiversity. Compensatory measures will only be considered if it is not possible fully to mitigate any impacts.”</p>	<p>Policy NE01: Protecting and Enhancing the Natural Environment</p>

Obligation	Criteria	Justification	Policy background
Biodiversity offsetting and biodiversity net gain	N4. Guidance on biodiversity net gain will be set out in a forthcoming SPD.	<p>Policy NE01 part (1) states that “all proposals should, wherever possible, incorporate measures to secure a net gain in biodiversity [...] Compensatory measures will only be considered if it is not possible fully to mitigate any impacts.”</p> <p>Biodiversity net gain is now a mandatory requirement from the Environment Act 2021 to deliver the minimum 10% net gain.</p> <p>The Essex Local Nature Partnership Planning and BNG working group are considering to prepare a guidance on this matter for Essex area. The Council may adopt this work when it is completed.</p>	Strategic Policy NE01: Protecting and Enhancing the Natural Environment
RAMS	N5. Planning obligations will be sought in accordance to Policy NE01 and the Recreational Disturbance Avoidance and Mitigation Strategy SPD which provides the scope of RAMS, the legal basis for RAMS and the level of developer contributions being sought for strategic mitigation and how and when applicants should make contributions.	<p>To comply with the Council’s responsibilities to protect habitats and species in accordance with the UK Conservation of Habitats and Species Regulations 2017.</p> <p>Policy NE01 part (4) states that “New residential development within the Essex RAMS and Epping Forest SAC Zones of Influence will be required to provide appropriate on-site measures for the avoidance of, and/or reduction in, recreational disturbance on European Designated Sites through the incorporation of recreational opportunities, including the provision of green space and footpaths in the proposals. Proposals will be required to follow the mitigation hierarchy by seeking to avoid</p>	<p>Policy NE01: Protecting and Enhancing the Natural Environment</p> <p>Recreational Disturbance Avoidance and Mitigation Strategy SPD</p>

Obligation	Criteria	Justification	Policy background
		<p>creating recreational impacts first and foremost, with mitigation measures considered separately to avoidance.”</p>	
<p>Delivering, or contributing towards air quality</p>	<p>N6. Addressing air pollution issues (including exposure) from new and proposed developments should follow the below hierarchy:</p> <ul style="list-style-type: none"> <li>a. Addressing air pollution at the design and construction stage;</li> <li>b. Mitigation of residual impacts;</li> <li>c. Offsetting air pollution.</li> </ul> <p>N7. When preparing evidence to demonstrate compliance to Policy NE08 part (1) and (2), developers should fully address each step and embed it in their development, before moving on to the next.</p> <p><b>Mitigation measures</b></p> <p>N8. If, after better design principles have been used, the detailed Air Quality Assessment still indicates that the air pollution levels do not fully satisfy Policy NE08 part (1) and (2), proposals will include how this will be addressed through mitigation measures in how the development is used, operated and maintained. This require the details of mitigation measures to be included in an agreement so that a robust legal mechanism is in place to ensure appropriate mitigation is carried out.</p> <p>N9. In some cases, this may also require financial payments towards the Council’s relevant action</p>	<p>Air quality has a significant role to play in health and wellbeing, with poor air quality contributing towards illness and reduced life expectancy.</p> <p>Policy NE08 part (4) states that mitigation should be provided on-site unless it can be demonstrated that it is inappropriate, and that off-site provision will deliver equivalent or wider benefits.</p>	<p>Strategic Policy NE08: Air Quality</p>

Obligation	Criteria	Justification	Policy background
	<p>plans or sustainable transport measures that would address the cumulative impacts on air quality. Each site will be considered on its own merits.</p> <p>N10. Mitigation may also be secured via the delivery of air quality monitoring technology, collection and analysis of air quality data, and ongoing maintenance of the equipment.</p> <p>N11. Where technology is to be located on-site, provision for this will be secured through s106 agreement. This will include the provision of, and maintenance access to, air quality monitoring equipment.</p> <p>N12. The specific location of air quality monitoring technology will be determined through discussions with the Council's Environmental Health team, and access in perpetuity will be secured through the s106 agreement for monitoring and maintenance purposes.</p> <p><b>Off-setting</b></p> <p>N13. In some circumstances, it may not be possible to fully mitigate air pollution impacts within the development site, especially for those in sensitive locations; in this case, an offsetting approach can be taken.</p> <p>N14. The Institute of Air Quality Management provides a methodology to quantify the costs associated with pollutant emissions from transport (See The Land-Use Planning &amp; Development Control: Planning For Air Quality, 2017). The Council will refer to this methodology (or its latest update) as a basis</p>		



Obligation	Criteria	Justification	Policy background
	<p>for defining the financial commitment required for the offsetting emission reductions or the contribution provided by the developers as 'planning gain':</p> <ol style="list-style-type: none"> <li>a. Identify the additional trip rates (as trips/annum) generated by the proposed development (as provided in the Transport Assessment);</li> <li>b. Assume an average distance travelled of 10 km per trip;</li> <li>c. Calculate the additional emissions of NO<sub>x</sub> and PM<sub>10</sub> (kg/ annum), based on</li> <li>d. emissions factors in the Emissions Factor Toolkit, and an assumption of an average speed of 50 km/h;</li> <li>e. Multiply the calculated emissions by 5, to assume emissions over a 5-year time</li> <li>f. frame;</li> <li>g. Use the HM Treasury and Defra IGCB damage cost approach to provide a valuation of the excess emissions, using the currently applicable values for each pollutant; and</li> <li>h. Sum the NO<sub>x</sub> and PM<sub>10</sub> costs.</li> </ol> <p>N15. This will provide funding for the Council's measures to improve local and wider air quality as well as local communities' environment projects that aim to achieve the same objectives.</p>		

## Green and Blue Infrastructure

Obligation	Criteria	Justification	Policy background
Green and Blue Infrastructure (GBI) on-site provision, enhancement and/or restoration	<p><b>GBI assessment, pre-planning and design</b></p> <p>G2. To assist the Council in assessing planning applications against Policy NE02, proposed major development should follow the steps below:</p> <ol style="list-style-type: none"> <li>a. undertake relevant surveys and site assessment, including landscape and visual impact assessment where appropriate;</li> <li>b. clearly identify existing and future GBI constraints and opportunities within or in proximity to the development sites; where pre-application advice was given, how design revision has addressed pre-application advice;</li> <li>c. submit a GBI plan and landscape strategy drawing as part of the application, which should include an indication of the site's context, access and connections to the existing GBI, any potential impacts to the existing GBI and mitigation measures, proposed palette of planting and hard landscape materials;</li> <li>d. create multi-functional spaces that can enable other requirements, such as the provision of outdoor sport, SUDs, renewable energy sources, and climate change amelioration, to be met. The Council may require a composite plan, indicating existing and proposed planting, lighting, drainage</li> </ol>	<p>Policy NE02 is clear that Brentwood's network of GBI will be protected, enhanced and managed. Part (2) of this policy sets out that:</p> <p>"New development is expected, where possible and appropriate, to maximise opportunities to <b>enhance</b> or <b>restore</b> existing GBI provision and/or <b>create new provision</b> on site that connects to the wider GBI network. Its design and management should also respect and enhance the character and distinctiveness of the local area."</p> <p>Figure 8.1 in the Brentwood Local Plan sets out the GBI typology found in Brentwood.</p> <p>Further guidance has also been prepared by Essex County Council, Essex Green Infrastructure Strategy (2020) and Essex Green Infrastructure Standards: Technical Guidance (June 2022)</p>	Strategic Policy NE02: Green and Blue Infrastructure

Obligation	Criteria	Justification	Policy background
	<p>and levels information, to ensure that there are no conflicts between these elements;</p> <p>e. submit a Management and Maintenance Plan for the entirety of the GBI (more details on this below).</p> <p><b>Enhancement and restoration</b></p> <p>G3. Where a proposed development has an impact on the existing GBI in its proximity, applicants should set out the mitigation measures to meet Policy NE02 requirements. In some cases, an improvement to quality may be more appropriate than an addition to green space. A commuted sum may be sought towards the enhancement and restoration of existing GBI. This will be determined on a case-by-case basis. For open space enhancement, see later sections of this table.</p> <p><b>On-site provision</b></p> <p>G4. All activities relating to site clearance and building phases; existing vegetation – trees and hedgerows should be protected during development.</p> <p>G5. On-site GBI provision must ensure that there is no obstruction of the public rights of way unless a legal order has been put in place that provides a suitable alternative route for temporary diversions and complies with legal tests and ECC's requirements regarding Public Path Order for permanent diversions.</p>		

Obligation	Criteria	Justification	Policy background
	<p>G6. Outdoor sport and open space, as well as SUDS, are an important part of GBI. Further guidance to on-site provision and commuted sum for outdoor sport and open space is provided below.</p> <p><b>Planning approval and discharge of conditions</b></p> <p>G7. Tree protection will be secured by condition.  G8. Applicant may wish to apply for a Public Path Order if required, to ensure this is planned in within the required timescale.  G9. When revised plans are submitted, all amendments should be clearly highlighted to assist the Council's assessment within the required timescale.  G10. Detailed planting plans submitted to discharge a landscape condition, should include full plant schedules detailing quantity, size, type and specification of all planting, including grass specification.</p>		
On-site provision of outdoor sport and open space	<p>G11. All residential development proposals, including care home development, comprising more than 10 housing units or more than 1,000 sqm gross internal area floorspace are required to provide around 41 sqm per person for the following types of space:</p> <ol style="list-style-type: none"> <li>Outdoor sport</li> <li>Children's playing space</li> <li>Allotments and community gardens</li> <li>Formal open space</li> <li>Informal and natural open spaces</li> </ol>	<p>Access to good quality open space is essential for health and well-being. In the first instance, development should deliver on-site open space requirements as set out in Policy NE05 and relevant evidence.</p> <p>Part (3) of this policy and paragraph 8.58 refer to the Council's adopted open space standards, Figure 8.2 and 'any subsequent update'. However, the Council's previous standards have become outdated and Figure 8.2 of the</p>	<p>Strategic Policy NE02: Green and Blue Infrastructure</p> <p>Strategic Policy NE05: Open Space and Recreation Provision</p> <p>Site specific policies</p>

Obligation	Criteria	Justification	Policy background
	<p>f. Amenity greenspace</p> <p>G12. The provision for open space for playing pitches are to be calculated using the Sports England Playing Pitch calculator, which provides details on the number of pitches required and/or financial contribution based on the size of the development. Similarly, indoor sports provisions are calculated using the Sport England’s Sports Facility Calculator (SFC) which can estimate the demand generated by development for the principal indoor facility types.</p> <p>G13. Children’s playing space in this context refers to equipped play area. Provision for children’s playing space will not be required for studio or 1-bedroom units or developments specifically and exclusively marketed for the over 65’s. Where these are included in the proposed development, the Council’s Open Space Calculator. automatically adjusts the above 41 sqm requirement.</p> <p>G14. Definitions for each space type above are provided in the Glossary of this document.</p> <p>G15. All non-residential development proposals of 1,000 sqm and above are required to provide a minimum of 6 sqm per additional FTE employee for amenity greenspace.</p> <p>G16. <b>Table 1</b> illustrates requirements for each category of open space, the likely maintenance costs (for on-site and off-site provision) and capital costs and improvement costs (for off-site provision).</p>	<p>Local Plan only details some of the open space requirements.</p> <p>This section provides clarity for part (3) of this Policy and expands on Figure 8.2 regarding the amount and type of provision required as part of new development.</p>	

Obligation	Criteria	Justification	Policy background
	<p>G17. The Council's Open Space Calculator provides an approximate calculation of the space required on-site, and/ or commuted sums required by the Council, based on occupancy rates assumptions presented in <b>Table 2</b>. The Council's Calculator also tests whether the proposal is policy compliant in different scenarios. If the exact number (and size) of dwellings are unknown, an estimate of the total number of dwellings will be used by applying a minimum density of 35 dwellings per hectare (dph) and the approximate size of the dwellings. This will provide an initial guide of the likely open space requirements which can be revisited for the reserved matters application.</p> <p>G18. The Council will provide the figures generated by the Council's Open Space Calculator to developers which will ensure a consistent approach is undertaken.</p> <p>G19. The Calculator will be used as a guidance only, the precise mix and types of the above space provision will depend on the nature and location of the proposal, the existing provision in the surrounding area and the quantity/ type of open space and playing pitches needed in the area. This should be the subject of detailed consideration at the pre-application or application stage.</p> <p>G20. Where a proportion of on-site provision is made, a pro-rata reduction will be made in calculating the level of the off-site contribution.</p> <p>G21. Outdoor sport and open space are considered a type of GBI. As such, Policy NE02 (part 4)</p>		

Obligation	Criteria	Justification	Policy background
	<p>regarding maintenance plan will also apply to the provision of this type of space on-site.</p> <p><b>Maintenance payments</b></p> <p>G22. Maintenance contributions will be required for all open space provided on-site when responsibility for the long-term maintenance resides with Brentwood Borough Council or a Parish Council. This will be calculated according to the landscape layout and quantified elements to be provided by the developer and will be required for 25 years after completion.</p> <p>G23. The Council's preference is for all open spaces to be transferred to and adopted by the Council with a commuted maintenance sum. If a developer chooses to retain open space, it should be maintained by a recognised not-for-profit management trust. Where appropriate, and following negotiation between the relevant parties, open space can also be transferred to a Parish Council.</p> <p>G24. Adoption of open space would take place after any construction and development maintenance liability periods have expired.</p> <p><b>Self-managed open space</b></p> <p>G25. Should a developer wish to self-manage open space, the Council would require public access agreements and an agreed maintenance specification and inspection regime, secured through a legal agreement. In addition, the</p>		

Obligation	Criteria	Justification	Policy background
	<p>Council would require a conditional performance bond issued by a reputable financial institution in favour of the Council, to a specified indexed linked amount that has been agreed (informed by the Open Space Calculator). This would enable the Council to call upon the bond in the event of the owner of the open space becoming financially unviable or failing to comply with its management and maintenance obligations under the Section 106 agreement.</p>		
<p>Green and Blue Infrastructure (GBI) maintenance plan</p>	<p>G26. Where GBI (including outdoor sport and open space) is provided on-site, before or concurrent with the submission of the application, a Management and Maintenance Plan for the entirety of the GBI should be submitted to and approved in writing by the Council.</p> <p>G27. This shall include:</p> <ul style="list-style-type: none"> <li>a. details of who will be responsible for the management and maintenance of the entire GBI, including broad long term design objectives; and</li> <li>b. details of who will be responsible for the management and maintenance of allotments.</li> </ul> <p>G28. The Management and Maintenance Plan for the entirety of the GBI should be accompanied by a schedule for the implementation of the proposed works and a Phasing Plan and implemented in accordance with it in perpetuity.</p>	<p>Policy NE02 (part 4) sets out that “proposals should provide appropriate specification and maintenance plans for the proposed green and blue infrastructure throughout the life of the development.”</p>	<p>Strategic Policy NE02: Green and Blue Infrastructure</p>



Obligation	Criteria	Justification	Policy background
<p>Improvements to existing open space in the local area of the development</p>	<p>G29. There may be instances where <b>all</b> residents of the proposed development can access the existing outdoor sports amenity green space, facilities/playing pitches and provision for children and young people in the local area of the development. 'In the local area' in this context is defined below unless otherwise agreed with the Council:</p> <ul style="list-style-type: none"> <li>a. within 1.6 km walking distance to an outdoor sports facility/ playing pitch;</li> <li>b. within 100 m walking distance of a children's playing space;</li> <li>c. within 2 km walking distance of an amenity green space;</li> <li>d. within 1 km walking distance to three other different types of open space.</li> </ul> <p>G30. In this instance:</p> <ul style="list-style-type: none"> <li>a. If the Council deems the existing outdoor sport and open spaces in the local area have capacity to meet development's demands in full, and they are of sufficient quality standards, no contribution towards quality improvements will be required.</li> <li>b. If the Council deems the outdoor sport and open spaces within the local area can only meet part of development's needs, or they need improvements to accommodate additional demands, a proportionate contribution towards quality improvements, provision and maintenance will be required by way of a commuted sum using the Council's Open Space Calculator.</li> </ul>	<p>Policy NE05 part (1) is clear that all open spaces, will be protected and where necessary enhanced <b>to ensure access to</b> a network of high-quality provision and opportunities for sport, play and recreation within the borough.</p> <p>Policy NE05 part (2) sets out that new development where appropriate, <b>enhance</b> existing provision that will serve the new and existing community:</p> <p>This section provides clarity in terms of accessibility and the assessment requirements as set out in Policy NE05, and where contribution to improvements would be required as per Policy NE02.</p>	<p>Strategic Policy NE02: Green and Blue Infrastructure</p> <p>Strategic Policy NE05: Open Space and Recreation Provision</p>

Obligation	Criteria	Justification	Policy background
	<p>G31. If <b>not all</b> the residents of the proposed development can access outdoor sport and open space within the distance outlined above, the remaining playing pitch provision will be informed by the outputs of Sport England's Playing Pitch Calculator and or open space requirements by the Council's Open Space Calculator.</p>		
<p><b>Commuted sum in lieu of on-site provision (including maintenance)</b></p>	<p>G32. Where the above requirement cannot be met in full, a commuted sum in lieu of on-site provision will be required. Table 1 sets out the Council's rates to provide, improve and maintain off-site provision.</p> <p>G33. For other sport contribution, developers should refer to Sport England's Playing Pitch New Development Calculator, Sport England's latest capital costs.</p> <p>G34. As mentioned above, the approximate calculation of the space required on-site, and/or commuted sums required by the Council, based on the occupancy rates assumptions set out in Table 2, will be informed by the Council's Open Space Calculator.</p> <p><b>Timing / triggers of provision or payment</b></p> <p>G35. In the case of a large-scale development, it may be that the payments or provision would be phased to meet the proportional impact of each phase. Trigger points for payments or provision will be included in the legal</p>	<p>Policy NE05 recognises that on certain sites, in particular smaller sites, it may not be feasible to deliver such spaces within the site boundary, and that a contribution towards off-site delivery may be required in full or in part as appropriate.</p>	<p>Strategic Policy NE02: Green and Blue Infrastructure</p> <p>Strategic Policy NE05: Open Space and Recreation Provision</p>

Obligation	Criteria	Justification	Policy background
	agreement, as will the period in which any contribution will have to be spent.		

Table 1: On-site outdoor sport and open space requirements and how the Council calculates commuted sum in lieu of on-site provision and maintenance<sup>5</sup>

**RESIDENTIAL DEVELOPMENT**

Outdoor sport and open space requirements		ha per 1,000 population	sqm per person	Capital costs per sqm	Maintenance costs per sqm over 25 years	Improvement costs	Justification					
SPORT	Outdoor Sport	Data to be manually entered from the figures generated by the Sport England, Active Places Power for both playing pitches and built leisure facilities.					<ul style="list-style-type: none"> <li>The Local Plan, Figure 8.2</li> <li>Playing Pitch Strategy 2018 – 2033 (2018)</li> <li>Active Places Power (Sport England Calculator)</li> <li>Sport, Leisure and Open Space Assessment (2016)</li> <li>CIL and Local Plan Viability Appraisal (2022)</li> <li>Review of Council's costs data</li> </ul>					
	Built Leisure Facilities											
OPEN SPACE	Children's Playing Space (per child) (*)							0.13	1.3	£220.00	£44.00	£176.00
	Allotments and Community Gardens							0.18	1.8	£25.00	£2.00	
	Formal Open Space							0.21	2.1	£40.00	£8.00	£32.00
	Informal and Natural Open Spaces	0.21	2.1	£13.00	£2.60							
	Amenity Greenspace	0.22	2.2	£20.00	£4.00	£16.00						
<b>Total</b>		<b>0.95</b>	<b>9.5</b>									

**EMPLOYMENT DEVELOPMENT**

Open space requirements		ha per 1,000 additional employee	sqm per additional employee	Capital costs per sqm	Maintenance costs per sqm over 25 years	Improvement costs	Justification
OPEN SPACE	Amenity Greenspace	0.6	6	£20.00	£4.00	£16.00	As above
<b>Total</b>		<b>0.6</b>	<b>6</b>				

(\*): Contributions towards children's play provision will not be required for studio or 1-bedroom units or developments specifically and exclusively marketed for the over 65's.

<sup>5</sup> Quoted costs will be indexed from the date of publication

**Table 2: The Open Space Calculator’s assumptions on occupancy rates expected from new development**

Property size	Number of people	Number of children
1 bedroom	1	0
2 bedroom	2	0.5
3 bedroom	3	1
4 bedroom	4	2

## Public Realm and Public Art

Obligation	Criteria	Justification	Policy background
Provision of or contributions towards public realm	<p><b>On-site and off-site provision</b></p> <p>P1. S106 agreements may require the following issues to be addressed in respect of on-site and off-site public realm improvements:</p> <ul style="list-style-type: none"> <li>a. improvements to paving, street furniture<sup>6</sup>, signage, lighting and planting on public highway and other space directly adjoining the site;</li> <li>b. planting and any associated paths and boundary treatment directly relating to the site;</li> <li>c. financial arrangement for their management;</li> <li>d. access and use restrictions/ assurances;</li> <li>e. adoption of the improvements;</li> </ul>	<p>Public realms make an important contribution to the local distinctiveness of an area.</p> <p>Policy BE14 and Policy BE15 require development to create safe, inclusive, attractive and accessible environment that supports our residents and communities via, among other requirements, well designed public space.</p> <p>Policy BE08 requires development proposals, where appropriate, to provide reasonable and proportionate contributions to public realm around Brentwood railway stations. Policy PC05 requires development proposals contribute to</p>	<p>NE02: Green and Blue Infrastructure</p> <p>Strategic Policy BE08: Strategic Transport Infrastructure</p> <p>Strategic Policy BE14: Creating Successful Places</p> <p>Strategic Policy BE15: Planning for Inclusive Community</p>

<sup>6</sup> See Glossary

Obligation	Criteria	Justification	Policy background
	<p>f. financial contribution towards the required off-site improvements;</p> <p>P2. Contributions will be sought from schemes that are deemed to have a significant adverse impact upon Brentwood Town Centre. Obligations will include:</p> <ul style="list-style-type: none"> <li>a. details of how proposed links with Brentwood Town Centre would be designed, delivered and their timescales; and/or</li> <li>b. financial contributions to measures that would mitigate any identified significant adverse impacts to the centre.</li> </ul> <p>P3. Where financial contributions are sought, these will be based on the level of the adverse impact from the scheme, and will take into account the degree to which these have been offset by improved linkages and other approaches.</p>	<p>the enhancement of public realm around Brentwood Town Centre.</p> <p>Other Local Plan policies also set out that the provision of SUDs, digital communication infrastructure, public transport, green and blue infrastructure, uses should be facilitated by the provision and design of public realm on site.</p> <p>This section provides clarity on these requirements.</p>	<p>Policy PC05: Brentwood Town Centre</p>
<p>Provision or contributions towards public art</p>	<p><b>On-site provision</b></p> <p>P4. The following will be expected to prepare a Public Art Strategy and deliver public art on-site. The delivery of public art will be secured through condition:</p> <ul style="list-style-type: none"> <li>a. residential developments of more than 50 dwellings; or</li> <li>b. other development including office, manufacturing, warehouse and retail development with a floorspace of 5,000sqm or more; or</li> <li>c. developments at gateway or landmark locations or highly visible routes.</li> </ul> <p>P5. Although public art is a broad term that includes both art activities and art integrated</p>	<p>Policy BE14 places importance on attractiveness of development in creating successful places. It requires proposal to provide a comprehensive ‘design approach that delivers a high quality, safe, attractive, inclusive, durable and healthy places’.</p> <p>Paragraph 5.130 of the Local Plan goes on to state that “Proposals should either enhance local distinctiveness or seek to introduce distinctiveness to poor quality areas”.</p> <p>This section provides clarity on how development can deliver ‘attractive’ and ‘successful’ places or ‘enhance local distinctiveness’ via the use of public art. Public</p>	<p>Strategic Policy BE14: Creating Successful Places</p>

Obligation	Criteria	Justification	Policy background
	<p>into physical form and function, for the purpose of this SPD, public art only refers only to the latter. As such public art in the context of this SPD refers to projects that have a physical and permanent outcome, integrated into the form, function, style or content of a place, space or building. These will range from projects where artworks have been incorporated into the design or masterplanning of buildings, townscapes or landscapes to the design and making of individual physical elements within them. Such work can include:</p> <ul style="list-style-type: none"> <li>a. large scale three-dimensional artworks such as site specific sculpture; gateway and water features; wayfinding signage; kinetic works; landmarks (including artworks incorporated into landmark buildings); architectural sculpture, land art; commemorative works such as memorials, inscriptions, plaques, artist designed street furniture such as fencing, paving, railings, security screening, tree grills, lighting, seating, bollards, markers and milestones;</li> <li>b. integrated two and three-dimensional works such as architectural glass, door furniture, painted works, mosaic / ceramic murals.</li> </ul> <p>P6. Public art works should consider environmental impacts, be durable, sustainable and of high-quality construction requiring very little if any maintenance.</p> <p>P7. The Public Art Strategy should:</p> <ul style="list-style-type: none"> <li>a. contain a Management Plan consisting of a summary of the knowledge, skills, time and</li> </ul>	<p>art is intended to enhance and develop the quality, distinctiveness and future heritage of an area. It celebrates and enhances the identity of a place to increase local sense of pride, including aspects of its heritage.</p>	

Obligation	Criteria	Justification	Policy background
	<p>budget allowed for public art project management;</p> <p>b. demonstrate how the strategy supports the local creative and cultural sector i.e. by using local artists or suppliers;</p> <p>c. explain the commissioning process, artist briefs; explain how the brief responds to relevant local strategic 'cultural and creative' priorities, if any;</p> <p>d. explain the nature and purpose of the public art intervention and its relationship to the site including anticipated aims and benefits;</p> <p>e. set out the process for community liaison and engagement – both undertaken and proposed;</p> <p>f. indicate the Public Art Programme priorities set in the context of the phasing of the development and likely costs;</p> <p>g. explain the ownership, maintenance and decommissioning scheme;</p> <p>h. contain a statement indicating the responsibility for future care and maintenance this will be addressed as details of the Public Art Programme are developed.</p> <p>P8. On strategic allocations, the commissioning of public art works should involve professional art organisations and include stakeholder and community engagement.</p> <p>P9. Where a developer is willing to make a contribution to public art and is unable to achieve an appropriate scheme on site, the Council will encourage developers to make financial contributions to support public art</p>		



Obligation	Criteria	Justification	Policy background
	<p>initiatives in suitably prominent locations nearby where artworks would contribute to the existing local character, including the character and appearance of the historic environment and its assets, and thereby enhance the neighbourhood of the development. Where it is judged that off-site provision is appropriate, contributions will be sought to support this. The sums would be guided by the costs of the initiatives. The timing and trigger points of payment will be determined on a case-by-case basis.</p> <p>P10. Further information on this matter is available in Essex County Council’s Developers’ Guide to Infrastructure Contributions (2020 or as amended) and the Essex County Council Public Art Strategy.</p> <p><b>Maintenance plans / payments</b></p> <p>P11. Where there is an obligation to deliver public art within a S106 agreement, the Council will expect the delivery of the public art in accordance with the agreement and for this responsibility not to be transferred to the Council. Subject to discussion with the Council, consider transfer of ownership of permanent works after completion to the Council or an appropriate community body.</p>		

## 4. The Council's Approach to Securing Contributions

### Unilateral Undertakings

- 4.1. Section 106 Agreements (S106) and unilateral undertakings (UU) are types of planning obligation under Section 106 of the Town and Country Planning Act 1990. They are legal agreements between the local authority and the developer. The land itself, rather than the person or organisation that develops the land, is bound by the S106 agreements. They are a legal charge on the land, so their obligations transfer automatically with any change in ownership.
- 4.2. A unilateral undertaking is a legal deed, entered into by the landowner and any other party with a legal interest in the development site. Unilateral undertakings can assist in ensuring that planning permissions are granted speedily, which benefits both applicants and the Council. However, unlike S106 agreements they don't have to be entered into by the local authority.
- 4.3. A unilateral undertaking comes into effect when planning permission to which they are linked is granted although as with S106 agreements the relevant obligations are usually conditional on development being commenced.
- 4.4. Where financial contributions are known at an early stage and the package of planning obligations is relatively straight forward, namely involving commuted payments for affordable housing or permit free obligations, applicants are encouraged to submit a unilateral undertaking with their application. The intention is that the unilateral undertaking can be included with the suite of documents associated with the planning application.
- 4.5. While S106 agreements are often prepared following Planning Committee, the draft form of unilateral undertaking can usually be agreed prior to Planning Committee (the heads of terms may need to be changed following Planning Committee decision on the application) thereby avoiding delays in getting a final decision.
- 4.6. Unilateral undertakings will not usually be appropriate for major applications including applications for 10 or more new dwellings.
- 4.7. Where a planning obligation will not be covered by a Unilateral Undertaking, applicants will still be required to enter into a S106 agreement. This type of legal agreement will need to be entered into by the applicant, the Council and anyone else who has in interest in the land forming the application site.

## B. Section 106 Agreements

- 4.8. Developers will be expected to make S106 contributions towards items of strategic and necessary infrastructure as identified in the most up to date IDP Part B, as well as any other site-specific infrastructure requirements arising from development proposals.

### Retrospective Contributions

- 4.9. There will be instances where contributions shall be payable retrospectively. Even if the strategic infrastructure has been fully or partially built or provided as at the date the relevant S106 agreement is entered into, the S106 agreement will require payment of retrospective contributions to recognise the benefit which the relevant development is obtaining from the relevant infrastructure. In those instances, consideration in terms of cost, apportionment, provision of land, reimbursement, external funding, and viability, etc. would still be consistent with guidance set out in this document.
- 4.10. As discussed in **Chapter 3**, the types of infrastructure that would benefit from this approach are those that:
- a. are of strategic nature or of critical importance to support the Local Plan, and
  - b. need to be in place or at least planned early on, prior to all relevant development taking place; and
  - c. is not fully funded by public funding.
- 4.11. Key considerations in drafting a S106 agreements regarding retrospective contributions are discussed in **Chapter 5**.

### Monitor and Manage

- 4.12. The Council will continue to explore other alternative approaches to the conventional ‘predict and provide’ approach in planning for and delivering strategic transport infrastructure. A potential option being the ‘monitor and manage’ approach, which would involve preparation of a Traffic Monitoring and Management Plan (TMMP) and collection of appropriate monitoring data to assess whether the road network is operating according to the worst-case scenario baseline.
- 4.13. The principles of the Monitor and Manage approach are still being developed and a final position is yet to be reached between the Borough Council and ECC. The potential principles of a Monitor and Manage approach could be as follows: development proposals for site allocations will demonstrate how vehicle trip generation would be lower than the target set in the TMMP. This target is intended to positively challenge developers to pursue a creative approach to reduce transport impacts of their development. Developer contributions towards the

package of transport mitigations will be due in line with the Infrastructure Delivery Plan or the outcome of the TMMP. In other words, if development fails to reach its target, contributions towards mitigation would be triggered. Development proposals for non-allocated sites will also have due regard to the TMMP. Such proposals will bring about vehicle trip generation over and above the target set out in the TMMP.

- 4.14. In this approach, the Council would be responsible for the monitoring of vehicle trip credits (unless agreed otherwise) and the collection of developer contributions, along with funding from all relevant public sources. The cost of monitoring is to be funded by developers.
- 4.15. There may be instances where some developers achieve their trip target, whilst others fail to do so. In this case, there may be a need to update the identified mitigation measures and associated costs. The Council will liaise with National Highways and ECC to consider undertaking necessary assessment to inform the IDP and subsequently, contributions from responsible development sites.
- 4.16. Under this approach, there is a need to manage exposure and counterparty risk. As such, the Council may require the mitigation contributions be paid in advance by developers into escrow accounts; this money will be held in the escrow accounts for an agreed period of time after the completion of development, to be used towards mitigation works should development fail to reduce its impacts.
- 4.17. Escrow accounts can be useful when contributions are requested on a per unit basis or when S106 payments are required only at trigger points. When an escrow agreement is entered into, an escrow account is opened to ring-fence the money for the mitigation work and developer is obliged to pay either all or a percentage of the total sum into an escrow bank account. Before the commencement of development, developer will provide an estimated cost based on its anticipated impacts and the rates / percentage that it expects to pay into the escrow account, for the approval of the Council. During the phases of development, the developer will make escrow payments into the escrow account on the basis of the rates and periods agreed. Appropriate arrangements, including review mechanisms, need to be in place to manage the expenditure of such funds. In the event that the balance of the escrow bank account exceeds any current demand or anticipated demand for payment, the escrow sum will be determined by the agreed review mechanism. A chosen firm of solicitors will act as the neutral third party, constrained from dealing with the money other than in accordance with the strict instructions agreed in advance by the parties concerned.
- 4.18. The Council may also consider to secure planning obligations through performance bonds (contract bonds), as it is reasonable for the Council to take steps to secure the delivery of mitigation, in the event of unforeseen circumstances such as a developer going into administration whilst the transport impacts of its development are not reduced.

## C. Section 278 Agreement

- 4.19. Where necessary, the Council will require developers to enter into a S278 agreement (Highways Act 1980) to fully pay or make contributions towards the carrying out of works to the highway impacted by their development schemes. In some cases, a developer may be required to carry out the works in lieu of payment.

## D. CIL

- 4.20. In addition to the above contributions, development will be liable to pay CIL as per the adopted Charging Schedule to fund Borough wide place-making infrastructure as discussed in **Chapter 3**.

# 5. Considerations in drafting a Section 106 Agreement Framework

- 5.1. The Council will set out a consistent approach to planning applications via a S106 agreement template, so that regardless of when development sites come forward, this will provide clarity and certainty for developers and landowners over the obligations they will be expected to enter into.
- 5.2. It should be noted that this template is separate to ECC's S106 template, which only focusses on the contributions ECC has requested. ECC's template agreement is provided in the DGIC, with a separate schedule for each type of contribution. ECC's template should also be considered as a starting point to avoid delays and unnecessary expense.
- 5.3. The S106 agreement template will contain a "Part 1" (Strategic Infrastructure) and a "Part 2" (Site Specific Infrastructure) which will respectively set out the provisions which the Council will expect to be included in S106 agreements relating to the development. The template S106 agreement will state that "Part 1" provisions are expected to be included as standard across all development sites with adjustments limited to those that are minor development not forming part of a wider development. "Part 1" will include the following considerations:
- i. Cost and payment of strategic infrastructure contributions
  - ii. Works in kind

- iii. Provision of land, costs of providing the land and equalisation agreement
- iv. Review and indexation
- v. Trigger points
- vi. Conditions
- vii. Access provisions
- viii. Statutory agreements
- ix. External funding
- x. Reimbursement to forward funders
- xi. Reimbursement of unspent contributions
- xii. Access to adjacent land
- xiii. Sites of multiple ownership
- xiv. Negotiations/ Viability
- xv. Escrow agreement and bonds
- xvi. Payment for specialist study

### Cost and payment of strategic infrastructure contributions

- 5.4. As discussed above, developers will be expected to make S106 contributions towards items of strategic infrastructure as identified in the most up to date IDP Part B. The amount of contributions payable will be determined by the Council on a consistent and proportionate basis in accordance with Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended or replaced) and will be informed by the IDP and other available relevant evidence and guidance.

- 5.5. In some instances, such contributions shall be payable retrospectively; even if the strategic infrastructure has been fully built or provided as at the date the relevant S106 agreement is entered into, the S106 agreement will require payment of those contributions. Early delivery of certain items of infrastructure may be beneficial or necessary in order to unlock or facilitate development. The contributions may be paid in instalments to be agreed in the relevant S106 agreement and the payment date(s) for payment of the contributions will also be agreed in the relevant S106 agreement.

Where contributions to strategic transport infrastructure are secured under the monitor and manage approach, the Council will require the cost of monitoring to be funded by developers.

### Works in kind

- 5.6. Where it is appropriate to do so, the Council will secure contributions by means of works-in-kind.
- 5.7. The Council will be open to discussing the possibility of the developer constructing all or part of those items. Any developer proposing to carry out works in kind is encouraged to discuss their proposals with the Council, ECC (in relation to County matters) and other landowners in the allocation area at the earliest possible opportunity - the Council will expect such discussions to have taken place prior to the submission of any planning application.
- 5.8. The applicant will be expected to include with the planning application an allocation-wide deliverability appraisal which shall reflect any agreements entered into by landowners and include the proposed delivery arrangements for the strategic infrastructure including the nature, scale and timing of delivery and a proposal as to how the landowner will be appropriately compensated by other landowners in the allocation area in respect of the proposed works in kind (such compensation may be monetary, through the provision of land or through agreement to meet or offset any S106 obligations otherwise falling to be met by the relevant landowner/developer or a combination thereof). If such agreements have not been made, the S106 agreement may restrict development until such agreements have been entered into and/or set out an expert determination provision to resolve any dispute between landowners.
- 5.9. Any works in kind proposals which are agreed by the Council (and County Council, in relation to County matters) will be subject to the developer agreeing appropriate fall-back provisions, including step-in rights for the Council or County Council (in relation to County matters), to ensure the delivery of infrastructure when it is needed. The decision on whether to accept infrastructure works in kind shall be at the Council's discretion, bearing in mind all relevant circumstances. Where the Council does permit works in kind the developer will be expected to obtain the approval of the Council (and where appropriate to its functions the County Council) to the detailed design of those works, obtain all necessary consents and enter into all statutory agreements required, provide the Council (and where appropriate to its functions the County Council) with suitable collateral warranties in relation to the design and construction of those works and provide appropriate security, including bonds, where reasonably required to help guarantee the performance of those works. The developer will also be

expected to transfer the ownership of such works (including the freehold ownership of the land on which the works are built) to the Council (or the County Council in relation to County infrastructure) when required by the Council.

### Provision of land, costs of providing the land and equalisation agreement

- 5.10. The Council and ECC will not pay the relevant landowner/ developer for the cost of land on which an item of strategic infrastructure shall be built, whether that item is identified by the IDP or proposed by the landowner / developer.
- 5.11. Landowners will need to have regard to the role their land has within the wider context of Local Plan growth, the wider allocation as well as the need to achieve a coordinated approach to development and delivery of associated infrastructure. There may be a need to take into account instances where one developer has provided land and/or delivered infrastructure which will be used by a number of sites; in this instance, the Council will require land equalisation agreements between developers to be in place to achieve holistic spatial objectives.
- 5.12. In relation to land on which it is identified in the IDP that an item of strategic infrastructure shall be built, there shall be a presumption in favour of that item of strategic infrastructure being provided on that land. In relation to land on which a landowner or developer proposes that an item of strategic infrastructure will be built (where it is not identified as such by this SPD), the Council will expect the developer to have discussed and agreed such proposal with the Council (and ECC in relation to County matters) prior to the submission of any planning application. Where multiple landowners are involved, they should agree an equalisation mechanism amongst themselves to ensure a fair apportioning of the burden of providing land for infrastructure. In both cases, the applicant(s) should include with the planning application an allocation-wide deliverability appraisal which shall reflect any equalisation agreements entered into by landowners and include the proposed delivery arrangements for the strategic infrastructure including the nature, scale and timing of delivery and a proposal as to how the landowner will be appropriately compensated by other landowners in the allocation area for the loss of that strategic infrastructure land as development land (such compensation may be monetary, through the provision of land or through agreement to meet or offset any S106 obligations otherwise falling to be met by the relevant landowner/developer or a combination thereof).
- 5.13. If such agreements have not been made, the Council may consider, via S106 agreement, restricting development until such agreements have been entered into and/or set out an expert determination provision to resolve any dispute between landowners.

### Review and indexation

- 5.14. All payments set out in S106 agreements will be indexed from the date that costs were agreed or from the committee date when it was resolved that planning permission should be granted subject to a S106 agreement using an appropriate index. The legal agreement will set out the choice of index and/or the indexation calculation.



- 5.15. Where specific costs have been referenced in this SPD, these costs will be indexed from the date of publication.

### Trigger points

- 5.16. In order to allow developers to spread the cost of their contributions and to maintain a revenue stream, the trigger points for payments prior to commencement and/or completion will be agreed through the development management process. Guidance on trigger points of site-specific contributions are set out in **Chapter 3, section C** of this document. Guidance on trigger points of the contributions ECC has requested are set out in ECC's DGIC.
- 5.17. Trigger points for mitigation measures falling under the monitor and manage mechanism will be informed by the TMMP.

### Conditions

- 5.18. The Council may, where appropriate, use pre-commencement and/or pre-occupation conditions on planning permissions to prevent development and/or occupation of relevant phases of the development in advance of the necessary strategic infrastructure being in place.

### Access provisions

- 5.19. Landowners/developers will be expected to provide access to the Council (or County Council as appropriate) and their contractors for the purpose of enabling the Council (or County Council) to construct the strategic infrastructure works at nil cost.

### Statutory agreements

- 5.20. The Council and County Council may require conditions to form part of any planning permission or obligations in a S106 agreement requiring the landowners/developers to enter into highways agreements to secure adoption of any roads or other public rights of way forming part of the strategic infrastructure and/or any other planning or infrastructure agreements that may be required at the relevant time.

### External funding

- 5.21. Where funding is to be provided by external bodies for the provision of infrastructure: there will be a provision in the legal agreement between the Council and the landowner / developer providing a mechanism to off-set or pay back the correct proportion of the contribution paid by the landowner/developer towards the same infrastructure as appropriate. It may not be possible to assess this until all the relevant infrastructure has been delivered and comprehensive final costs of delivery are known.

## Reimbursement to forward funder(s)

- 5.22. Where forward funding has taken place in order to ensure the early provision of infrastructure: the Council will use reasonable endeavours to secure S106 contributions retrospectively with the grant of planning permissions post-dating the provision of such infrastructure so as to reimburse the forward funder(s) of the infrastructure.

## Reimbursement of unspent contributions

- 5.23. In relation to provisions regarding the repayment of unspent and uncommitted strategic infrastructure S106 contributions: once all funding requirements and obligations have been met, the Council will act consistently in deciding whether or not to include such provisions. Any reimbursement will be proportionate and subject to the development to which it relates being policy compliant and all other infrastructure needs of that development having been met; if not then any reimbursement monies due in respect of that development may first be applied by the Council towards making that development policy compliant.

## Access to adjacent land

- 5.24. Where a parcel of land within a development site is the subject of a planning application for development, the landowner/developer will be expected to ensure that the development is designed in such a way as to facilitate vehicular and pedestrian/bridleway access from that land to adjacent parcels of land to ensure appropriate site-wide connectivity. This will ensure that the development site can move forward on a viable comprehensive basis. The safeguarding of suitable land for access to adjacent parcels of land will be protected through S106 agreements.

## Sites of multiple ownership

- 5.25. Sites in multiple ownerships are likely to be developed through a number of planning applications coming forward at different times. The submission of numerous applications at different stages can present a challenge in securing the funding and land for the infrastructure that would be required by the comprehensive development and shared by all users.
- 5.26. In this case, the Council will take a holistic approach in securing and provision of necessary shared infrastructure. The Council will not accept ad hoc or piecemeal development which is detrimental to the delivery of necessary infrastructure and the wider planned growth. The Council will only accept variations to the identified infrastructure if it can be satisfied that appropriate alternative arrangements will be delivered in full and at the appropriate time and in general accordance with the approach and provisions outlined within this SPD.

## Negotiations/ Viability

- 5.27. Proposals should be designed in a way that accords with Local Plan policies, including the requirement to contribute towards strategic infrastructure costs and any other items that may be secured through S106 agreements.
- 5.28. Where, in the opinion of a developer, its proposed development cannot meet Local Plan policy requirements and the requirements of this SPD, the developer is required to robustly demonstrate that the development is clearly unviable by submitting a financial viability assessment (FVA) to the Council. An FVA should normally be submitted no later than the submission of the planning application for the proposed development scheme and must in any event be submitted well in advance of determination of that planning application. The broad level of viability will often be known before the final content and form of the development has been settled and this should be made known to the case officer at an early stage in order to avoid post submissions delays. The developer will be required to fund the examination of a viability assessor on behalf of the Council and any specialist professionals required in that examination. This funding should be made available up front to avoid future delays.
- 5.29. All FVAs submitted by developers should contain the following information with supporting evidence:
- b. a summary of the main assessment assumptions (evidenced from an independent expert or source);
  - c. site or building acquisition cost and existing use value;
  - d. construction costs and programme;
  - e. detailed cashflow on an annual basis;
  - f. fees and other on costs;
  - g. projected sale prices of dwellings/non-residential floorspace;
  - h. details of discussions with registered providers of affordable housing (if relevant) to inform the value of affordable housing assumed within the FVA;
  - i. gross and net margin;
  - j. other costs and receipts;

- k. other relevant information dependent on the nature of the obligation(s) under discussion;
  - l. a summary clearly setting out the reasons that make a development proposal unviable; and
  - m. if applicable, any request to vary S106 agreements and/or affordable housing requirements from those set out in the Local Plan and this SPD and stating the proposed level of obligations, demonstrating why they are the maximum that can be provided, provided that this shall only be acceptable if all of the following have already been completed and a justificatory statement in respect of the same has been provided to the local planning authority:
    - i a review of all assumptions within the viability model with a view to improving viability, including land value, build and development costs, sales prices, dwelling types, phasing, funding (including borrowing costs) and legal, professional and marketing costs has been carried out;
    - ii consideration of a reduction in the minimum anticipated developer profit for the scheme to offset any degree of non-compliance with Local Plan or SPD requirements has been undertaken;
    - iii consideration of how growth assumptions (value increases over time) have been factored into the viability model;
    - iv available options for public sector funding which would enable the proposed development to be compliant with Local Plan or SPD requirements have been actively explored; and
    - v a consideration of how adjustments to the tenure mix and/or phasing of affordable housing affect the viability model, as well as adjustments in percentage terms, has been undertaken.
- 5.30. FVA will be scrutinised by the Council with advice from a suitably qualified external consultant and the reasonable cost of this external consultant is to be met by the developer who has submitted the FVA. If material changes are made to an application after submission that could affect scheme viability, a revised FVA will be required.
- 5.31. Where the Council is satisfied that S106 contributions or works required by the Local Plan policies and this SPD cannot be met in full on a particular development proposal due to financial viability, the Council will make the decision on how to apportion the funding that is available and may choose to:
- a. reduce the S106 contributions payable pursuant to this SPD; and/or
  - b. adjust the timetable for delivery of strategic infrastructure to be funded by those S106 contributions or provided in kind; and/or

- c. reduce or amend other planning obligations for that development proposal, provided that the Council will continue to pay due regard to the objective of ensuring an equitable and proportionate apportionment of the costs of delivering strategic infrastructure and those that are required to make development acceptable; and/or
  - d. liaise with relevant service providers, authorities and local communities as necessary, to determine which infrastructure should be prioritised to benefit from the additional funding and how contributions should be spent; the Council will be the one to make the final decision.
- 5.32. The financial viability of development proposals may change over time due to the prevailing economic climate, including changing property values and construction costs. In all cases, therefore, where the Council have agreed to any of the reduction or adjustment items set out above such that the resultant planning obligations are below the level needed to fully fund or provide the strategic and local infrastructure requirements to comply with Local Plan policy requirements, the Council will require a viability review of the relevant development with an updated FVA to be provided at appropriate intervals to determine whether greater or full compliance with this SPD and the Local Plan policy requirements can be achieved throughout the carrying out of the relevant development proposal.

### Escrow agreement and bonds

- 5.33. For relevant contributions involving the use of bonds and escrow account, S106 agreement should detail the terms and condition regarding the use of bonds or payments into a joint escrow account and appropriate arrangement to manage spending of such funds.

### Payment for specialist study

- 5.34. Where a Planning Performance Agreement has not been entered into, which sets out a list of particular specialist investigation/ study and makes allowances for its payment, the Council may require the applicant to pay a lump sum for the purpose of commissioning specialist study as required. Any amount unspent will be refunded to the applicant.

## 6. Implementing this Planning Obligations SPD

### A. Monitoring and Enforcement of Obligations

- 6.1. The Council will monitor all contributions agreed through S106 agreements, both financial and non-monetary to ensure that they are complied with.
- 6.2. In cases where developers have difficulty making payments at the appropriate times as required by the legal agreement, the Council will work with the developer to find a solution. This may involve the payment of an obligation at a later stage in the development, or payment by installments. However, where it is imperative that the relevant measure is in place prior to a development being occupied, the obligation to fund it will always become payable on commencement.
- 6.3. In the event of an obligation not being fulfilled as agreed, the Council will write to the developer requesting timescales for completion within 21 days.
- 6.4. In the absence of a response or if the Council remains dissatisfied with the proposed timescales for completion, the Council will consider instigating enforcement action. The Council has the option of using an injunction, which can stop the development proceeding and/or ensure compliance with the terms of the Agreement. The Council has the power to enter the land and carry out any works that were required and recover the costs (a 21 day notice of intention must be given to do this).

### B. Monitoring Fees

- 6.5. To support the monitoring and administration of s106 obligations, an appropriate monitoring fee will be applied to the relevant S106 agreements. The basis for the monitoring fee will be determined on a case-by-case basis. Monies received via this monitoring fee will be used by the Council to fund resources for monitoring the provisions secured via S106 agreements and other aspects of the planning application. Applicants will be required to pay the Council reasonable legal fees incurred in settling the unilateral undertaking, S106 agreement, or in a deed of variation to a S106 agreement.
- 6.6. Unilateral undertakings include obligation to pay the Council's costs in monitoring and managing the implementation of the planning obligation.

- 6.7. Essex County Council charge separate monitoring fees for S106 obligations types that they are responsible for, for example education and highways. Further information is available in the ECC Developers' Guide to Infrastructure Contributions (2020 or as amended).
- 6.8. In addition, for contributions falling under the monitor and manage mechanism, applicants will be required to pay the Council the cost of monitoring traffic against the TMMP.
- 6.9. All monitoring fees will be subject to indexation and payable on commencement of the development.

## C. Reporting on the Use of Section 106 Obligations and CIL

- 6.10. For financial contributions, an audit trail between the contribution and expenditure will be provided within the Infrastructure Funding Statements, published annually from 31 December 2020. This will also set out the infrastructure projects or types of infrastructure that the authority intends to fund, either wholly or partly, by CIL or planning obligations.
- 6.11. The Infrastructure Delivery Plan (IDP), which will be updated periodically will detail where s106 financial contributions have been secured towards individual infrastructure projects.

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### Exempt development

- 6.12. Development consisting of:
  - a. less than 10 dwellings and less than 1,000 square metres of GIA non-residential development (except where it is a result of a larger development being sub-divided into smaller developments consisting of less than 10 dwellings and less than 1,000 square metres of non-residential development); or
  - b. a replacement development resulting in less than 10 additional dwellings or 1,000 additional square metres of GIA non-residential floorspace;

shall not be expected to enter into a S106 agreement in accordance with the framework S106 agreement unless national policy or guidance alters to no longer discourage obligations on smaller developments.

## E. Payment management

6.13 All agreements will include requirements for interest to be paid on outstanding contributions if payments are made late.



## 7. Appendix A: Glossary

Allotment	Land providing opportunities to grow produce as part of the long-term promotion of wildlife conservation and biodiversity.
Amenity green space	Publicly accessible areas green space providing recreation spaces in around development sites, providing opportunities for informal activities close to home, enhancing the appearance of residential areas and forming a link between green corridors/features, natural and semi natural space and other local community facilities. This can include small local areas providing places for recreation, picnic areas, sitting out areas. It can also include informal (unequipped) play areas that provide opportunities for creative play using the natural environment.
Children's playing space	This provision covers all aspects of equipped play and natural play areas for children and youths. It includes play areas that provide free play equipment (such as swings, climbing frames, slides and or fixed items of play), teen shelters, skateboard ramps, BMX tracks, etc.
Commencement of the development	Means undertaking some works on site to commence a planning permission. In order to lawfully 'commence' development it is necessary to satisfy the legal requirements in section 56(4) of the Town and Country Planning Act 1990.
Formal open space	Parks and managed open spaces which are publicly accessible, multi-functional greenspaces providing opportunities for informal recreation and community events, typically in urban areas. They can incorporate formal and informal features, such as flower beds, trees, landscaped areas and ancillary provision such as toilets and seating areas.
Informal and Natural Open Spaces	Informal less intensively maintained land. In these areas, wildlife, conservation, biodiversity and environmental education take precedence over recreational uses in determining management regimes. This includes areas with protective statutory designations and also comprises publicly accessible countryside parks areas. The size and utility of such spaces varies widely, with some having provision such as paths, benches, rubbish bins and planting schemes, whilst others comprise only grassed areas. Some provide linkages within the green infrastructure network to other open spaces.
Open space	All open space of public value, including not just land, but also areas of water (such as rivers, canals, lakes and reservoirs) which offer important opportunities for sport and recreation and can act as a visual amenity.
Outdoor sport	Includes both pitch sport (such as rugby, football, cricket) and non-pitch sport such as bowls, tennis and athletics.

Planning obligation	Legal agreements between a Local Planning Authority and a developer, or undertakings offered unilaterally by a developer, that ensure that certain extra Planning Obligation works related to a development are undertaken. Sometimes called 'Section 106' agreements.
Street furniture	Collective term for objects and pieces of equipment installed along the streets and roads for various purposes. Examples include benches, traffic barriers, bollards, post boxes, phone boxes, streetlamps, traffic lights, traffic signs, bus stops, tram stops, taxi stands, public lavatories, fountains, watering troughs, memorials, public sculptures, waste receptacles, outdoor sculptures, waste bins, etc.



## **Brentwood Planning Obligations Supplementary Planning Document (SPD) Consultation Summary**

### **Introduction:**

The Planning Obligations Supplementary Planning Document (SPD) was prepared to support the Local Plan, with the purpose to:

- a. Provide a robust framework to secure the delivery of necessary infrastructure generated by planned and incremental growth in a holistic and coherent manner;
- b. Set out detailed guidance and a clear position to developers, landowners and stakeholders, regarding the scope and scale of planning obligations applicable to different types and quantum of development; and
- c. Support and supplement the Local Plan policies and once adopted become an important material planning consideration for the council when determining planning applications.

The council undertook various internal and external conversation, meetings, and working groups when drafting the Planning Obligations SPD. Developer workshops were held, to give an opportunity for comments to be made prior to the formal consultation of the SPD, as well as legal advice provided throughout the development of the draft Planning Obligations SPD.

Some of the meetings and working groups held, through the development of the SPD, include, but are not limited to:

- Discussions with Housing and Development Management colleagues
- Discussions with Planning Policy and Essex County Council (various departments – including but not limited to Spatial Planning and Highway Teams)
- Discussions with Leisure and Open Space colleagues
- Developers workshop

## Public Consultation:

The draft Planning Obligation SPD was available for public consultation for a six-week period, between 8 December 2022 through to 19 January 2023. The document was published on the council's website, and those registered on the council's consultation database were notified, including local residents and business owners, statutory consultees, developers, and other interest groups.

Formal consultation responses were received from the following stakeholders:

Statutory Consultees	Essex County Council Ingatestone & Fryerning Parish Council Sport England Marine Management Organisation Transport for London The Coal Authority Historic England Natural England NHS – Mid and South Essex National Highways
Agents / Developers	Turner Morum LLP on behalf of Croudace Marrons Planning on behalf of Hallam Land Management Strutt & Parker on behalf of St Modwen Pegasus Group on behalf of Redrow
Local Residents / Community Groups	Blackmore Village Heritage Association Mrs Kay

## Amendments made to the Planning Obligations SPD

Following the formal consultation of the SPD, the comments received from the various stakeholders listed above, were collated and analysed. Minor changes and amendments were made to the SPD based on the comments received, such as:

- Included reference to the Essex Green Infrastructure Strategy (2020) and Essex Infrastructure Standards: Technical Guidance (June 2022) as requested by ECC;
- Additional text added to make clear the council's intentions if Monitor and Manage was to become an approach agreed and used by ECC, as this is currently still work in progress;
- Included text regarding built sports facilities and removed playing pitches from the council's open space calculator as both playing pitches and built facilities

are to be calculated using Sport England Active Places Power calculator (which aligns with the Council's Local Plan and Playing Pitch and Built Facilities Strategy). The figures generated by the Sport England's Playing Pitch and Built Facilities calculator can only be accessed by LPA Officer's where a Council has an up-to-date strategy. These figures would need to be manually inputted into the Council's Open Space calculator. Therefore, a new paragraph under G18 which makes clear that the figures generated within the Council's Open Space calculator will be provided to developers by the council. This will also ensure that there is a consistent approach.

- Additional text added at the end of T9 to reflect that the relevant highway authorities will provide details on the formal procedure to be followed as requested by National Highways.
- Concerns were raised regarding the proposed calculation for identifying the required commuted sum for affordable housing where on-site provision is not possible. Criteria H13 set out that the commuted sums will be calculated on the basis of 55% x Open Market Value. An independent review of this criteria was undertaken by Ark Consultancy who provide expert advice to the Council's Housing Department. This independent review identified that the use of 55% was too low and did not provide appropriate flexibility.

On the advice of the consultant, this criteria has been changed to: 'The commuted sum for the off-site provision of affordable housing will be the difference between the market value of equivalent provision off site (to be determined by the most recent Land Registry new build sales data for a given unity typology within the borough) and the value of the same unit as an affordable unit (as validated by what an approved Registered Provider operating within the borough would be prepared to pay for the affordable unit(s) in question).' This change provides the required flexibility as well as being more reflective of the methodology utilised by other neighbouring local authorities.

A summary of all the representations received and how they were considered as part of the final SPD put forward for consideration for adoption can be found in Appendix 1: Essex County Council comments, and Appendix 2: statutory consultees (excluding ECC), developers, and local residents and community groups.

## APPENDIX 1: ESSEX COUNTY COUNCIL'S COMMENTS

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
<b>1. The Purpose of this Document</b>			
ECC 1 / BBC 31010 (Support)	Para. 1.5	<p>An overarching recommendation is that the SPD includes a reference pointing the reader/user to the <a href="#">ECC Developers' Guide to Infrastructure Contributions</a> (2020 or as amended), instead of referring separately to statutory ECC infrastructure responsibilities within the SPD.</p> <p>ECC therefore welcomes reference to ECC's DGIC (2020 or as amended) as this allows ECC to update and review the DGIC, with the SPD remaining unchanged and up to date.</p>	This change was already made and is included within the SPD. Therefore no further changes are needed.
<b>2. Policy Background</b>			
ECC 2 / BBC 31011 (Comment)	Para. 2.9	It is recommended that Policy NE01: Protecting and Enhancing the Natural Environment is also included in the list of relevant Local Plan policies.	NE01: Protecting and Enhancing the Natural Environment added to the list of policies under para 2.9
<b>3. Infrastructure Types</b>			
ECC 3 / BBC 31012 & 31013 (Comment)	Paras. 3.3, 3.18	<p>ECC welcomes reference to <i>'the ability to fund the same piece of infrastructure using both S106 and CIL monies is not precluded'</i>. It is important to have the ability to use both CIL and S106 contributions to fund the same infrastructure item, and that if a type of scheme has been identified as being funded through S106 that it does not preclude it from also receiving CIL funds.</p> <p>BBC should also consider the need for clear governance arrangements with key infrastructure providers, especially in two-tier authorities, for determining the</p>	Noted, however no changes made.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p>apportionment of levy monies to infrastructure projects and providers. Without appropriate governance there will be difficulties in securing monies for infrastructure projects that ECC is required to deliver with any degree of certainty or when they may be required. This is due to ECC not being a CIL charging authority and is therefore reliant on the discretion of the local authority for when and how any monies may be secured to fund infrastructure projects required to deliver the growth identified in Local Plans, Masterplans and Infrastructure Delivery Plans.</p> <p>ECC would welcome any governance arrangements that included a more formal role for the County Council in the CIL governance process, in particular regarding when CIL monies are made available for bids; the amount of funds made available to bid for and how any monies will be prioritised and apportioned to strategic projects. ECC would recommend that BBC keeps this in mind when identifying any governance arrangements for how CIL monies will be spent over and above the statutory requirements to parish councils and administration costs.</p>	
ECC 4 / BBC 31014 (Comment)	Paras. 3.5, 3.6, 3.10, 3.14, 3.16, 4.8	For consistency throughout the SPD remove the wording ' <i>and necessary</i> '. This applies to paragraphs 3.5, 3.6, 3.10, 3.14, 3.16 & 4.8. (Note a rep has not been made against these other paragraphs, but will need to be applied)	Noted, however no changes made.
ECC 5 / BBC 31015 (Comment)	Para. 3.7	It is recommended that the words ' <i>, such as the A127 link road,</i> ' are removed from paragraph 3.7, as this paragraph is outlining the Council's general approach and not specified infrastructure.	Noted, however no changes made.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		ECC seeks further clarification on the meaning of ' <i>funding from alternative sources</i> '. If it is not developer or public funded, an applicant / decision maker will require further information on the ' <i>sources</i> '.	
ECC 6 / BBC 31016 (Comment)	Para 3.8 b	With regard to the wording in paragraph 3.8 b. ' <i>identified mitigation measures have been modelled under the worst-case scenario assumptions</i> ' it should be noted that this is not necessarily worst-case, it is more presumed (as identified in the Local Plan TA) than definitively worst-case.	Noted, however no changes made.
ECC 7 / BBC 31017 (Comment)	Para 3.9	ECC recommends amendments to paragraph 3.9 to provide clarity between S278 agreements (Highways Act 1980) which allows applicants to enter into a legal agreement with a Highway Authority to undertake works in a public highway, and S106 agreements (Town & Country Planning Act 1990) which allows applicants to enter into a legal agreement with a Council to provide mitigation, infrastructure and/or contributions.	Chapter 4 gives an overview of what the differences are between S106 and S278. Therefore comments are noted, however no changes made.
ECC 8 / BBC 31018 (Comment)	Para. 3.13	ECC seeks further clarification on the meaning of ' <i>realistic expectation that sources of external funding may become available</i> '. An applicant / decision maker will require further information on this matter.	Noted, however no changes made.
ECC 9 / BBC 31019 (Object)	Para. 3.13	Amend last sentence of paragraph 3.13 as follows: delete words ' <i>It should not be assumed that</i> ' and replace words ' <i>are to</i> ' with words ' <i>will not</i> ' to make clear to an applicant / decision maker ECC's position on infrastructure costs and funding gaps.	Noted, however no changes made.
ECC 10 / BBC 31020 (Support)	Housing – Provision of Specialist Accommodation – Criteria H23	ECC welcomes the inclusion in Criteria H23 of the requirement to consult ECC for advice on priority Specialist Residential Accommodation needs, including Independent Living for older people and adults with disabilities, and for the Council to refer to the latest Independent Living Programme for Older People Position Statement.	Noted, support welcomed.



ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		ECC has commenced the development of a forward forecasting tool to supplement its current database to inform Local Plans and planning application responses to provide up-to-date local information on demand and need to ensure the necessary units and/or developer contributions are secured.	
ECC 11 / BBC 31021 (Object)	Housing – Provision of Specialist Accommodation – Criteria H23	<p>ECC recommends that further consideration is given towards the currently proposed threshold in Criteria H23 of 100+ homes to trigger a consultation with ECC on Specialist Residential Accommodation needs (e.g. older people or people with disabilities).</p> <p>The development threshold as set is unlikely to apply for many developments within Brentwood Borough and may result in inadequate provision of new homes of this type.</p>	Objection noted however the comments do not include what the threshold should be from ECC's perspective nor any further justification for this change. Therefore, no changes made.
ECC 12 / BBC 31022 (Support)	Housing – Provision of Specialist Accommodation – Criteria H23 - Justification	ECC welcomes reference in the Justification Section of H23 to ECC's Developers' Guide to Infrastructure Contributions (2020 or as amended) for guidance on characteristics of suitable sites / buildings for older people and adults with learning disabilities.	Noted, support welcomed.
ECC 13 / BBC 31023 (Support)	Housing – Provision of accessible housing, and wheelchair user dwellings – Criteria H24	<p>ECC welcomes the reference in Criteria H24 to the use of planning conditions to ensure that M4(2) and M4(3) dwellings are provided to meet need.</p> <p>ECC recommends that the sentence <i>"to ensure the housing needs of older persons and people with disabilities are met"</i> also includes the additional wording <i>'including households which contain a child who is a wheelchair user'</i>. This will enable consideration of a range of type and sizes of dwellings which will meet need.</p>	<p>Noted, support welcomed.</p> <p>The following text has been added to H24:  '..., including households which contain a <u>person</u> who is a wheelchair user...'</p>

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
ECC 14 / BBC 31024 (Support)	Housing – Provision of accessible housing, and wheelchair user dwellings – Criteria H24	<p>ECC supports the consideration in Criteria H24 of restricting occupation to those in need.</p> <p>BBC may wish to review the wording and include '<i>conditions</i>' between the words '<i>impose</i>' and '<i>restricting</i>'</p>	Noted, support welcomed.
ECC 15 / BBC 31025 (Comment)	Housing – Provision of other forms of Specialist Accommodation - Obligation	<p>ECC seeks clarity on the difference between '<i>Provision of other forms of Specialist Accommodation</i>' (H41–H42) and '<i>Provision of Specialist Accommodation</i>' (H21–H25). Specialist Accommodation includes older people or people with a disability, but it is unclear what is meant by '<i>other forms</i>'. ECC does not provide advice on all forms of Specialist Accommodation needs.</p> <p>It is therefore recommended that further detail is provided under this Obligation as to what is meant by '<i>other forms of Specialist Accommodation</i>' to make any distinction clear.</p>	Noted, however no changes made
ECC 16 / BBC 31026 (Comment)	Housing – Provision of other forms of Specialist Accommodation – Criteria H41	<p>ECC seeks clarity regarding when the period of '<i>three months</i>' referred to in Criteria H41 starts. Is this from practical completion? From when dwellings are ready for first occupation? Specifying this here may assist with the drafting of any S106 agreement and make clear BBC's expectations/requirements.</p>	<p>The following text has been added:</p> <p>'...from the time the dwellings are ready for occupations'</p>
ECC 17 / BBC 31027 (Object)	Transport, Highways, and Access – Provision or payment of highway work – Criteria T1 – T9	<p>ECC recommends that all the Criteria listed in the Transport, Highways, and Access section (T1 – T9) are removed and the SPD instead directs to the <a href="#">ECC Developers' Guide to Infrastructure Contributions</a> (2020 or as amended), <a href="#">ECC Development Management Policies</a>, and the <a href="#">Essex Design Guide</a>, as well as other documents such as <a href="#">ECC Street Materials Guide</a>, and <a href="#">Development Construction Manual</a> for guidance on all forms of highways, transportation, sustainable travel, passenger transport and PROW contributions, as this provides the flexibility to use updated</p>	<p>Documents referred to in ECC comments are included within the Brentwood Local Plan and therefore considered sufficiently covered. Objection is noted, however no changes made.</p>

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		versions of these documents in the future, without the SPD being out of date.	
ECC 18 / BBC 31028 (Comment)	Flood Protection and Water Management - Criteria	ECC recommends that reference is also included in the Criteria Section of Flood Protection and Water Management to considering the importance of water quantity and quality alongside amenity and biodiversity in the design of SUDS. Further detail and criteria are set out in the <a href="#">ECC SUDS Design Guide</a> .	The SPD makes known that ECC is the LLFA and developers should refer to the ECC's SuDS Design Guide. Therefore the comment is noted, however no changes made.
ECC 19 / BBC 31029 (Comment)	Flood Protection and Water Management	It is recommended that Policy BE02 is also included in the Flood Protection and Water Management Section of the SPD, to ensure that any potential wastewater infrastructure required in the future is also captured by the SPD.	Policy BE02: Water Efficiency and Management added to the policy background column.
ECC 20 / BBC 31030 (Comment)	Flood Protection and Water Management – Criteria F2	ECC recommends that criteria F2 makes it clear that ECC will not permit SuDS to be outside the red line boundary of an application site. Flood risk must be managed on site and must not increase off site flood risk.	Criteria F2 has been removed from the SPD in light of ECC's comments to avoid any doubt.
ECC 21 / BBC 31031 (Comment)	Flood Protection and Water Management - Criteria	<p>The recently updated <a href="#">PPG - Flood Risk and Coastal Change (August 2022)</a> strengthens authorities' ability to require better flood resilience in new developments by ensuring that developers can adapt to the challenges of a changing climate, new homes are sustainable, and Councils will need to demonstrate that the development will be safe from flooding for its lifetime, will not increase flood risk elsewhere, and where possible will reduce flood risk overall.</p> <p>ECC draws attention to the change to the exception test which now relates to all forms of flood risk, including from surface water. Where land with existing flood risk is still to be developed following an initial sequential test, the developer must demonstrate that the development will provide wider <a href="#">sustainability benefits to the community that outweigh flood risk</a>.</p>	Noted, however no changes are required as this is covered by the PPG itself.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p>ECC, as Lead Local Flood Authority (LLFA), is hopeful that this approach will provide an opportunity to address existing flood risk through new development, which has not been something that the LLFA has been able to easily consider in the past. The PPG states that 'Local planning authorities need to set their own criteria for this assessment, having regard to the objectives of their Plan's Sustainability Appraisal framework, and provide advice which will enable applicants to provide relevant and proportionate evidence'. It should be noted that one example of how a developer could demonstrate that the wider sustainability benefits to the community outweigh delivery on a site with existing flood risk, would be to deliver an overall reduction in flood risk to the wider community through the provision of, or financial contribution to, flood risk management infrastructure.</p> <p>On the basis of this updated guidance, ECC, as LLFA, would seek that BBC identifies this requirement and where necessary requests contributions from developers towards wider flood mitigation.</p>	
ECC 22 / BBC 31032 (Support)	Flood Protection and Water Management - Justification	ECC welcomes the references to the <a href="#">ECC Sustainable Drainage Systems (SuDS) Design Guide</a> here and in the Justification Section. It provides a clear understanding and signposts the reader, providing all the relevant guidance that a developer or other body would require.	Noted, support welcomed.
ECC 23 / BBC 31033 (Comment)	Early Years, Childcare and Education	ECC recommends that the title of this section 'Early Years, Childcare and Education' is amended to include reference to Special Education Needs and Disabilities (SEND), and Post 16. This will ensure that the full range of education responsibilities is addressed.	Criterion E1 addresses this and makes clear that SEND and post 16 are included. Therefore the comment is note but no changes made.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
ECC 24 / BBC 31034 (Object)	Early Years, Childcare and Education - Obligation	It is recommended that the wording of the Obligation be amended as follows: delete word 'or' and replace with ' <u>of buildings, land, and/or financial</u> '	The criteria section makes reference to the ECC latest DGIC which clearly outlines where developers contributions will be spent and therefore it is not deemed necessary to make the suggested changes.
ECC 25 / BBC 31035 (Support)	Early Years, Childcare and Education – Criteria E1 & Justification	ECC welcomes the references in Criteria E1 and the Justification section directing to the <a href="#">ECC Developers' Guide to Infrastructure Contributions</a> for guidance on all forms of education contributions and school transport contributions, as this provides the flexibility to use updated versions of the DGIC in the future, without the SPD being out of date.	Noted, support welcomed
ECC 26 / BBC 31036 (Support)	Early Years, Childcare and Education – Criteria E2	ECC welcomes reference to its Garden Communities and Planning School Places Guide. It describes to readers how new mainstream state funded statutory age range schools, serving new Garden Communities and larger development in Essex, will be established.	Noted, support welcomed
ECC 27 / BBC 31037 (Comment)	Health and Social Wellbeing	<p>This section only refers to delivery of primary healthcare infrastructure and facilities, which is not consistent with the NPPF which seeks to create healthy and safe communities.</p> <p>ECC recommends that the SPD provides further advice on healthy place-making with reference to the Active Design principles embedded throughout the <a href="#">Essex Design Guide</a>.</p> <p>It is also recommended that the SPD signposts readers to <a href="#">Health Impact Assessments</a> to <a href="#">ensure that greater consideration is given to what needs to be considered when</a></p>	Comments are noted, however no changes are made. The details referenced in ECC's comments are addressed through the Brentwood Local Plan which makes reference to the EDG and includes an HIA policy.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p><a href="#">looking at health, wellbeing and the environment, to ensure there is a wider focus than just primary healthcare provision and general practice.</a></p>	
ECC 28 / BBC 31038 (Comment)	Natural Environment Mitigation – Biodiversity offsetting and biodiversity net gain – Obligation / Criteria	<p>ECC recommends this section is amended to be consistent with the biodiversity <a href="#">mitigation hierarchy</a> of Avoidance; Minimisation, Rehabilitation/Restoration and Offsetting. Any residual impacts will need to be compensated for on-site or off-site with long term management secured, and appropriate enhancements included to ensure biodiversity net gain (BNG) for at least 30 years via obligations/ conservation covenant.</p> <ul style="list-style-type: none"> <li>• On-site units – delivered through habitat creation/enhancement via landscaping and green infrastructure.</li> <li>• Off-site units – delivered through habitat creation and enhancement including via habitat banks with public and private landowners.</li> <li>• Statutory Credits – delivered through large scale habitat projects delivering high value habitats which can also provide long-term nature-based solutions</li> </ul> <p>The first priority should be for developers to provide on-site mitigation. It is noted that the SPD makes reference to the Essex Local Nature Partnership (LNP) and may adopt the biodiversity approach. As an update ECC/LNP is presently investigating the approach of seeking developers who cannot deliver the necessary biodiversity requirements on site, due to site constraints, the opportunity to purchase biodiversity credits that can be used to provide additional biodiversity benefits to specific locations on ECC land.</p>	Comments are noted however it is felt that no changes are needed as criterion N2, N4, and N6 adequately address these comments. Furthermore, it is the council's view that the Brentwood Validation Check List would be a more appropriate place for the government BNG requirements and any additional adopted guidance by the council to be verified through this process.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p>A statutory national biodiversity credits scheme is being established through developing a biodiversity credit investment pipeline and payment structures to fund habitat provision. Where developers can purchase the credits as a last resort if onsite and local offsite habitat provision cannot provide the required BNG. It is anticipated more information on the national biodiversity credits scheme to be made available Winter 2023. A potential biodiversity credit scheme for Essex is being explored.</p> <p>ECC recommend any application is supported by a completed <a href="#">Essex Biodiversity Validation Checklist</a>.</p> <p>Further information can be gained from the <a href="#">Planning Advisory Service</a> with regards <a href="#">Biodiversity Net Gain</a> and <a href="#">Nature Recovery with useful guidance and ongoing collaborative work on progressing these matters</a>.</p> <p>ECC aims to ensure that the information on biodiversity net gain given in this response, will be reflected in the revised Developers' Guide providing an up to date approach across all the Essex Local Authorities.</p>	
ECC 29 / BBC 31039 (Comment)	Natural Environment Mitigation – Biodiversity offsetting and biodiversity net gain - Justification	<p>It is noted that the SPD refers to the minimum 10% BNG requirement by the Environment Act, 2021, but also references Essex LNP Biodiversity and Planning Working Groups work on guidance for Essex.</p> <p>The Essex LNP Biodiversity and Planning Working Group are currently reviewing and exploring the feasibility for 20% Biodiversity Net Gain. BBC may wish to consider adopting a higher figure than the minimum 10% requirement within the Environment Act (2021).</p>	<p>The final sentence within the Justification for Biodiversity offsetting and biodiversity net gain states:</p> <p>'The Essex Local Nature Partnership Planning and BNG working group are considering to prepare a guidance on this matter for Essex area. The Council may adopt this work when it is completed.'</p>

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p>It is recommended that the following reference is added to the end of the last sentence of the third paragraph '<u>with a caveat of a local target for Essex to be agreed</u>'.</p> <p>The following is provided for information:</p> <p>The NPPF (paragraphs, 145, 153, 174 and 179-180) demonstrates that planning provides biodiversity net gains where possible. It is expected the mandatory requirement for BNG to come into place in Winter 2023. The Government's response to the 2018 consultation on BNG set out that there would be a 2-year implementation period for mandatory BNG once the Environment Bill received Royal Assent and became the Act (which happened on 9 November 2021). It will also include the following components:</p> <ul style="list-style-type: none"> <li>• Minimum 10% biodiversity net gain required calculated using Biodiversity Metric and approval of net gain plan;</li> <li>• Habitat secured for at least 30 years via obligations / conservation covenant;</li> <li>• Habitat may be delivered on-site, off-site or via statutory biodiversity credits;</li> <li>• A national register for net gain delivery sites;</li> <li>• Mitigation hierarchy remains applicable with avoidance, mitigation and compensation for biodiversity loss;</li> <li>• Biodiversity Net gain will apply to Nationally Significant Infrastructure Projects (NSIPs);</li> <li>• Does not apply to marine development;</li> <li>• No change to existing legal environmental and wildlife protections</li> </ul>	<p>It is the Council's view that this adequately covers the comments made and no further changes are needed</p>



ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p>Further information can be gained from the <a href="#">Planning Advisory Service</a> with regards <a href="#">Biodiversity Net Gain</a> and <a href="#">Nature Recovery</a>.</p> <p>In March 2022, ECC established a Greater Essex Local Nature Partnership (GELNP) covering Essex, Southend and Thurrock to deliver the outputs of the DEFRA 25-Year Environment Plan and Environment Act (2021). This includes the production of the Greater Essex Local Nature Recovery Strategy (GELNRS) during 2023, mapping the most valuable existing green spaces for nature; delivering biodiversity net gain, multifunctional green infrastructure and sustainable land management through Environment Land Management Schemes and to contribute to the national tree planting target. The GELNP will also contribute to the delivery of the recommendations in the ECAC report <a href="#">Net-Zero: Making Essex Carbon Neutral (July 2021)</a> and the <a href="#">ECC Response</a>. The GELNP has the following four targets to be achieved by 2030, namely 14% of Natural Green Infrastructure coverage of Essex to be increased to 25%; 50% of farmland to adopt sustainable stewardship practices (from the ECAC); 1 in 4 people taking action for nature recovery; and access to high quality green space for all.</p> <p>The Partnership is preparing a baseline analysis to enable measurement of progress against these targets which will be delivered by the Partnership's four working groups, namely the Local Nature Recovery Strategy; community engagement; biodiversity net gain; and agriculture.</p> <p>ECC is the 'Responsible Authority' for delivering the GELNRS but will work closely with the LNP to provide direction and ensure key stakeholders are engaged. The publication of guidance on LNRSS</p>	

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p>has been delayed until 2023 and the GELNRS is being prepared for completion by early 2024.</p> <p>Any application should make use of the <a href="#">Great Crested Newts District Level Licensing Scheme</a> operated by Natural England and available in Essex. Developers are able to pay a fee to join a district level licensing scheme rather than carry out their own surveys, to plan and/or carry out mitigation work. Further details can be viewed by the link above.</p>	
ECC 30 / BBC 31040 (Comment)	Green and Blue Infrastructure – Green and Blue Infrastructure (GBI) on-site provision, enhancement and/or restoration – Criteria G2. d.	<p>Bullet Point d. under Criteria G2 refers to '<i>consider the creation of multi-functional spaces that can enable other requirements</i>',. The word '<i>consider</i>' weakens the strength to deliver multifunctional green and blue infrastructure and risks being trumped by other infrastructure that has stronger wording such as '<i>must</i>'. It is recommended that words '<i>consider the creation of</i>' be replaced by '<i>create</i>'.</p> <p>Through the right design, right green infrastructure, and right location of green infrastructure it can deliver more than one function and contribute to more than one priority, providing cost efficiency in the long term to deliver better outcomes.</p> <p>The NPPF (paragraphs 20, 91, 150 and 171) recognises the importance of green infrastructure within the planning system to support sustainable development. The <a href="#">Natural Environment Planning Practice Guidance (PPG), 2019</a> supplements the information provided in the NPPF, describing green infrastructure benefits and how they can be considered in planning policy. The PPG emphasises that green infrastructure opportunities and requirements need to be considered at the earliest stages, and as an integral part, of development proposals.</p>	Amendment made to strengthen criterion 2d to say 'create multi-functional spaces...'

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		<p>Delivery and funding of green infrastructure can use planning conditions, obligations, or CIL.</p>	
ECC 31 / BBC 31041 (Comment)	Green and Blue Infrastructure – Green and Blue Infrastructure (GBI) on-site provision, enhancement and/or restoration – Criteria G2.c.	<p>Bullet Point c. under Criteria G2 makes reference to a requirement to 'submit a GBI plan and landscape strategy'. Green and Blue Infrastructure is instrumental in delivering Biodiversity Net Gain and other benefits such as green corridors, shading through street trees, natural flood management, air quality, encouraging active travel (Greening PRow routes) and other activities for health and wellbeing and mitigation and adaptation measure for climate change.</p> <p>ECC therefore recommends criteria G2.c also states that such plans and strategies should include details on biodiversity net gain and any offsetting.</p>	Comments noted, however it is the council's view that any additional BNG requirements should be dealt with through the Environment Act, BNG Regulations, and the future BNG SPD. Therefore, no changes made.
ECC 32 / BBC 31042 (Comment)	Green and Blue Infrastructure – Green and Blue Infrastructure (GBI) on-site provision, enhancement and/or restoration – Justification	<p>ECC also recommends reference is made under the justification section to the need for developers to use the <a href="#">Essex Green Infrastructure Strategy (2020) (where its preparation included BBC)</a> and <a href="#">Essex Green Infrastructure Standards-Technical-Guidance (June 2022)</a>. The latter, endorsed by Natural England, and has been submitted for Building With Nature Policy Accreditation, was published in June 2022 and will be added to the Essex Design Guide in due course.</p> <p>ECC considers that all major and strategic development sites should be designed around green and blue infrastructure to inform and shape the development. Particularly within denser developments, green infrastructure and open space should be approached from a multifunctional perspective, combining uses such as sustainable drainage, public open space, walking and cycling routes and biodiversity conservation to combine functional</p>	<p>An additional paragraph under the justification heading which reads:</p> <p>'Further guidance has also been prepared by Essex County Council, Essex Green Infrastructure Strategy (2020) and Essex Green Infrastructure Standards: Technical Guidance (June 2022)'.</p>

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
		uses with amenity benefits. These features should be strategically located to provide green infrastructure and landscaping in prominent spaces to maximise the benefits to site users and increase the usability of multifunctional space.	
ECC 33 / BBC 31043 (Comment)	Green and Blue Infrastructure – On- site provision of outdoor sport and open space – Criteria G11	<p>The interconnectivity of natural environment, flood protection and water management, outdoor sport and open space, and public realm is an important part of the GBI network and shouldn't be seen or treated in silo. The right design and location, wide range of functions and benefits of GBI can fulfil people and wildlife, the interactions should be emphasised.</p> <p>ECC recommends including '<u>improvements or greening the public realm (i.e., street trees, dual purpose street furniture with planters, rain gardens etc)</u>' to the list, and referencing to '<u>Public Realm and Public Art - Provision of or contributions towards public realm</u>' for further details.</p>	Criteria Gc through Ge cover these types of spaces and therefore the comment is noted however no changes made. Furthermore, there is a separate section specifically on Public Realm and Public Art in the SPD.
ECC 34 / BBC 31044 (Comment)	Green and Blue Infrastructure – On- site provision of outdoor sport and open space – Justification (1 <sup>st</sup> sentence)	<p>Facilities should be integrated and distributed throughout the development and, must compliment other provision (such as educational facilities, public realm etc.) as a part of the wider GBI/landscape scale network. This can include inclusive design not only for buildings and encouraging active travel, community engagement in the design of public open space and children's play area to ensure its design provide recreational facilities for different users and age groups.</p> <p>ECC recommends adding '<u>of all and is integrated as part of the wider green and blue infrastructure landscape network</u> at end of first sentence of the first paragraph of Justification Section.</p>	The comments are noted, however it is the Council's view that this is sufficiently covered within the Local Plan, therefore, no changes were made.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
ECC 35 / BBC 31045 (Comment)	Green and Blue Infrastructure – Improvements to existing open space in the local area of the development – Criteria G28. a.	<p>ECC acknowledges the potential for new development demand for GI and open space to be met through existing infrastructure. However, lack of provision of new features will result in increased use of existing sites which, if not effectively managed, will increase maintenance levels, and have detrimental impacts on the quality and useability of such sites. Contributions can also fund increased management and maintenance needed for existing sites that are used to meet demand from new development.</p> <p>ECC recommends under Criteria G28. a. adding the words <i>'and can demonstrate no impact from increase footfalls/demand'</i> between words <i>'quality standards'</i> and <i>'no contribution'</i>.</p>	The comments are noted, however part of the criterion states '...unless otherwise agreed with the Council...' cover this point adequately; therefore no changes were made.
ECC 36 / BBC 31046 (Comment)	Public realm and Public Arts – Provision of or contributions towards public realm – Policy Background	<p>The interconnectivity of the natural environment, flood protection and water management, outdoor sport and open space, and public realm is an important part of the GBI network and should not be seen or treated in silo.</p> <p>It is recommended that Strategic Policy NE02: Green and Blue Infrastructure is also included in the list of relevant Local Plan policies in the Policy Background Section.</p>	Policy NE02 added to the listed of background policies.
ECC 37 / BBC 31047 (Comment)	Public realm and Public Arts – Provision of or contributions towards public realm –	The interconnectivity of the natural environment, flood protection and water management, outdoor sport and open space, and public realm is an important part of the GBI network and should not be seen or treated in silo. Through the right design and location, the wide range of functions and benefits of GBI can fulfil people and wildlife, the interactions between functions needs to be emphasised.	Green and blue infrastructure added to the 4 <sup>th</sup> paragraph

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
	Justification (4 <sup>th</sup> paragraph)	ECC recommends that the 4 <sup>th</sup> paragraph of the Justification Section is amended – add words ' <i>green and blue infrastructure</i> ' between words ' <i>communication infrastructure</i> ' and ' <i>public transport</i> '.	
<b>4. The Council's Approaches to Secure Contributions</b>			
ECC 38 / BBC 31048 (Comment)	Para. 4.7	It is recommended that reference to statutory infrastructure providers such as ECC are also included in the parties who have an interest in the application and will in certain cases need to be party to planning obligations / S106 agreements.	Reference to 'anyone else who has an interest in the land forming the application site' includes all statutory consultees. Therefore, the comments are noted, however no changes made.
ECC 39 / BBC 31049 (Comment)	Para. 4.10	ECC recommends that criteria c. of paragraph 4.10 is removed. There may be circumstances where a project is publicly funded (partially or fully) that new development may benefit from and should therefore contribute towards.	Comment is noted. Criteria 'c' has remained however inclusion of the word 'fully'. It is the council's view that if a project is fully publicly funded then we would not be justified in requesting contributions towards it.
ECC 40 / BBC 31050 (Comment)	Para 4.12	With regard to the wording in paragraph 4.12. ' <i>to assess whether the road network is operating according to the worst-case scenario baseline</i> ' it should be noted that this is not necessarily worst-case, it is more presumed (as identified in the Local Plan TA) than definitively worst-case.	Comment is noted however no changes made.
ECC 41 / BBC 31051 (Object)	Para. 4.13	<p>The principles of the Monitor and Manage approach are still being developed and a final position is yet to be reached between the Borough Council and ECC.</p> <p>It is therefore recommended that the wording in this paragraph is amended to reflect the current position as follows: '<i><u>The principles of the Monitor and Manage approach are still being developed and a final position is yet to be reached between the Borough Council and ECC. The potential principles of a Monitor and Manage approach could be as follows:....</u></i>'</p>	The additional text as proposed has been added to para 4.13.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
ECC 42 / BBC 31052 (Comment)	Para. 4.14	It is recommended that this paragraph also includes the following wording ' <i>The monitoring period will need to be clearly defined</i> '. This will provide clarity and certainty to applicants and decision makers, particularly for larger development sites which could be built out over a long period of time and, in some cases, this could extend beyond the current Local Plan period.	Comment noted however no changes made, given the above changes make clear this process is still being worked through. This can be updated accordingly at a later date if needed.
ECC 43 / BBC 31053 & 31054 (Comment)	Para. 4.15 & 4.16	The principles of the Monitor and Manage approach are still being developed and a final position is yet to be reached between the Borough Council and ECC.  It should also be made clear that any identified infrastructure costs of funding gaps will not be covered by the Council or statutory bodies such as ECC.	Comment noted however no changes made, given the above changes make clear this process is still being worked through. This can be updated accordingly at a later date if needed.
ECC 44 / BBC 31055 (Comment)	Para. 4.19	ECC recommends amendments to this paragraph to provide clarity between S278 agreements (Highways Act 1980) which allows applicants to enter into a legal agreement with a Highway Authority to undertake works in a public highway, and S106 agreements (Town & Country Planning Act 1990) which allows applicants to enter into a legal agreement with a Council to provide mitigation, infrastructure and/or contributions.  Replace paragraph 4.19 with the following ' <i>Where necessary, the Council will require developers to enter into a S278 agreement (Highways Act 1980) to undertake works in a public highway.</i> '	Paragraph 3.9 and Chapter 4 gives an overview of what the differences are between S106 and S278. Therefore comments are noted, however no changes made.
<b>5. Considerations in Drafting a Section 106 Agreement Framework</b>			
ECC 45 / BBC 31056 (Support)	Para. 5.2	ECC welcomes the reference in the SPD to ECC's S106 templates in the ECC DGIC. It provides the clarity to applicants and decision makers regarding the distinction between BBC's and ECC's requirements for S106 Agreements.	Noted, support welcomed.

ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
ECC 46 / BBC 31057 (Comment)	Para 5.5	It is considered that paragraph 5.5 could be reduced to only list the matters to be included in any S106 agreement in relation to strategic infrastructure contributions, such as potential retrospective contributions and any potential monitor and manage approach. As currently drafted it repeats the detail of such matters which is set out elsewhere in the SPD.	Comment noted however no changes made.
ECC 47 / BBC 31058 (Support)	Para. 5.16	ECC welcomes the reference to its trigger points as set out in the ECC DGIC. It provides the clarity to applicants and decision makers regarding the distinction between BBC's and ECC's requirements relating to trigger points.	Noted, support welcomed.
ECC 48 / BBC 31059 (Comment)	Para 5.18	<p>It is recommended that the following wording '<u>formalise the applicant's proposed phasing of development and</u>' is inserted between the words '<u>planning permission to</u>' and '<u>prevent</u>'.</p> <p>It is also recommended that the following additional text is inserted at the end of this paragraph '<u>As well as requiring the timely delivery of infrastructure items, this can help ensure that other aspects of the development proposals are sequenced in the interest of sustainability and place-making – for example by limiting residential occupations until a critical mass of employment space is delivered.</u>'</p>	Comment noted however no changes made.
ECC 49 / BBC 31060 (Comment)	Para 5.27	It is recommended that the section 'Negotiations/Viability' (from paragraph 5.27) should be expanded to clarify the principle that, for some development proposals / delivery models, higher value elements of a development will cross fund lower value elements (e.g. private v affordable housing, residential v non-residential uses).	Comment noted however no changes needed.



ECC / BBC Rep No.	Chapter/Section/ Para etc	Comments / Changes / Additions	BBC's Response
ECC 50 / BBC 31061 (Comment)	Para 5.29	Following on from paragraph 5.28 and the need to identify viability issues at an early stage, it may be helpful to offer support for, and sign-posting of, alternative (public sector) sources of funding where viability has been identified as an issue.	Comment noted however no changes made.
<b>6. Implementing this Planning Obligations SPD</b>			
ECC 51 / BBC 31062 (Comment)	Para. 6.1	ECC monitors S106 contributions related to its infrastructure and services. It is recommended that this is added to this paragraph.	Comments noted however no changes made.
ECC 52 / BBC 31063 (Comment)	Para. 6.7	Replace wording ' <i>on <a href="http://www.essex.gov.uk">www.essex.gov.uk</a></i> ' with ' <i>in the ECC Developers' Guide to Infrastructure Contributions (2020 or as amended)</i> '.	Amendment made as requested.
<b>7. Appendix A: Glossary</b>			
ECC 53 / BBC – Not entered into Online Portal as system doesn't allow Appendix comments	Children's playing space	<p>ECC recommends that the description of '<i>Children's playing space</i>' should include the provision of and opportunity for natural play. Children's engagement with a natural play space, (including within school grounds) has a multitude of positive impacts on their learning and physical and emotional wellbeing.</p> <p>It is expected play strategies to be formed by the character and function of the green spaces. It should be imaginatively designed and contoured using landforms, level changes and water, as well as natural materials such as logs or boulders, which create an attractive setting for play.</p>	Added reference to natural play areas.

## APPENDIX 2: STATUTORY CONSULTEES (EXCLUDING ECC), DEVELOPERS, AND LOCAL RESIDENTS AND COMMUNITY GROUPS

### STATUTORY BODIES

Respondent	Summary of representations	Response
Essex County Council	See separate ECC schedule	Comments made on ECC summary of reps.
Ingatestone & Fryerning Parish Council	<b>SUPPORT</b> – A. National Policy Context, 2.3 (31064)  Early adoption of the CIL would benefit the community enormously	Noted
Sport England	<b>OBJECT</b> – 3. Infrastructure Types, 3.2 (30967)  The SPD does not provide guidance to provide clarity and transparency on the Council's approach to securing developer contributions for indoor sports facilities and other community infrastructure. The SPD should therefore provide clarity about how provision will be made for indoor sports facilities. If developer contributions are to be sought then the SPD should provide appropriate guidance like other infrastructure types. If	Agreed. The following text has been added to criterion G12:  ...Similarly, indoor sports provision are calculated using the Sport England's Sports Facility Calculator (SFC) which can estimate the demand generated by

Respondent	Summary of representations	Response
	CIL is to be used, paragraph 3.2 should provide examples of the types of infrastructure that CIL will be used for to provide clarity on this matter.	development for the principal indoor facility types.'
	<p><b>OBJECT</b> – Criteria, G11 (30968)</p> <p>Sport England supports the principle of outdoor sports provision being secured on-site in residential development proposals. However, concern is raised about the proposed approach to calculating provision because it is not considered to accord with the adopted Local Plan or the Council's evidence base for outdoor sport. To address this, the approach proposed in the SPD should be replaced with the approach set out in section 12.3 of the Playing Pitch Strategy i.e. the Playing Pitch Calculator is used to inform whether on or off-site provision is made and the calculator outputs are used for informing the amount of provision.</p>	<p>Agreed. Removed open space for sports from G11 and added a new G12 which reads:</p> <p>'The provision for open space for playing pitches are to be calculated using the Sports England Playing Pitch calculator, which provides details on the number of pitches required and/or financial contribution based on the size of the development.'</p>
	<p><b>OBJECT</b> – Criteria, G30 (30969)</p> <p>Concern is raised about the proposed approach to calculating commuted sums for outdoor sports provision due to the use of two different calculators and the use of the Council's calculator which is derived from the application of a national standard of provision. it is advocated that the approach proposed to calculating commuted sums for off-site outdoor sports provision in the SPD is based on using Sport England's Playing Pitch Calculator as advocated in section 12.3 of the Playing Pitch Strategy i.e. the Playing Pitch Calculator is used for</p>	<p>Agreed. Text has been amended to require playing pitch requirements to be calculated using Sport England's Playing Pitch Calculator and other open space provision to be calculated by the Council's Open Space Calculator.</p>

Respondent	Summary of representations	Response
	calculating the amount of off-site contributions rather than the Council's calculator.	
<b>Marine Management Organisation</b>	Standard consultation response – no direct implications for the SPD	Noted
<b>Transport for London</b>	<p><b>COMMENT</b></p> <p>We would strongly encourage you to reference TfL's role in the SPD and identify TfL as a body to engage with and agree transport mitigation through planning obligations where appropriate. We would also like to see more acknowledgement of the need for contributions towards improved public transport (rail and bus) services and infrastructure as well as walking and cycling. The current draft appears to focus exclusively on highway infrastructure solutions which may not be appropriate where a shift towards more sustainable travel could be achieved through an alternative form of mitigation.</p>	No changes. The text in T1 makes clear that this section is supported by the overarching Local Plan policies, including site specific policies, which include sustainable transport, including walking and cycling path. Therefore, requirements for sustainable transport and active travel have been appropriately captured in the transport section.
<b>The Coal Authority</b>	Standard consultation response – no direct implications for the SPD	Noted
<b>Historic England</b>	<b>OBJECT</b> - Absence of historic environment considerations in the draft SPD	The objection's from Historic England are noted, however, after it is the Council's view that all of the items identified within the

Respondent	Summary of representations	Response
	<p>Paragraph 190 of the NPPF requires that local authorities set out in their Local Plan, a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. In relation to this SPD, this means the provision of contributions to safeguard and encourage appropriate and viable uses for the historic environment. It is therefore surprising that historic environment is not mentioned within the draft SPD.</p> <p>We therefore request that the SPD is expanded to include a brief section on the historic environment, outlining instances in which contributions may be sought [examples listed in full representation].</p>	<p>representation are addressed within the Local Plan. Protection and enhancement of Historic assets, both designated and non-designated are embedded within various policies, including, but not limited to the strategic policy BE16: Conservation and Enhancement of Historic Environment, site specific policies, and gypsy and traveller policies. It is also worth noting that Historic England are consulted with for planning applications which provides an opportunity for contributions towards the protection and enhancement of the historic environment. Therefore, no changes have been made to the SPD.</p>
<b>Natural England</b>	Standard consultation response – no direct implications for the SPD	Noted
<b>NHS – Mid and South Essex</b>	<b>SUPPORT</b>	Noted, support welcomed.

Respondent	Summary of representations	Response
	<p>The ICB welcomes the production of guidance that will provide further details on the planning obligations required in association with development in the district.</p> <p>The inclusion of health commissioning bodies in the list of statutory bodies and recognition of the importance of the information and advice that is provided to inform decision-making in planning is welcome.</p>	
	<p><b>SUPPORT</b></p> <p>The draft supplementary planning document (SPD) includes a table setting out the obligation types which may be required as part of any S106 agreement.</p> <p>The guidance proposes that the timing for the provision of facilities or financial mitigation will be considered on a case-by-case basis and highlights the need for healthcare infrastructure to be in place in a timely fashion to support the health and wellbeing of existing and new residents. Inclusion of this reference to timing of mitigation is welcomed.</p>	<p>Noted, support welcomed.</p>

Respondent	Summary of representations	Response
	<p><b>COMMENT</b></p> <p>Appended to the SPD is a schedule extracted from Brentwood's infrastructure delivery Plan (IDP) that provides a snapshot of infrastructure requirements as of January 2021 and an indication of what funding mechanism will apply to the infrastructure. The ICB requests that the IDP content is reviewed regularly to ensure that it reflects current requirements.</p> <p>Asks the Council to continue to engage with the ICB in respect of the SPD and updates to the IDP.</p>	Noted
National Highways	<p><b>COMMENT – Criterion T1</b></p> <p>We always look to have a cumulative assessment for any local plan and when that has been done successfully there is no need for National Highways to carry out a detailed review of an application as it will have been accounted for in the cumulative assessment. However, there is always a need for a 'simple' check of an application to make sure that it accords with the local plan allocation. For a development in an adopted local plan brought forward through a planning application a 'no objection' response would indicate that we are content with the individual approach rather than a cumulative approach.</p>	Noted

Respondent	Summary of representations	Response
	<p><b>COMMENT</b> – Criterion T3</p> <p>Ordinarily we would confirm formal acceptance of the completed mitigation. Details of our measures to cover any remedial works can be provided if necessary.</p>	Noted
	<p><b>COMMENT</b> – Criterion T4</p> <p>Our method of delivering physical mitigation on the SRN would always be through a S278 as shown in T5.</p>	Noted
	<p><b>COMMENT</b> – Criterion T6</p> <p>We would normally discuss commuted maintenance with third parties to include what will be required of them.</p>	Noted
	<p><b>COMMENT</b> – Criterion T9</p>	The additional text has been added at the end of T9 to reflect that the relevant highway authorities will provide details on



Respondent	Summary of representations	Response
	<p>We would suggest additional wording to this point to state that further details will be sought from the relevant highway authorities about the details of formal procedures that will be followed.</p>	<p>the formal procedures to be followed.</p>
	<p><b>COMMENT – Section 3</b></p> <p>As a general point, National Highways are not party to S106 Agreements so any site specific requirements should be covered by National Highways recommended conditions.</p>	<p>Noted</p>
	<p><b>OBJECT – Section 4, Monitor and Manage</b></p> <p>From a National Highways perspective, the methodology has some merit and if developed further may form a workable way to allow timely delivery of infrastructure. However, as presently described it poses some questions about its viability.</p> <p>Firstly, the approach appears to suggest that developer contributions are for pre-defined mitigations that are fixed, thus forming the upper limit of what is required. As developments are occupied it may become apparent that trip rates are exceeded leading to higher levels of required mitigation. Such a scenario has not been tested for viability. On this point, any risk related to the monitor and manage approach will lie with Brentwood Borough Council.</p>	<p>It is acknowledged that the approach to Monitor and Manage is still being discussed. Therefore additional text as requested by ECC has been added to reflect this. If this approach is adopted in the future then the SPD can be updated to reflect this and the agreed approach. New text added is:</p> <p><i><u>‘The principles of the Monitor and Manage approach are still being developed and a final position is yet to be reached between the Borough</u></i></p>

Respondent	Summary of representations	Response
	<p>There is an assumption in this approach that all traffic flow differences across the network relate to increases in trips from Local Plan development. However, traffic flow changes at different locations may also relate to non-Local Plan traffic rerouting across the network as a result of additional congestion caused by Local Plan related traffic movements. This element of flow change will not be picked up in the approach as described.</p> <p>Further scope is required to make the approach workable. A monitor and manage strategy will need to be able to implement whatever mitigation is required for the Local Plan. Its main objectives are to provide no more mitigation than necessary and to implement the right mitigation at the right time, not to cap mitigation to pre-defined levels. As the Local Plan is built out further previously unidentified mitigation may be required or changes may be required to pre-determined improvements.</p> <p>For mitigation that has already been identified, the methodology will need to define trip generation targets, what they are and why they have been selected. However, Paragraph 4.15 of the SPD rightly points out that some developments may meet their targets while others may exceed them. In this possible scenario it is likely that developer contributions towards identified mitigation will be insufficient. Similarly, there is no guarantee that if lesser mitigation is possible that it will be affordable.</p>	<p><u>Council and ECC. The potential principles of a Monitor and Manage approach could be as follows:....'</u></p>

Respondent	Summary of representations	Response
	<p>Presently there is, from National Highways perspective, insufficient detail within the Infrastructure Delivery Plan about mitigation identified through the Local Plan up to the closure of the examination in 2021. Additional mitigation identified through ongoing assessment work up until the final examination hearings in July 2021 have to date not been published by Brentwood Borough Council. Similarly, the Inspectors Report on the Local Plan Examination in February 2022 Paragraph 285 acknowledged that the infrastructure provision required additional work to agree technical details. The mitigation list for the Plan as adopted was incomplete, but that these additional measures could be undertaken as part of an immediate review (Local Plan Policy MG06, committing to assessment of full local plan growth). A monitor and manage strategy will need to be established on the basis of an agreed complete and up to date IDP for the adopted Plan and in future any additional development included as part of any forthcoming review.</p>	

## AGENTS / DEVELOPERS

Respondent	Summary of representations	Response
<p><b>Turner Morum LLP on behalf of Croudace</b></p>	<p><b>COMMENT</b></p> <p>Given the reduced number of dwellings that can be delivered on R03 as a whole it is questioned as to whether this site is still an appropriate location for a primary school, when the children from R03 can be accommodated at an extension at Long Ridings and the other allocations would be better served by schools closer to individual sites.</p> <p>If it is still considered necessary, the mechanism for collecting the financial contributions from all 19 [pooled] sites, including each of the four developers of R03, needs to be considered and clearly set out. Not just in terms of the education contributions per child living at the identified developments but the contribution to land cost/opportunity cost of providing a school on 2.1 hectares within R03.</p> <p>It will be necessary for the Council to either forward-fund the delivery of this school or the individual R03 developers must be able to commence – and complete - their developments before the school is commenced/ completed.</p>	<p>There have been conversations with ECC regarding the need for the school at this site. There is currently an outline application for the school at this site. Therefore, not changes are needed to this section and have been dealt with through the planning application process.</p>

Respondent	Summary of representations	Response
	<p><b>COMMENT</b></p> <p>Where these types of strategic infrastructure are required [schools], it will also be necessary to ensure that residential occupational restrictions are not imposed on the contributing schemes, as it will be the Council's responsibility to ensure that the infrastructure in question is delivered. Any occupational restrictions would place significant barriers on delivery. Further, R03's education provision could be provided for by an extension to Long Ridings, making any restriction on occupation restrictions illogical and ineffective.</p>	<p>Noted. ECC are the education authority. Therefore, any occupational restrictions would be determined by ECC.</p>
	<p><b>COMMENT – Paragraph 3.7</b></p> <p>It appears to be appreciated that certain infrastructure will need to be delivered up-front and will therefore need to be forward-funded, with deferred contributions received as and when the contributing developments come forward. It cannot be assumed that all these developments will commence immediately, and therefore funding arrangements will need to be in-place to ensure the infrastructure can be delivered in this manner. This approach appears to be envisaged.</p>	<p>Noted.</p>

Respondent	Summary of representations	Response
	<p><b>COMMENT</b> – Paragraph 3.15</p> <p>It will be necessary for the Council to work collaboratively with the developers to ensure that appropriate levels of contributions are secured from each, so that each developer is making fair and reasonable levels of contribution, in accordance with the Community Infrastructure Levy Regulations 122. Again, this approach appears to be envisaged, at paragraph 3.15.</p>	Noted
	<p><b>COMMENT</b> – Paragraph 3.18</p> <p>The CIL concerns identified reaffirm the views of my clients made within the recent CIL representations that the Officers Meadow scheme should be zero listed for CIL, with the planning gain requirements contained within s106 agreements.</p>	The CIL examination has concluded and adopted by the Council. Comments received regarding the rate that should be applied to R03 was examined and has been concluded.

Respondent	Summary of representations	Response
	<p><b>OBJECT – Paragraph 5.10</b></p> <p>Individual developers should only be required to mitigate the impact of their own development. Therefore, where they are burdened by disproportionately high infrastructure requirements as part of a strategic development, which results in them incurring disproportionately high costs and / or losing net developable area, appropriate adjustments should be made to their remaining planning gain requirements.</p> <p>Without these adjustments, these developers would be required to ‘more than mitigate their own impact’ - which would be contrary to the CIL Regulations 122. As such, it is necessary for the LPA to ensure the respective s106 requirements are adjusted, to ensure that each developer only incurs an appropriate share of the overall planning gain requirements that is necessary, directly related and fair and reasonable in scale and kind to that portion of development</p>	<p>Para 5.10 requires ‘land equalisation agreements between developers’ to address concerns regarding unequal contributions towards the required infrastructure, such as schools. The IDP provides estimated amounts needed from each development. It is the council’s view that no further changes are needed to the SPD to address these comments</p>
	<p><b>COMMENT – Paragraph 5.11 &amp; Paragraph 5.12</b></p> <p>Local plan allocation policies such as R03 have been drafted and adopted by the Council fully recognising that more than one developer is active on a particular allocation and delivery of the allocation will be subject to individual applications. In these circumstances there is no need for the developers to have an equalisation agreement. Further the</p>	<p>An equalisation agree is required as part of the processes as determined by ECC who are the education authority.</p>

Respondent	Summary of representations	Response
	<p>IDP recognizes that delivery of infrastructure on R03 is the responsibility of numerous (17) allocations where having an equalisation agreement(s) is not possible.</p> <p>Where there is no equalisation agreement between developers of a single allocation site or where multiple sites are contributing to a strategic infrastructure need, it will be necessary for the LPA to ensure that the developer contributions are effectively adjusted, to ensure that each developer meet their appropriate share of the overall planning gain.</p>	
<b>Marrons Planning on behalf of Hallam Land Management</b>	<p><b>OBJECT - Overview</b></p> <p>A number of the proposed criteria to be imposed go beyond those of Policy and therefore exceed what is allowed for in the Town and Country Planning (Local Planning) (England) Regulations 2012.</p>	<p>Objection noted and addressed through the comments under each specific criterion</p>
	<p><b>OBJECT – Criterion H3</b></p> <p>Seeks to require that where there is an increase in the number of residential units on a site, for example where non-residential floorspace subsequently secures planning permission for residential use, Policy HP05 will be applied based on the total number of units on the site - there is no support for such a requirement in Policy HP05.</p>	<p>Criterion H3 is to assist with the Council meeting the policy requirements as set out in HP05: Affordable Housing. Where an amendment to, or an additional planning permission is applied for to increase the number of residential units so that the total</p>



Respondent	Summary of representations	Response
	This should be removed from the SPD	number of units is 10 or more, HP05 will apply. It is the Council's views that no changes are needed to the SPD and remains unchanged.
	<p><b>OBJECT</b> – Criterion H5</p> <p>H5 aims to quantify the level of dispersal required in on-site affordable housing provision to help achieve tenure-blind development. the detail proposed to be set out in Criterion H5 has no Policy basis. Further, it is very specific and lacks any flexibility to respond on a site-by-site basis, with no recognition for the potential for higher concentrations of affordable housing provision which are appropriate and still support the principles of Policy BE15.</p> <p>This should instead encourage the quantified requirement set out relating to affordable housing dispersal but not seek to require it to be explicitly conformed with.</p>	<p>Criterion H5 is supported by Policy BE15, criterion d:</p> <p>'ensure buildings and places are designed in a way that everyone regardless of their ability, age, income, ethnicity, gender, faith, sexual orientation can use confidently, independently, with dignity and without engendering a sense of separation or segregation'.</p> <p>Furthermore, Policy HP05 clearly states that affordable housing should be integrated throughout the development under criterion 2b. Therefore, it is considered the H5 is appropriate to prevent the separation between market and affordable housing on site and requiring an appropriate mix</p>

Respondent	Summary of representations	Response
		throughout the site. Therefore, no changes have been made to
	<p><b>OBJECT – Criterion H7</b></p> <p>Seeks to establish a phasing framework for the delivery of on-site affordable housing on larger schemes. there is no support for such a requirement in Policy HP05. In most cases, the layout of development dictates delivery of residential units irrespective of tenure, and thus to seek to impose phasing restrictions on delivery of on-site affordable housing is inappropriate. This should be removed from the SPD.</p>	It is reasonable to require market and affordable housing to come forward in phases for large developments and is support through the policy HP05 criterion 2b. Therefore no changes have been made to the SPD.
	<p><b>OBJECT – Criterion H13</b></p> <p>Seeks to provide the basis for calculation of the commuted sum required in lieu of on-site provision of affordable housing as 55% of Open Market Value. 55% of Open Market Value is presented in the draft SPD with no evidence or Policy support. In any case, we consider that there should be flexibility built-in to the required commuted sum, to ensure development viability isn't unduly negatively impacted. This should be appropriately evidenced.</p>	The Council had an independent review of this criteria undertaken by Arch consultants. The comments received by them was that the 55% was actually too low and amendments to criteria H13 would be justified. Based on the professional opinion and case studies / research undertaken by consultants it was determined that H13 should be amended to read:

Respondent	Summary of representations	Response
		<p>'The commuted sum for the off-site provision of affordable housing will be the difference between the market value of equivalent provision off site (to be determined by the most recent Land Registry new build sales data for a given unity typology within the borough) and the value of the same unit as an affordable unit (as validated by what an approved Registered Provider operating within the borough would be prepared to pay for the affordable unit(s) in question).'</p> <p>The above amendment has been made.</p>
	<p><b>OBJECT – Criterion H14</b></p> <p>The assumption that the proposed market housing mix and desired affordable housing mix are related is unfounded and indeed inaccurate, with affordable housing mix often skewed towards smaller dwellings driven by need. This should be removed from the SPD.</p>	<p>The Council's housing need mix across the borough applies to all types of housing and therefore it is considered appropriate to apply the requirements for H14 for determining a commuted sum where affordable housing is</p>

Respondent	Summary of representations	Response
		unable to be provided on site. Therefore, no changes have been made to the SPD.
	<p><b>OBJECT – Criterion 15</b></p> <p>Seeks to require the commuted sum required in lieu of on-site affordable housing to be paid prior to commencement of development. However, this may not be feasible in some cases and indeed could cause issues with the commencement of development in terms of viability, holding up otherwise sustainable and deliverable housing development from being delivered. This should be amended to require any commuted sum in lieu of on-site affordable housing to be paid at a more appropriate point once development is underway.</p>	<p>Noted. However, there would be little recourse the Council could take if the development were to start, and the agreed commuted sum not paid. Therefore, the Council feels it is entirely appropriate to require this payment in advance of the development commencing. Therefore, no changes have been made to the SPD.</p>
	<p><b>OBJECT – Criteria H17 to H20</b></p> <p>Mid and Late-Stage Viability Reviews - There is no Policy basis for viability reviews in Policy HP05, and as such these proposed measures go far beyond what should be included within a SPD. This should be removed from the SPD.</p> <p>A requirement for viability reviews after a planning permission has been granted and a Section 106 agreement has been signed places at risk</p>	<p>Where a development is not able to achieve the full policy requirement for affordable housing this needs to be supported through a viability assessment as per Policy HP05 criterion 3. The requirement of a mid and late stage viability reviews are a mechanism that can be used by the Council to ensure the assumptions made through the</p>

Respondent	Summary of representations	Response
	<p>the implementation of that planning permission. A developer will not want the risk of the Section 106 package being amended at a later stage, and will only purchase a site if they have certainty as to what they purchasing, at what price and with what financial commitments.</p>	<p>viability assessment are accurate. Therefore no changes have been made to the SPD.</p>
	<p><b>OBJECT</b> – Criterion H22</p> <p>Seeks to require that Specialist Accommodation is made available before occupation of 50% of market housing provision. There is no Policy support for such an imposition in Policies HP01 or HP04, and indeed such a measure could stunt sustainable and deliverable housing development from being delivered unnecessarily. In most cases, the layout of development dictates delivery, and thus to seek to impose phasing restrictions on delivery of Specialist Accommodation is inappropriate and indeed is likely to be impractical. This should be removed from the SPD.</p>	<p>Policy HP04 states under criterion 3 that restrictions maybe imposed on occupation to persons requiring specialist accommodation. Therefore, comments are noted and no changes are deemed necessary.</p>
	<p><b>OBJECT</b> – Criterion H33 &amp; H34</p> <p>Relate to the marketing of self-build and custom build plots.</p> <p>Restricting occupancy of open market units has the potential to restrict sustainable and deliverable housing development from being delivered unnecessarily, and is not sound nor logical. Further, it is considered that</p>	<p>The Council has an obligation to ensure an appropriate level of self build and custom build homes are delivered within the borough. In order to facilitate the council in fulfilling this obligation. Therefore it is considered reasonable to required a 36 months marketing</p>

Respondent	Summary of representations	Response
	<p>36 months for marketing is extreme, and could lead to situations where plots are left undeveloped even after a site has been completed. It is considered that the above proposed measures have no Policy support.</p> <p>We consider that Criterion H33 should be removed from the draft SPD and Criterion H34 should be reduced to a maximum of 12 months, with sufficient flexibility incorporated.</p>	<p>and restrict occupancy of market housing to ensure every reasonable effort is made to promote and sell self and custom built homes. Therefore no changes have been made to the SPD.</p>
	<p><b>OBJECT – Criterion H35</b></p> <p>Self-build and custom build housing can assist with helping meet identified affordable housing needs, and as such where restrictions are imposed on occupation and price this should be taken into account. As this effectively renders Criterion H35 futile, we consider that Criterion H35 should be removed from the draft SPD.</p>	<p>Self and custom build homes are meeting an identified housing need separate from the council's affordable housing need. Therefore, the objection is noted, however no changes are deemed necessary to H35.</p>
	<p><b>OBJECT – Criterion H49</b></p> <p>H49 seeks to advise that, when calculating Vacant Building Credit, the required number of affordable dwellings will be calculated to decimal points and rounded to the nearest whole number. This is considered inappropriate as it could lead to situations where an excess, or indeed an insufficient level of affordable housing is required to be provided. It is</p>	<p>Brentwood Borough Council has a historic short fall of affordable housing, and therefore it is considered entirely appropriate to use one decimal place to round to the whole number. The objection</p>

Respondent	Summary of representations	Response
	<p>recommend that affordable housing provision is calculated using Vacant Building Credit to two decimal places, with the whole number sought as on-site provision and the remainder sought as an off-site contribution.</p>	<p>is noted but no changes are considered necessary for H49.</p>
	<p><b>OBJECT – Criterion R2</b></p> <p>Criterion R2 seeks to require a financial contribution where the renewable technologies provision target and carbon reduction emissions targets are not achieved on-site, however Policy BE01 only supports financial contributions where there is a shortfall in renewable energy generation and not where carbon reduction emissions targets are not achieved. A figure of £378 per tonne of carbon dioxide each year for a period of 30 years is set out in the draft SPD with no evidence or Policy support.</p> <p>Criterion R2 should be revised to remove reference to carbon reduction emissions targets, be appropriately evidenced taking into account the fact that there is only Policy support for contributions where there is a shortfall in renewable energy generation and not where carbon reduction emissions targets are not achieved, and also provide some flexibility.</p>	<p>Reduction of energy and carbon emissions are interlinked. Brentwood Borough Council, along with a number of other Essex authorities have declared a climate emergency and BE01 clearly sets out the need to follow BREEAM standards (or LEED / Passivhaus provided it is of equivalent standard). BREEAM standards set out the need for carbon reductions and therefore is entirely appropriate to include this in the SPD.</p>
	<p><b>OBJECT – Criteria P4 to P11</b></p>	<p>For the purpose of the SPD public art is considered to be art integrated into physical form and</p>

Respondent	Summary of representations	Response
	<p>These criteria seek to require the preparation of a Public Art Strategy and subsequent commissioning or financial contribution towards Public Art, however there is no basis for this in Policy BE14 or indeed more widely in the Brentwood Local Plan. On the basis of the above, we consider that Criteria P4 to P11 should be removed from the draft SPD.</p>	<p>function. This supports the requirements set out in Policy BE14. Therefore the objections are noted however no changes are needed to criterion P4 through P11 of the SPD.</p>
<p><b>Strutt &amp; Parker on behalf of St Modwen</b></p>	<p><b>OBJECT – see separate track changes version of SPD for full comments.</b></p> <p>We have proposed a number of important changes to the draft SPD which are shown in track changes in the attached draft. We have added commentary which explains why we propose these amendments but in headline terms our reasons are as follows:</p>	<p>Noted</p>
	<p><b>OBJECT - S106 and CIL Regulation 122</b></p> <p>Some of the amendments proposed, particularly to Sections 2 and 3 of the draft SPD are to clarify the legal tests around when planning obligations may constitute a reason for granting planning permission. Specifically please note:</p> <p>a. we have suggested deletion of Section 3.8 which might otherwise be read as cutting across these tests; and</p>	<p>Disagree therefore no changes made</p>



Respondent	Summary of representations	Response
	<p>b. we have deleted various references to ‘the funding gap’ (e.g. Section 3.11 – 3.13) – again, it is satisfaction of CIL Regulation 122 that is the test when considering planning obligations.</p>	
	<p><b>OBJECT</b> – Section 3, Infrastructure types</p> <p>Proposed amendments to tie in with the IDP wording and how infrastructure categories 1-3 are defined.</p>	<p>Disagree therefore no changes made</p>
	<p><b>COMMENT</b> – Section 3, Tables</p> <p>Section 3 sets out the different types of infrastructure. Our understanding is that the tables in Section C only relate to site specific infrastructure but they are potentially confusing, partly because they take up many pages of the SPD and therefore it is easy to lose sight of the fact that these are only site specific infrastructure requirements. We think it may be more helpful if the tables in Section C were put into an appendix to the SPD</p>	<p>Noted, however the tables in section 3 outline the core content of the SPD related to infrastructure and financial contributions required. Therefore, no changes are considered necessary.</p>
	<p><b>OBJECT</b> – Section 4, Retrospective contributions (Section 4.9)</p>	<p>The first sentence in para 4.9 states: ‘There will be instances where contributions shall be payable retrospectively’, which is</p>

Respondent	Summary of representations	Response
	<p>The draft SPD should be amended as we have proposed to emphasise that RPCs will be sought on a case-by -case basis where the evidence base justifies it.</p>	<p>the as being considered on a case-by-case basis. This is further supported by Policy MG05: Developers Contributions. Therefore, the comment is noted however no further changes are deemed necessary.</p>
	<p><b>OBJECT</b> – Section 5, IDP</p> <p>Key to the approach set out in the SPD (particularly in relation to Section 4B, on retrospective contributions, and the Framework S106 agreement (Section 5)) that the evidence base is robust.</p> <p>We think the IDP needs to be very clear as to which sites are delivering which elements of infrastructure, which it is not currently. We have specific concerns that:</p> <ul style="list-style-type: none"> <li>a. we consider that the costs of delivering the transport infrastructure at Junction 29 and improvements to the A127 have been underestimated; and</li> <li>b. following revised access arrangements for BEP being proposed and the Lower Thames Crossing (LTC) traffic survey results being released, recent discussions with ECC and NH suggest that the final mitigation package for this area is still uncertain, for example, if the link road is required;</li> <li>c. it is critical for infrastructure that is proposed to be forward-funded by developers, such as our client in the case of BEP, that the</li> </ul>	<p>The IDP was examined through the Local Plan examination and used as evidence through the CIL examination. No concerns were raised by the Inspectors overseeing these examinations on the IDP’s robustness. Therefore, objects have been noted however no changes are deemed necessary.</p>

Respondent	Summary of representations	Response
	<p>infrastructure costs are properly calculated and a robust assessment of traffic is undertaken on all schemes;</p> <p>d. we note that Dunton Hills is likely to contribute to traffic growth on the A127, yet it appears there are no plans for the scheme to contribute to any external infrastructure beyond its boundaries. We do not think this is correct and the IDP Part B should be amended accordingly.</p>	
	<p><b>OBJECT</b> – Section 4B, Monitor and Manage</p> <p>The approach set out in Section 4B ‘s106 Agreements’ in respect of transport infrastructure is premature. The Council is still in discussions with National Highways (NH) and Essex County Council (ECC) about assessing traffic flows and mitigation arising from the recently adopted Brentwood Local Plan 2016-2033 site allocations, particularly those on the Brentwood Southern Growth Corridor. It is unclear whether there is ECC and NH support for it.</p>	<p>Objection noted. The SPD was reviewed by statutory consultees, including ECC and NH. Therefore, no changes are made to the SPD.</p>
	<p><b>OBJECT</b> – Section 5, Considerations in drafting a S106 agreement</p> <p>Proposed that this is amended as the Framework S106 agreement approach is only suitable where there are a number of development parcels contributing towards the same items of strategic infrastructure.</p>	<p>Noted</p>

Respondent	Summary of representations	Response
	<p><b>OBJECT – Section 5.3</b></p> <p>Important that it is clear which development sites are contributing towards which items of infrastructure. We think the Council may intend to do this by reference to Part B of the IDP but Part B of the IDP does not currently make this clear and would need amending.</p>	<p>It is the Council's view that the IDP Part B identifies which sites are responsible for making contributions to the items listed. This was reviewed through the Local Plan examination and used as evidence to support the Council's CIL charging schedule. Therefore, the objections are noted however no changes are deemed necessary.</p>
	<p><b>OBJECT – Section 5.16</b></p> <p>Where landowners are providing strategic infrastructure land, the landowner should be able to decide that they are willing to provide the land on a nil cost basis and therefore do not need to equalise with other relevant landowners and the Council should not require land equalisation agreements to be provided in that scenario. Otherwise other relevant landowners could hold the landowner providing the strategic infrastructure land to ransom.</p>	<p>Disagree, and therefore no changes made.</p>
<p><b>Pegasus Group on behalf of Redrow</b></p>	<p><b>COMMENT – Paragraphs 2.14 and 3.12, IDP</b></p>	<p>Paragraph 2.14 has been amended to include a footnote with a weblink to the Council's IDP as suggested.</p>

Respondent	Summary of representations	Response
	<p>Given the important nature of this document, the SPD should clearly signpost the IDP with a direct link to the latest version.</p> <p>Paragraphs 2.14 and 3.12 of the SPD acknowledge that costs and funding requirements of infrastructure are likely to change, requiring regular updates to the IDP. As best practice, to ensure the most accurate information is available, these updates should be undertaken yearly; the IDP is therefore at risk of being out of date if there has been no update since January 2021. This is particularly so given the fluctuation in construction costs and significant increase in inflation during the period of 2021-2023.</p> <p>IDP, paragraph 3.15 states that Part C will detail the apportionment of contributions for each allocation against infrastructure requirements. No timescales are provided for the publication of this information; it would be useful to consider this additional level of detail alongside this SPD and to provide comment on it.</p> <p>Early publication of Part C would be useful to provide some clarity to developers that are actively seeking to deliver allocated development sites. There could otherwise be risks around viability and s106 discussions becoming protracted.</p>	<p>The Council acknowledges that the IDP needs to be updated to keep up to date with inflation. These updates will be undertaken in line with the relevant guidance and regulations.</p>
	<b>COMMENT</b> – Paragraph 2.20	Noted and agreed

Respondent	Summary of representations	Response
	<p>The need for consultation with statutory bodies on certain contributions, as stated at paragraph 2.20, is acknowledged. The SPD should clearly state that any requests for contributions from external bodies must be clearly justified, giving proper consideration to the statutory CIL tests which are set out in paragraph 2.4 of the SPD.</p> <p>This will ensure requests for contributions at the planning application stage are properly evidenced and reduce any delay in processing applications.</p>	
	<p><b>OBJECT</b> – Paragraph 3.3</p> <p>Paragraph 3.3 confirms that Section 106 contributions will be sought towards category 1, category 2 and site-specific infrastructure, whilst CIL would be primarily used to fund category 3 infrastructure. Category 1 comprises strategic transport infrastructure, while category 2 covers any infrastructure necessary to mitigate impacts and make a development acceptable in planning terms. As can be seen in the IDP, required funding for category 1 and 2 infrastructure amounts to an indicative cost of £256,646,801 with a funding gap of £243,995,821. This would total Section 106 contributions of £31,475 per unit for category 1 and 2, based on the 7,752 units that are anticipated to be delivered over the Local Plan period.</p>	<p>Objections are noted, however it is the council's view that the CIL and S106 approach is proportionate and justified. CIL has been tested through the CIL examination and legal advice has been provided on the development of the SPD. Therefore, no changes have been made.</p>

Respondent	Summary of representations	Response
	<p>The Viability Assessment Update (August 2022) assumes much lower Section 106 costs. Taking as an example the strategic allocation R03 (Officers Meadow), a Section 106 cost of £28,951 per unit is assumed. Based on the allocation delivering 825 units, this would mean a difference of over £2,000,000 between the Section 106 costs anticipated by the CIL Viability Assessment and those identified in the IDP. This is a significant difference that brings into question the robustness of the Viability Assessment and the assumptions within this SPD, given the inconsistency with the Council's evidence in the IDP.</p> <p>In addition, the funding gap for category 3 infrastructure is £52,918,387. Based on an average unit size of 100 sqm and all sites allocated by the Local Plan (excluding Dunton Hills Garden Village which is CIL exempt) delivering policy compliant 35% affordable housing, the CIL contributions would work out at a total of £83,320,000. This would mean £30,941,613 of CIL funds would be surplus monies with no identified category 3 infrastructure for this significant surplus to be spent on. This is particularly important when considering that the CIL viability work is based on much lower s106 contributions than assumed by the SPD.</p> <p>The above demonstrates that the approach that has been taken by the Council towards calculating Section 106 and CIL costs is not proportionate or justified. To ensure the potential for viability impacts is reduced, the infrastructure to be funded by CIL needs to be widened outside of category 3. This will reduce the burden placed on Section 106 funding, which is currently high according to the IDP and CIL</p>	

Respondent	Summary of representations	Response
	<p>assumptions, and ensure a fair and consistent approach is taken in securing contributions from all sites.</p>	
	<p><b>OBJECT – Paragraph 3.3</b></p> <p>Paragraph 3.3 states that the ability to fund the same piece of infrastructure through both Section 106 and CIL is not precluded. There is no further clarity provided on the situations in which the Council would deviate from their proposal to fund category 1 and 2 infrastructure through Section 106 and category 3 through CIL. Further consideration is needed in this SPD of the appropriate mechanisms that the Council will put into place to ensure there is no ‘double counting’ of contributions that are sought through both CIL (if adopted) and Section 106 obligations.</p>	<p>In addition to details provided within para’s 3.1 through 3.4, Figure 1 also provides information on which mechanisms will be used for funding the various types of infrastructure. It is the Council’s view that it is clear that double counting will not occur as required by the regulations. The objection is noted, however no further changes are deemed necessary.</p>
	<p><b>OBJECT – Section 3, Criterion H5(b)</b></p> <p>Criterion H5(b) requires affordable housing clusters of no more than 15% of the total number of dwellings being provided or 12 affordable dwellings, whichever is the lesser. We assume that the SPD means 15% of all homes, not just of the affordable homes but this should be made more explicit. We also question the appropriateness of this given that the adopted Local Plan requires affordable housing to be ‘distributed throughout the development so as to avoid the over concentration in one</p>	<p>Criterion H5(b) states ‘be designed in a way that on sites incorporating 30 or more dwellings, affordable housing are provided in groups of no more than 15% <b>of the total number of dwellings being provided</b> or 12 affordable dwellings, whichever is the lesser...’This is to ensure that the requirements within HP05 in the</p>



Respondent	Summary of representations	Response
	<p>area' under Policy HP05. Should the Council have wished to make this more onerous, this should have been thoroughly tested through the Local Plan process rather than in this SPD.</p>	<p>Local Plan are adhered to by setting out further details on the Council's expectations for distributing affordable housing across the site. It is the Council's view that this is appropriate to include this within the SPD and therefore the objection is noted however no changes are deemed necessary.</p>
	<p><b>OBJECT</b> – Section 3, Criterion H8</p> <p>Criterion H8 requires details of phasing of affordable housing delivery to be submitted at the application stage. This is a matter that would be more appropriate to secure through either a condition or obligation post grant of permission but pre-commencement of development. The phasing of a development is not always likely to be known at the application stage, such as for larger sites where phasing will be influenced by construction and infrastructure provision requirements.</p>	<p>All of the large site allocations within the Local Plan require a comprehensive masterplan to be submitted as part of the planning application. Therefore the requirements in H8 of the SPD are entirely appropriate. The objection is noted, however no changes have been made to H8.</p>
	<p><b>OBJECT</b> – Section 3, Criterion H27</p> <p>Criterion H27 states that at the time a planning application is submitted, the Council will review the preferences of the people on the custom and</p>	<p>The Council published the overall data for the Self and Custom Build housings needs for the borough within its Annual Monitoring Report which is updated annually and</p>

Respondent	Summary of representations	Response
	<p>self-build register to advise developers and landowners on the type of self and custom housebuilding that is required. It would be beneficial for this information to be made publicly available so developers can respond to needs more effectively at an early stage of developing a scheme.</p>	<p>publicly accessible through the Council's website. To help make this clearer a footnote has been added with a link to the Council's Monitoring page.</p>
	<p><b>OBJECT</b> – Section 3, Criterion T8</p> <p>Criterion T8 states developers will be required to enter into a bond for an amount specified by ECC or National Highways to ensure that the highways works are completed to their satisfaction, should the developer default on any of its obligations in relation to the works. This bond will vary dependent on the works required. This could have a significant impact on the viability of schemes, with potentially large sums requested at a very early of development, on top of s106 and potentially CIL costs, infrastructure costs, house building costs, and so on. The impact on viability of this does not appear to have been considered and has the potential to significantly detrimentally impact upon the delivery of much needed homes and infrastructure in the Borough. Instead, the Council could simply secure the satisfactory completion of highways works through a legal agreement with a suitably worded obligation. Should a developer not complete highways works to the agreed standard, the Council would have a legal power to take action and require this to be remedied, which is an entirely appropriate and justified method that does not impact on viability.</p>	<p>It is the council's view that this is a standard process. Therefore, the objections are noted but no changes deemed necessary.</p>

Respondent	Summary of representations	Response
	<p><b>OBJECT</b> – Section 3, Criterion T9</p> <p>Criteria T9 states that land compensation bonds will be required where there is a possibility of existing properties being affected by new highway development, e.g. by increased noise resulting from new highway development, including the possibility of a reduction in value. This is again inappropriate and not suitably evidenced. The possible ‘reduction in value’ of a property is incredibly difficult to quantify and opens a significant amount of legal uncertainty and challenge, whilst not being a planning consideration. On the opposite side, if a development improves the value of an existing home through new infrastructure, this is not taken into account as it is a private matter for that individual homeowner. This is again another matter than should have adequate evidence supporting it, especially around the impact on the viability of schemes and should be removed from the SPD.</p>	<p>T9 makes clear that the formal processes of the highway authorities will be followed. Therefore, the objection is noted however no changes are deemed necessary.</p>
	<p><b>COMMENT</b> – Section 3, Criterion R2</p> <p>Criterion R2 requires a carbon offset rate of £378 per tonne of carbon dioxide per year for 30 years to be paid by developments that do not achieve emissions reduction targets. It is presumed that these targets are the ones set by Policy BE01, but this should be explicitly stated as it is a little unclear as currently drafted.</p>	<p>The justification and policy columns clearly identify that the carbon reduction is set out in BE01. Therefore it’s the Council view that this is already made explicit within the SPD.</p>

Respondent	Summary of representations	Response
	<p><b>OBJECT</b> – Section 3, Criterion G11</p> <p>G11 it refers to an Open Space Calculator and provides screenshots of the calculator. Although it is stated that the Calculator is available on the Council's website, a thorough search has not found the Calculator. It is important that this Calculator is made available for perusal and comment as part of this SPD consultation.</p>	<p>Following the consultation of the SPD, some changes have been made to the Council's Open Space calculator – mainly that playing pitch and built facility figures need to be generated by the Sport England, Active Places Power calculator. As a result these figures need to be generated by council officers that will need to be manually entered into the council's open space calculator. Therefore, the council will use the calculator and provide these figures and calculations to developers. A new paragraph G18 has been added to the SPD to address this. It reads:</p> <p>'The Council will provide the figures generated by the Council's Open Space Calculator to developers which will ensure a consistent approach is undertaken.'</p>

Respondent	Summary of representations	Response
	<p><b>OBJECT</b> – Section 4, Paragraph 3.7</p> <p>Paragraph 3.7 contains a suggestion that the Council will be seeking to forward fund strategic transport infrastructure and then secure retrospective contributions from developers to pay for that infrastructure. It is not clear how this proposed funding arrangement would operate in a manner that is compliant with the statutory CIL tests. There is no mechanism proposed to ensure that any retrospective contributions that are requested are proportionate to the development's impact.</p>	<p>Paragraph 3.7 provides high level information about retrospective payments, however further information is provided in chapters 4 and 5. These chapters provide the additional information required. Therefore the objection is noted however no changes were deemed necessary.</p>
	<p><b>OBJECT</b> – Section 4, Paragraph 4.9</p> <p>Paragraph 4.9 relates to securing and paying retrospective contributions for all types of strategic infrastructure that has already been partially or fully provided. There is no further detail provided on how the benefit that a development obtains from infrastructure will be quantified and an appropriate and proportionate retrospective contribution calculated. Additionally, there appears to have been no consideration of how retrospective contributions would be apportioned between multiple allocations that all benefit from the strategic infrastructure, or for situations where unplanned development comes forward.</p>	<p>Chapter 5 and Appendix B provides the additional information to address this comment. Therefore the objection is noted however no changes are deemed necessary.</p>

Respondent	Summary of representations	Response
	<p><b>OBJECT</b> – Section 4, Paragraph 4.9</p> <p>The SPD contains no information on how the Council will obtain forward funding for this strategic infrastructure. This detail is not contained in Chapter 15 (Overcoming the Funding Gap) either. There should be no suggestion or attempt by the Council to require developers who submit planning applications early in the Plan period to contribute towards the significant forward funding of this strategic infrastructure that serves a wider purpose for existing capacity issues and for other developments. This would require contributions to be made that would not meet any of the three strands of the CIL tests.</p> <p>Based on the information currently provided in the draft SPD, there is therefore much uncertainty about how the Council’s proposal to forward fund certain strategic infrastructure and then require payment of retrospective contributions will operate. It is considered that this element is not compliant with the relevant CIL tests and needs further thought and detail to be provided to ensure developments can come forward with certainty while mitigating any direct impacts that do arise. In particular, detail is needed as to the strategic infrastructure that the Council considers needs to be forwarded funded and the reasoning for this approach.</p>	<p>Objection is noted however no changes were made.</p>
	<p><b>OBJECT</b> – Section 4, Paragraphs 4.12 to 4.18</p>	

Respondent	Summary of representations	Response
	<p>The Council provides no detail on why an alternative to ‘predict and provide’ when it comes to delivering strategic transport infrastructure is necessary. Monitor and manage is stated as one potential alternative approach; paragraph 4.12 implies that other alternative approaches to predict and provide are also being considered by the Council but no details are provided. This potentially means there would be no consistency across development sites on the approach that is taken in planning for transport infrastructure. Further detail is needed.</p> <p>With regard to the monitor and manage approach, it seems for this to operate effectively the Traffic Monitoring and Management Plan (TMMP) needs to be prepared first, before development sites are occupied. It should not be the case that the delivery of sites is delayed to allow preparation of this TMMP. The monitor and manage approach overall provides the impression of being a convoluted method of securing transport mitigation that would provide no certainty on the financial contributions that would be required. It also appears to be that under this approach, the delivery of any mitigation needed would be provided after a development is already occupied, compared to the predict and provide approach which allows for the mitigation to be in place before or alongside occupation of a development. If the monitor and manage approach is pursued, the SPD also needs to provide further clarity on the interaction between development sites that perform differently in the TMMP.</p>	

Respondent	Summary of representations	Response
	<p><b>OBJECT – Section 5.11</b></p> <p>Section 5.11, relating to land equalisation agreements, is not clear on when it will be determined that such an agreement between different landowners is needed. Land equalisation agreements are for individual landowners to determine if are needed and are not a planning matter. The planning process should secure the delivery of necessary infrastructure to make a development acceptable in accordance with the relevant tests, and the Council requiring a land equalisation agreement and publication of this is entirely inappropriate and outside the planning scope. Reference to this should be removed from the SPD.</p>	<p>Land equalisation is part of a common planning practice and processes. Therefore the objections are noted but no changes made.</p>



**Other Responses**

Respondent	Summary of representations	Response
<b>Blackmore Village Heritage Association</b>	<p><b>COMMENT</b> – 1. The Purpose of this document, 1.2 (30971)</p> <p>For any aspect of the LDP to be effective and 'robust', including the original Policies as well as Implementation, it is of paramount importance that BBC rigorously applies its own stated Strategic Objectives.</p>	Noted
	<p><b>COMMENT</b> – 1. The Purpose of this document, 1.3 (30972)</p>	Noted

Respondent	Summary of representations	Response
	<p>Make sure you apply some proper understanding and well considered thinking before you make decisions about Blackmore Village.</p>	
	<p><b>SUPPORT</b> – 1. The Purpose of this document, 1.4 (30973)</p>	<p>Noted, support welcomed</p>
	<p><b>COMMENT</b> – Consultation, 1.7 (31004)</p> <p>A separate covering email is being sent to Phil Drane, to read in conjunction with this Document.</p>	<p>Noted</p>
	<p><b>SUPPORT</b> – A. National Policy Context, 2.3 (30974)</p> <p>By way of specific example in Blackmore Village, where the local community is fully engaged with the Developer, the Village has/will end up with Schemes that work for us.</p>	<p>Noted, support welcomed</p>
	<p><b>SUPPORT</b> – A. National Policy Context, 2.4 (30975)</p> <p>Ensure that significant 'green buffer-zones' are a condition of PP, even if densities reduce below 'NPPF norms'.</p>	<p>Noted, support welcomed</p>
	<p><b>SUPPORT</b> – B. Corporate Objectives, 2.6 (30976)</p> <p>BBC has ignored its own Strategic priorities</p>	<p>No specific examples have been provided on the comments made. Therefore this is noted but no changes made to the SPD.</p>

Respondent	Summary of representations	Response
	<p><b>COMMENT</b> – C. Brentwood Local Plan 2016-2033, 2.9 (30977)</p> <p>Highlight where a tick-box process all goes wrong</p>	Noted
	<p><b>COMMENT</b> – 3. Infrastructure Types, 3.2 (30978)</p> <p>Using Blackmore as a specific example, where communities engage constructively during the LDP / planning processes with the Developers. S106 monies must be allocated locally.</p>	Noted
	<p><b>COMMENT</b> - The Council's approach to funding its strategic transport infrastructure, 3.8 (30980)</p>	Noted
	<p><b>COMMENT</b> - The Council's approach to funding its strategic transport infrastructure, 3.9 (30981)</p>	Noted
	<p><b>SUPPORT</b> - The Council's approach to funding its strategic transport infrastructure, 3.10 (30982)</p> <p>Get the infrastructure in first.</p>	Noted, support welcomed
	<p><b>SUPPORT</b> - Apportionment, 3.15 (30983)</p>	Noted, support welcomed

Respondent	Summary of representations	Response
	Ensure local infrastructure needs are prioritised in areas where development is actually proposed.	
	<b>COMMENT</b> - Criteria, H28 (31003)	Noted
	<b>COMMENT</b> - Criteria, H36 (30984)	Noted
	<b>SUPPORT</b> - Criteria, T1 (30985)	Noted, support welcomed
	<b>COMMENT</b> - Criteria, F1 (30986)  This is a major issue in Blackmore.	Noted
	<b>COMMENT</b> - Criteria, F2 (30987)  Reference made to sinking fund in S106.	Noted
	<b>COMMENT</b> - Criteria, E2 (30989)	Noted
	<b>SUPPORT</b> - Criteria, S1 (30990)	Noted, support welcomed

Respondent	Summary of representations	Response
	<p><b>COMMENT</b> - Criteria, S4 (30991)</p> <p>Define 'timely fashion'</p>	Noted however no changes made.
	<p><b>COMMENT</b> - Criteria, R5 (30992)</p> <p>You need to read your own paragraph on 'Justification', as well as refer back to your Vision Statement and Strategies.</p>	Noted
	<p><b>SUPPORT</b> - Criteria, N1 (30993)</p> <p>How does concreting over two Green Belt fields (agricultural land, full of wildlife) will produce a biodiversity net gain, environmental enhancements etc.</p>	<p>Noted, support welcomed.</p> <p>The Local Plan was tested and found sound through the examination process. Comments made are not related to the SPD.</p>
	<p><b>COMMENT</b> - Criteria, N4 (30994)</p> <p>This is a major issue in Blackmore.</p>	Noted
	<p><b>COMMENT</b> - Criteria, N4 (30997)</p> <p>You have been presented with a massive amount of evidence re flooding, wildlife photos etc etc....and the law changed in 2021. Why were these</p>	Noted – the Local Plan was tested and found sound through the examination process. Comments made are not related to the SPD.

Respondent	Summary of representations	Response
	sites not removed?". Secondary question, fast-forwarding to the upcoming LDP, how will BBC react when the next opportunistic farmers propose their fields be included?".	
	<p><b>OBJECT</b> - Criteria, N14 (30995)</p> <p>Flawed thinking, as far as Blackmore Village is concerned.</p>	Objection noted, however no changes made.
	<b>SUPPORT</b> - Criteria, G4 (30996)	Noted, support welcomed
	<b>COMMENT</b> - Criteria, G11 (30998)	Noted
	<b>SUPPORT</b> - Criteria, G17 (30999)	Noted, support welcomed
	<b>SUPPORT</b> - Criteria, G20 (31000)	Noted, support welcomed
	<p><b>COMMENT</b> - B. Section 106 Agreements, 4.8 (31001)</p> <p>S106 contributions need to be spent locally</p>	Noted
	<b>SUPPORT</b> - C. Section 278 Agreement, 4.19 (31002)	Noted, support welcomed

Respondent	Summary of representations	Response
<p><b>Respondent ID. 4000</b></p>	<p><b>OBJECT</b> - 1. The Purpose of this document, 1.4 (30973)</p> <p>The BBC Environmental Strategy cites the A12 as major pollution source and promises 'green buffers' alongside main roads. Removing R16 green buffer contravenes policy.</p> <p>200 homes on R16 increases traffic on the Ongar Road - a reason for refusal of Wates Way given by B.B.C. at the planning enquiry.</p> <p>BBCES promises 270,135 new trees. Trees in R16 face the axe.</p> <p>2020: a Coroner says traffic pollution causes death of 9 year old girl, residing yards from South Circular. R16 houses means B.B.C. put children at risk.</p> <p>A12 / M25 Junction improvements will increase A12 traffic by 30%.</p>	<p>Noted – objections regarding Local Plan sites were dealt with through the Local Plan examination.</p>
<p><b>Mrs Kay</b></p>	<p><b>COMMENT</b> – Consultation, 1.7 (31065)</p> <p>Neighbourhood engagement at the pre Planning stage would be welcomed as details in the National Planning Policy Framework (NPPF)</p> <p>The site R16 has several community groups including the R16 Brentwood &amp; Pilgrims Hatch Action Group that would like to discuss the proposed plans with the developer. No engagement yet. Also, the Air Quality section requires consideration to include the particle matter PM2.5 as per Environmental Act 2021</p>	<p>Noted – comments made here are not specific to the SDP.</p>

Respondent	Summary of representations	Response
<b>Mr Kingaby</b>	<p><b>COMMENT</b> – B. Corporate Objectives, 2.6 (31007)</p> <p>On list item (ii), in developing the Local Plan the Council sacrificed areas of Green Belt to provide development areas. It is now understood that HMG has reduced 'quota' for new builds and so decisions made in the Local Plan to sacrifice green belt land should now be reassessed.</p>	Noted – the Local Plan was tested and found sound through the examination process. Comments made are not related to the SPD.
	<p><b>COMMENT</b> – C. Brentwood Local Plan 2016-2033, 2.9 (30977)</p> <p>I believe that the provisions of the Local Plan provide good evidence to suggest that the two discrete and varied green areas that have been bundled together as R16, should not be eligible for development.</p>	Noted – the Local Plan was tested and found sound through the examination process. Comments made are not related to the SPD.
	<p><b>COMMENT</b> - D. Infrastructure Delivery Plan, 2.13 (31005)</p> <p>The IDP Part B (Schedule) provides a list of required infrastructure to deliver Brentwood's growth over the Plan period. Information on the indicative phasing, costing, delivery mechanism, priority ranking, and relevant site allocations of identified infrastructure can also be found in Part B. Given the intention of government to reduce housing quotas will these now be revisited?</p>	Noted – the Local Plan was tested and found sound through the examination process. Comments made are not related to the SPD.
	<p><b>COMMENT</b> - D. Infrastructure Delivery Plan, 2.14 (31006)</p>	Noted – the Local Plan was tested and found sound through the



Respondent	Summary of representations	Response
	Has the council already started reviewing the document in light of changing requirements from HMG and strength of feeling about retaining Green areas? If not, why not?	examination process. Comments made are not related to the SPD.
<b>Mrs Dupree</b>	<p><b>OBJECT</b></p> <p>Feel strongly that the new research findings that large/old trees store much more carbon than previously thought and planting new ones won't store the same amount for many years should be enough to take the area under the A12 on the Doddinghurst Road off the local plan.</p>	Noted, however no changes made.

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# Appendix C

## **Planning and Compulsory Purchase Act 2004 (as amended)**

### **The Town and Country Planning (Local Planning)(England) Regulations 2012 (as amended)**

#### **Brentwood Planning Obligations Supplementary Planning Document (SPD) Adoption Statement**

**Adoption Date: 20 December 2023**

Notic is hereby given in accordance with Regulations 11, 12, 14, and 35 of the Town and Country Planning (Local Planning)(England) Regulations 2012 (as amended) and pursuant to Section 23 of the Planning and Compulsory Purchase Act 2004 that the Brentwood Planning Obligations Supplementary Planning Document (SPD) was formally adopted by Brentwood Borough Council on 20 December 2023.

The Planning Obligations SPD was prepared to support the Local Plan, with the purpose to:

- a. Provide a robust framework to secure the delivery of necessary infrastructure generated by planned and increment growth in a holistic and coherent manner;
- b. Set out detailed guidance and a clear position to developers, landowners and stakeholders, regarding the scope and scale of planning obligations applicable to different types and quantum of development; and
- c. Support and supplement the Local Plan policies and once adopted become an important material planning consideration for the council when determining planning applications.

The Consultation Statement associated with this Adoption Statement sets out modifications made to the draft SPD, to take account of the representations received during the consultation.

The Brentwood Planning Obligations SPD, Consultation Statement and this Adoption Statement can be viewed and downloaded from the Council's website, via the link provided below:

[Adopted Supplementary Planning Documents \(SPDs\) | Brentwood Council](#)

**Any person with sufficient interest in the decision to adopt the SPD may apply to the High Court for permission to apply for judicial review of that decision. Such application must be made promptly and no later than 3 months after the date on which the SPD was adopted.**

Enquiries should be addressed to Planning Policy, Town Hall, Ingrave Road, Brentwood, CM15 8AY or by email to [planning.policy@brentwood.gov.uk](mailto:planning.policy@brentwood.gov.uk) Phil Drane – Director of Place.

Phil Drane

Director of Place



## FINANCE, ASSETS, INVESTMENTS AND RECOVERY COMMITTEE

20 DECEMBER 2023

<b>REPORT TITLE:</b>	OneTeam Transformation Programme – Strategic Partnership with Rochford District Council - Quarter 3 Update
<b>REPORT OF:</b>	Greg Campbell, Director of Policy and Delivery

### REPORT SUMMARY

The purpose of this report is to provide a quarterly update on progress of the One Team Transformation Programme.

### SUPPORTING INFORMATION

#### 1.0 OTHER OPTIONS CONSIDERED

1.1 For information only.

#### 2.0 BACKGROUND INFORMATION

2.1 On 26 January 2022, Extraordinary Council resolved to agree the Strategic Partnership between Brentwood Borough Council and Rochford District Council (RDC) appointed Jonathan Stephenson as the Joint Chief Executive for both councils. Work then commenced on developing this partnership.

2.2 This report sets out progress of the OneTeam programme development in the 3rd quarter of the second year of this roadmap, from August 2023 to October 2023.

#### **Progress to Date**

2.3 The following chart identifies the progress of service reviews so far commenced:

<b><u>Service</u></b>	<b><u>Update</u></b>
Human Resources	Business Case approved by Transformation Programme Board in April 2022. Implementation complete August 2022
Communications and Digital Engagement	Business Case approved by Transformation Programme Board in November 2022. Implementation complete June 2023.
<b><u>Phase 1 – October 22-April 23</u></b>	
Risk Management and Insurance	Business Case approved by Transformation Programme Board in April 2023. Consultation complete. Implementation and staff in place by January 2024.
Emergency Planning and Business Continuity	Business Case approved by Transformation Programme Board in April 2023. Consultation complete. Implementation and staff in place by January 2024
Procurement	Business Case approved by Transformation Programme Board in July 2023. Consultation complete. Implementation and staff in place by November 2023.
Customer Contact	Business Case approved by Transformation Programme Board in July 2023. Tier 4 Manager in post – November 2023. Consultation on remaining posts to be conducted in November/December 2023. Expected implementation and settled structure by January 2024
Economic Development and Inward Investment	Business Case approved by Transformation Programme Board in September 2023. Consultation in progress. Expected implementation and settled structure by January 2024
Accountancy and Finance	Business Case on hold. Service reviewing proposal
Open Spaces Admin	Slippage from original end date of March 2023. Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024. Delay due to a number of staff changes within the service and the need to bring in a manager to oversee this area.
Tree Management	Slippage from original end date of March 2023. Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024. Delay due to a number of staff changes within the service and the need to bring in a manager to oversee this area

Democratic Services, Civics and Secretarial Support	Business Case on hold until further consideration of future requirement is agreed
<b><u>Phase 2 – May 23-October 23</u></b>	
Electoral Registration	Business Case reviewed by the Project Team in October 2023 and Transformation Programme Board in November 2024. Deferred until after the May 2024 elections.
Parking	Slippage from original end date of August 2023. Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024. Delay due to the need for a manager to be appointed in early 2024.
Communities, Leisure and Health (includes Leisure Centre Contract)	Business Case on track. Scheduled to be reviewed by the Project Team in December 2023 with progress to Transformation Programme Board in – January 2024
Planning Policy and Strategy	Following presentation at Project Board, the service review is being reconsidered to develop a more effective structure for a joined-up service
Planning Development Control and Enforcement	Slippage from original end date of August 2023. Business Case development to align with delivering the recommendations of the Planning Improvement Board and appointment of new Director of Place which continues into 2024
Licensing	Slippage from original end date of December 2023. Business Case scheduled to be reviewed by the Project Team in January 2024 with progress to Transformation Programme Board in February 2024. Delay due to Tier 4 appointments and work on a roadmap to bring the services together
Environmental Health	Slippage from original end date of December 2023. Business Case scheduled to be reviewed by the Project Team in January 2024 with progress to Transformation Programme Board in February 2024. Delay due to Tier 4 appointments and work on a roadmap to bring the services together
CCTV	Business Case on track. Scheduled to be reviewed by the Project Team in January 2023 with progress to Transformation Programme Board in February 2024
Asset Management	Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024.

Facilities Management	Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024,
Health & Safety	Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024.
Homelessness	Slippage from original end date of November 2023. Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024. Delay due to Tier 4 appointment needing to be in place
Housing Options	Slippage from original end date of November 2023. Business Case scheduled to be reviewed by the Project Team in February 2024 with progress to Transformation Programme Board in March 2024. Delay due to Tier 4 appointment needing to be in place
<b><u>Phase 3 – November 23-March 23</u></b> No Update as these have not Commenced	
ICT & Data Protection	Service review in progress.
Digital Services	Service review in progress.
Revenues and Benefits	Service review due to commence March 2024
Waste and Recycling, Open Spaces & Street Scene Management	Service review due to commence March 2024
Performance & Data Insight	Service review due to commence March 2024
Policy Development and Innovation	Service review due to commence March 2024
Transformation, Research and Service Design	Service review due to commence March 2024
Community Safety	Service review due to commence March 2024
Legal	Service review due to commence March 2024
Audit Contract	Service review due to commence March 2024
Building Control	Service review due to commence March 2024

2.4 In addition to the above service reviews, other reviews are being undertaken into the councils' finance systems, audit contracts, and tree preservation orders, back-office and Land Charges functions. These are all presently being



worked upon with a target to consider them by March 2024 followed by implementation.

- 2.5 Following a review of the Tier 4 structure a consultation was undertaken with staff which concluded in November 2023, this process is due to complete in early 2024 so that all Tier 4 Managers are in position.

### **Update on Business Cases for Joint Working (Service Reviews)**

- 2.6 New structures created through the One Team reviews will be made available to members digitally via the Members' SharePoint or Portal once implementation is complete. Human Resources are pulling this together with the staffing structures for Human Resources and Communications first to be added, with Risk Management and Insurance, Procurement, Emergency Planning and Business Continuity to follow in January/February 2024.
- 2.7 The Tier 4 position within Customer Services has now been appointed ahead of beginning the consultation to implement the new structure. The consultation for the Economic Development and Inward Investment will begin in December 2023.
- 2.8 The remainder of service reviews in Phase 1 are expected to conclude by February 2024, with the business cases completed by December 2023, ready for approval by the Programme Board in January/February 2024.
- 2.9 Phase 2 of service reviews began in May 2023, with the last of these reviews starting in September 2023. Business cases are expected to be completed by services in this phase by March 2023.
- 2.10 Phase 3 began in November 2023, with the final reviews beginning by January 2024. These business cases are due for completion by April 2024.

### **Support for Staff**

- 2.11 Work continues to provide support for staff undertaking the reviews and the wider organisation, including feedback from staff surveys, service review lessons learnt sessions and informal feedback from staff and managers, Employee Assistance Programme, as well as mental health professionals to talk to.
- 2.12 Further a 'Staff Pulse Survey' is being held in December 2023 to gather feedback from staff.

- 2.13 The Intranet wellbeing pages are regularly updated to provide staff with the latest information on the support available to them. And recently the new Staff Digital Forum, a feature added to the OneTeam Intranet, designed to enhance communication, collaboration, and community among the two Councils is now available.
- 2.14 The councils are also engaging with other authorities undertaking similar transformation programmes to develop a best practice approach to supporting people through change.

### **Budget Update**

- 2.15 There was an underspend of £56,450 in Year 1. In Quarter 3 of year 2, there has been a spend of £95,382 to date with further commitments of around £40,000. This leaves a budget of around £170,000 up until April 2024. The funding will continue to be closely monitored to ensure the spending remains in line with the budget.

### **3.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources (Section 151 Officer)**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

- 3.1 There are no financial implications arising from the recommendations. Individual service reviews consider the financial implications of proposals; there is also a savings target from OneTeam reviews built into the Medium Term Financial Strategy, which is actively under review.

### **4.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance (Monitoring Officer)**  
**Tel & Email: 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

- 4.1 There are no legal implications. Any changes or impacts will be considered within individual service review proposals.

### **5.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 5.1 No resource impacts directly from this report. Any impacts will be captured in the individual service reviews.

### **6.0 RELEVANT RISKS**

- 6.1 The OneTeam Programme Board receive risk management reports by way of exception reporting.
- 6.2 High risks, escalated risks or those that remain an issue form part of the extract from the risk register attached at Appendix 1. Please note at present there are no live Issues in the log to report.
- 6.3 Following previous concern, the risk register was considered as part of a wider workshop and updated. This included consideration of risks around staff morale.

## **7.0 ENGAGEMENT/CONSULTATION**

- 7.1 A method to engage with residents and stakeholders to understand the impact of OneTeam will be undertaken and results will be reported back in early 2024.

## **8.0 EQUALITY IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email: 01277 312500/kim.anderson@brentwood.gov.uk**

- 8.1 Equality Impact Assessments will be undertaken as part of any service review that will affect or change the service being provided.

## **9.0 ECONOMIC IMPLICATIONS**

**Name & Title: Phil Drane, Director - Place**

**Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk**

- 9.1 There are no economic implications.

## **10.0 ENVIRONMENTAL IMPLICATIONS**

**Name & Title: Henry Muss, Sustainability & Climate Officer**

**Tel & Email 01277 312500 henry.muss@brentwood.gov.uk**

- 10.1 There are no environmental implications.

**REPORT AUTHOR:** Name: Greg Campbell  
Title: Director of Policy & Delivery  
Phone: 01277 312500  
Email: greg.campbell@brentwood.rochford.gov.uk

## APPENDICES

- Appendix A: Exception Risk Log

## BACKGROUND PAPERS

None

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Finance, Assets, Investments and Recovery Committee	13/09/2023
Finance, Assets, Investments and Recovery Committee	12/07/2023
Staff Appointments Committee	21/03/2023
Ordinary Council	15/03/2023
Policy, Resources & Economic Development Committee	08/03/2023
Policy, Resources & Economic Development Committee	08/02/2023
Ordinary Council	07/12/2022
Policy, Resources & Economic Development Committee	23/11/2022
Ordinary Council	02/11/2022
Staff Appointments Sub Committee	27/09/2022
Staff Appointments Sub Committee	26/09/2022
Ordinary Council	27/07/2022
Staff Appointments Committee	14/07/2022
Policy, Resources & Economic Development Committee	13/07/2022
Audit & Scrutiny Committee	05/07/2022
Staff Appointments Committee	16/06/2022
Extraordinary Council	26/01/2022

No.	Programme/ Workstream/ Driver	Description of Risk	Potential Impact	Baseline Score			Mitigating Actions	Risk Owner	Revised Score			Latest 29.11.23			Trend	Notes
				Impact	Likelihood	Initial Risk Score			Revised Impact	Revised Likelihood	Revised Risk Score	Latest Impact	Latest Likelihood	Latest Risk Score		
R15	HR and Workforce Development	Policy framework and terms and conditions are not resolved	Slippage and reduction in staff morale	5	4	20	HR and Workforce Development Workstream will specifically address this risk and considered within service reviews	HR & WD WL	3	2	6	3	1	3	↓	1.2.23 - Key terms and conditions agreed by both Council Dec 22. 29.11.23 - Work continuing to complete Ts & Cs.
R25	ICT	Failure to manage risks within ICT, including resources, contract and management workload	Phase 2 service reviews within Programme will be delayed, milestones missed and benefits not delivered as expected	5	4	20	Regular meetings held with ICT on their particular workstream involved in the OneTeam review process and therefore aware of particular workload	SRO	5	2	10	5	2	10	↔	29.11.23 - IT service review rescheduled to Phase 3.
R29	Programme	The programme no longer delivers the benefits targets required by one partner authority, e.g. lack of savings against services with an imbalance in resource between councils.	One partner withdraws from the Transformation Programme preventing completion and delivery of benefits for OneTeam and the other partner.	5	4	20	A number of growth bids have been presented as part of service reviews impacting required savings for the relevant authority in each case. This is under discussion with the Programme Board to ensure expectations of all are managed and clear direction is given where savings are not possible to deliver.	PS	5	3	15			N/A		New risk - Latest score to be completed following 19.12.23 Project Team review
WR1	Timescales/ Resource & Finance	Insufficient time within the Check & Challenge process to review and recheck business Cases before submission to Project Team/Programme Board.	Lack of clarity/accuracy of the proposal, including financial information, being progressed.	5	4	20	Ensure Check & Challenge group is updated on actions taken following the Check & Challenge session and that final versions of business cases are shared.	SDWL	5	2	10			N/A		New risk - Latest score to be completed following 19.12.23 Project Team review
WR2	Timescales/ Process	Business cases are submitted for approval without complete information/documentation to ensure approval milestones are met, e.g. job evaluations.	Expected benefits are not possible to deliver, potential additional costs are incurred and service reviews may have to be revisited. Ultimately the success of the programme will be undermined.	5	4	20	The requirement for all business cases to be complete before proceeding is clearly stated. Any changes following each stage (e.g. Check & Challenge), must be reported back to that group for final approval before proceeding further.	SDWL	5	2	10			N/A		New risk - Latest score to be completed following 19.12.23 Project Team review
WR3	Resource & Finance	There is insufficient resource to complete service reviews or implementation.	Business as usual is impacted and/or programme delivery is delayed, which may also impact budgets if savings aren't delivered in a timely manner.	5	4	20	SDWL continues to work with directors to identify where additional resource could be applied from the programme to alleviate this risk.	SDWL	3	2	6			N/A		New risk - Latest score to be completed following 19.12.23 Project Team review
WR4	Staff Morale	The level of demand on officers to deliver ongoing significant change (not just for OneTeam) while maintaining service levels is cumulatively reducing staff resilience.	Staff do not feel valued or that they are an asset to the organisation(s). Potential opportunities from the OneTeam programme are not understood as staff are overwhelmed, risking low morale, higher sickness and turnover.	5	4	20	A number of support resources are available, but clear and ongoing communication from CLT and team managers is essential to support staff and monitor individual situations and concerns. BBC FAIR & RDC Executive report regarding support for the organisation based on analysis of staff turnover etc. also available.	SRO	3	3	9			N/A		New risk - Latest score to be completed following 19.12.23 Project Team review

WR5	Staff Morale/ Leadership/ Process	Perception of inconsistent or limited communication from Directors and Managers fuels uncertainty, anxiety and lack of trust amongst staff.	Staff uncertainty and discontent increases sickness, turnover, decreases productivity and generally negativity across the organisation. Creates difficulty to deliver the Programme and operationally and staff disengage from the process also impacting the benefits achievable.	5	4	20	Corporate communications and HR continuing to work with CLT to ensure regular and consistent messaging via a variety of channels. BBC FAIR & RDC Executive report regarding support for the organisation based on analysis of staff turnover etc. also available.	HR&WF	5	3	15		N/A	New risk - Latest score to be completed following 19.12.23 Project Team review
WR6	Staff Morale	Uncertainty over the likely outcome of service reviews as well as concerns and fears around the process make it challenging for managers to maintain and build optimism, even as reviews progress.	Staff uncertainty and discontent increases sickness, turnover, decreases productivity and generally negativity across the organisation. Creates difficulty to deliver the Programme and operationally and staff disengage from the process also impacting the benefits achievable.	5	4	20	Corporate communications and HR to develop Internet and other content to support officers' understanding of processes, e.g. consultation to improve understanding and manage expectations. BBC FAIR & RDC Executive report regarding support for the organisation based on analysis of staff turnover etc. also available.	HR&WF	5	3	15		N/A	New risk - Latest score to be completed following 19.12.23 Project Team review
WR7	Staff Morale	Delays to business case completion/approval create additional uncertainty and anxiety for staff while they wait beyond initial timescales for the outcome of their service review.	Staff uncertainty and discontent increases sickness, turnover, decreases productivity and generally negativity across the organisation. Creates difficulty to deliver the Programme and operationally and staff disengage from the process also impacting the benefits achievable.	4	5	20	Essential that business cases are completed to time whenever possible and that there is transparency for staff regarding any change to planned completion dates and the reason why. BBC FAIR & RDC Executive report regarding support for the organisation based on analysis of staff turnover etc. also available.	SRO	3	5	15		N/A	New risk - Latest score to be completed following 19.12.23 Project Team review
WR8	Leadership	Perceived lack of ownership and direction for the Programme and changing objectives undermine support for individual services reviews, e.g. whether savings, joint working, sustainability etc are the priority.	Business cases are presented and approved or not without application of the methodology and the ability to prioritise the design principles, potentially risking failure of the Programme and/or rejection at later stages of approval, e.g. not meeting Members' savings requirements, changing priorities creating blockages.	5	4	20	The governance of Check & Challenge, Project Team and Programme Board review ensures all key parties have the opportunity to challenge every business case. Assessment of the likely financial models (growth or saving) for all business cases currently in progress to be completed.	SDWL	4	4	16		N/A	New risk - Latest score to be completed following 19.12.23 Project Team review



**Definitions**

Impact	Likelihood	Key	Name, Position	
1 Minor Slippage	Rare	<b>Project Sponsor</b>	Jonathan Stephenson, CEO	PS
2 Minor	Unlikely	<b>Senior Responsible Officer</b>	Emily Yule, Strategic Director	SRO
3 Moderate	Moderate	<b>HR &amp; Workforce Development Workstream Lead</b>	Nichola Mann, Acting Director - People and Governance	HR & WD WL
4 Major	Likely	<b>Service Delivery Workstream Lead</b>	Greg Campbell - Director - Policy & Delivery	SD WL
5 Catastrophic	Almost Certain	<b>Communication &amp; Engagement Workstream Lead</b>	Leona Murray-Green, Comms Manager	C&E WL

Risk Score	
Risk score has increased	
Risk score is unchanged	
Risk score has decreased	



## FINANCE, ASSETS, INVESTMENTS AND RECOVERY COMMITTEE

20 DECEMBER 2023

REPORT TITLE:	Fees & Charges
REPORT OF:	Tim Willis - Director of Resources (S151)

### REPORT SUMMARY

Fees and charges made by the Council for various services are reviewed on an annual basis by the relevant Committee relating to the services provided.

Recommended amendments to the fees and charges are incorporated into the budget setting process to take effect from the following financial year.

### RECOMMENDATION

- R1. Agree to the proposed charges for 2024/25 as attached in Appendix A-D subject to the annual budget setting process.**

### SUPPORTING INFORMATION

#### 1.0 REASONS FOR RECOMMENDATION

- 1.1 To ensure that adequate resources are provided to ensure services delivered are maintained.
- 1.2 To ensure that the Council's Parking & Asset management strategy reflects current best practice and provide a robust and defensible policy framework.

#### 2.0 BACKGROUND INFORMATION

- 2.1 The Council has a range of fees and charges relating to the services it provides. As part of the budget setting process, these charges are reviewed on an annual basis. Whilst some of the fees and charges are statutory, and

therefore determined through legislation, the Council must also review its charges for discretionary services to ensure that they reflect the current costs of service provision.

- 2.3 The individual charges that are being proposed are set out in Appendix A-D of this report.
- 2.4 The proposed fees are based on a calculation of the costs involved in administering the various areas of work, apart from where there is a statutory charge or where the fees are set by Government.
- 2.5 The Council, where possible, will adopt a full cost recovery of fees and charges.
- 2.6 It is proposed that all current non-statutory fees and charges are increased by inflation, which is approximately 6.7%. This is to reflect increases in costs to maintain services. However, managers can amend their fees and charges above or below this recommended percentage increase as long as the change can be justified within the supporting covering sheets to the appendix.
- 2.7 Within each appendix a covering sheet explains the following:
  - a) Objectives and rationale behind the fees and charges
  - b) The proposed change in fee
  - c) Justification for this revision
  - d) Any benchmarking undertaken to aid in informing the level of change
  - e) Whether any consultation needs to be considered.
  - f) Expected income from the proposed fees and charges.
- 2.8 The fees and charges with proposed changes are:

### **Parking**

- a) The proposed fees are based on calculating the costs required to administer and maintain car parking in the borough.
- b) The parking fees and charges are set to increase and have been rounded to the nearest pound or 50p.
- c) The Multi-Storey car park charges are proposed to remain the same as this car park provides an alternative to the oversubscribed surface car parks at Chatham Way and William Hunter Way.
- d) All car parks will continue to offer 30 minutes free parking throughout the borough.
- e) Parking on Sunday will now be free in all car parks except King Georges Playing Fields and a 3-hour parking limit at Shenfield Car



parks. This is a small gesture to support businesses on our High Streets as well as local residents.

- f) In addition, the 24-hour parking charge has been removed and the charge for parking for 6 hours or more is £7.00.
- g) The Council is investigating ways to improve the payment system currently on offer in the borough. Bringing in new technology that streamlines the experience to the user. Offering options of contactless payment, app payments but keeping cash as an option as well. In addition, the Council will look to improve and maintain the car parks themselves. The increase in fees and charges will look to financially support the investment required in the Council car parks and its technology.

### **Office accommodation**

- a) Charges for committee room hire to external bodies, have been increased by 6.7% and rounded to the nearest 10.
- b) Charges for Weddings at town hall are no longer available.

### **Design & Print Services**

- a) Charge for provision of design and print services has been increased by 6.7% and rounded to the nearest pound
- b) No change to click charges as these are based on charges the Council incurs, rounded to the nearest penny.

### **Economic Development**

- a) Not holding Brentwood Business Showcase in 2024/25 so no charges applicable.

## **3.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources (Section 151 Officer)**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

- 3.1 Financial implications are set out within the report and appendices.

## **4.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Up Director - People & Governance (Monitoring Officer)**  
**Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk**

- 4.1 The Council is able under the relevant legislation to recover costs for services it provides. The Council can charge for discretionary services under the Local

Government Act 2003 section 93 and the Localism Act 2011 general power of competence and is able to review the fees and charges in line with these provisions.

## **5.0 RELEVANT RISKS**

- 5.1 There is a risk that the pricing structure reduces demand and income for the coming financial year, price rises are considered against inflation, and benchmarking of similar service where appropriate.

## **6.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email: 01277 312500 kim.anderson@brentwood.gov.uk**

- 6.1 The Public Sector Equality Duty applies to the Council when it make decisions. The duty requires us to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act make discrimination etc. on the grounds of a protected characteristic unlawful
  - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and 'civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.3 The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

## **7.0 ECONOMIC IMPLICATIONS**

**Name & Title: Phil Drane, Director - Place**

**Email: phil.drane@brentwood.rochford.gov.uk**

- 7.1 There are no economic implications arising from this report. Plans are in place to run the South Essex Business Expo 2024 in place of the Brentwood Business Showcase.

## **8.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

**Name & Title: Henry Muss, Sustainability Manager**

**Email: henry.muss@brentwood.rochford.gov.uk**

8.1 None identified

### **REPORT AUTHOR:**

Name: Sam Wood

Title: Corporate Manager - Finance

Phone: 01277 312500

Email: Sam.Wood@brentwood.gov.uk

### **APPENDICES**

- Appendix A: Parking
- Appendix B: Office Accommodation
- Appendix C: Design and Print
- Appendix D: Economic development

### **BACKGROUND PAPERS**

None

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## FEES & CHARGES SCHEDULE AND CHARGING DIRECTORIES FROM 2024/25 ONWARDS

**Committee: FINANCE, ASSETS, INVESTMENTS AND RECOVERY**  
**Service Area: Parking**

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

The purpose of Parking Fees and Charges is to cover the costs of providing car parking in the borough

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

An average increase of 12% for fees and charges. Season tickets are to remain as they are, and Sunday parkign is now free all day.

### Justification for revised charge (compared to previous year)

Inflation to maintain and operate the car parks including looking at investing in new equipment to improve a more streamlined process for paying for parking

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

The Council benchmarks it's charges against other nearby authorities. The proposals have been shared with the Brentwood Chamber of Commerce and Brentwood Connected

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

As part of the changes, the Council has to advertise the change to the parking order for 21 days, so that the public is aware. Local businesses have also been engaged

### Expected budgeted income

£1,638,870

**FINANCE, ASSETS, INVESTMENTS AND RECOVERY  
FEES & CHARGES SCHEDULE FROM 1 APRIL 2024**

DESCRIPTION OF CHARGE	VAT	FEE	CHARGES		CHARGES	
			April 2023-March 2024		April 2024-March 2025	
			Excl VAT	Inc VAT	Excl VAT	Inc VAT

**SERVICE AREA: PARKING**

**CHARGING AREA: Offstreet Parking**

**Chatham Way**

			<u>Chargable period 24 Hours</u>		<u>Chargable period 24 Hours</u>	
<b>Monday to Saturday</b>						
30 mins	S	D	0.00	0.00	0.00	0.00
1 hours	S	D	0.92	1.10	1.25	1.50
2 hours	S	D	1.83	2.20	2.08	2.50
2 hours with discount card	S	D	1.25	1.50	1.50	1.80
3 hours	S	D	2.75	3.30	2.92	3.50
4 hours	S	D	3.67	4.40	3.75	4.50
5 hours	S	D	4.58	5.50	4.58	5.50
6 hours +	S	D	5.50	6.60	5.83	7.00
24 hours	S	D	7.33	8.80	N/A	N/A
<b>Sunday Charge</b>						
All day	S	D	0.92	1.10	0.00	0.00

**Coptfold Road**

<b>Monday to Saturday - 6:00am to 10:00pm</b>						
30 mins	S	D	0.00	0.00	0.00	0.00
1 hours	S	D	0.83	1.00	0.83	1.00
2 hours	S	D	1.67	2.00	1.67	2.00
3 hours	S	D	2.50	3.00	2.50	3.00
4 hours	S	D	3.33	4.00	3.33	4.00
5 hours	S	D	4.17	5.00	4.17	5.00
6 hours +	S	D	5.00	6.00	5.00	6.00
<b>Sunday Charge - 6:00am to 10:00pm</b>						
All day	S	D	0.83	1.00	0.00	0.00
Lost Ticket	S	D	5.00	6.00	5.00	6.00

**William Hunter Way**

			<u>Chargable period 24 Hours</u>		<u>Chargable period 24 Hours</u>	
<b>Monday to Saturday</b>						
30 mins	S	D	0.00	0.00	0.00	0.00
1 hours	S	D	0.92	1.10	1.25	1.50
2 hours	S	D	1.83	2.20	2.08	2.50
2 hours with discount card	S	D	1.25	1.50	1.50	1.80
3 hours	S	D	2.75	3.30	2.92	3.50
4 hours	S	D	3.67	4.40	3.75	4.50
5 hours	S	D	4.58	5.50	4.58	5.50
6 hours +	S	D	5.50	6.60	5.83	7.00
24 hours	S	D	7.33	8.80	N/A	N/A
<b>Sunday Charge</b>						
All day	S	D	0.92	1.10	0.00	0.00

**FINANCE, ASSETS, INVESTMENTS AND RECOVERY  
FEES & CHARGES SCHEDULE FROM 1 APRIL 2024**

DESCRIPTION OF CHARGE	VAT	FEE	CHARGES April 2023-March 2024		CHARGES April 2024-March 2025	
			Excl VAT	Inc VAT	Excl VAT	Inc VAT

**SERVICE AREA: PARKING**

**CHARGING AREA: Offstreet Parking**

**Town Hall**

Monday to Friday not open to the public.			<u>Chargeable period 24 Hours</u>	<u>Chargeable period 24 Hours</u>		
<b>Saturday Charge</b>						
30 mins	S	D	0.00	0.00	0.00	0.00
1 hours	S	D	0.92	1.10	1.25	1.50
2 hours	S	D	1.83	2.20	2.08	2.50
2 hours with discount card	S	D	1.25	1.50	1.50	1.80
3 hours	S	D	2.75	3.30	2.92	3.50
4 hours	S	D	3.67	4.40	3.75	4.50
5 hours	S	D	4.58	5.50	4.58	5.50
6 hours plus	S	D	5.50	6.60	5.83	7.00
24 hours	S	D	7.33	8.80	0.00	0.00
<b>Sunday Charge</b>						
All day	S	D	0.92	1.10	0.00	0.00

**King George's Playing Field**

<b>Monday to Sunday - 6:00am to 7:00pm</b>						
30 mins	S	D	0.00	0.00	0.00	0.00
1 hours	S	D	0.92	1.10	1.25	1.50
2 hours	S	D	1.83	2.20	2.08	2.50
2 hours with discount card	S	D	1.25	1.50	1.50	1.80
3 hours	S	D	2.75	3.30	2.92	3.50
4 Hours	S	D	3.67	4.40	3.75	4.50
5 hours	S	D	4.58	5.50	4.58	5.50
6 hours+	S	D	5.50	6.60	5.83	7.00
24 hours until close	S	D	7.33	8.80	7.50	9.00
<b>Monday to Sunday - 6:00am to 7:00pm</b>						
Mini-bus - All Day	S	D	14.17	17.00	14.17	17.00
Coach - All Day	S	D	27.50	33.00	27.50	33.00

**Ingatestone**

Maximum stay 2 hours no return for 4 hours	S	D	0.00	0.00	0.00	0.00
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**Note - This is for Bell Mead and Market Square Monday to Saturday 8:00am - 6:00pm**

**Friars Avenue**

Maximum stay 3 hours no return for 4 hours

<b>Monday to Saturday</b>			<u>Chargeable period 24 Hours</u>	<u>Chargeable period 24 Hours</u>		
30 mins	S	D	0.00	0.00	0.00	0.00
1 hours	S	D	0.92	1.10	1.25	1.50
2 hours	S	D	1.83	2.20	2.08	2.50
2 hours with discount card	S	D	1.25	1.50	1.50	1.80
3 hours	S	D	2.75	3.30	2.92	3.50
<b>Sunday Charge</b>						
Maximum stay 3 hours no return for 4 hours	S	D	0.92	1.10	0.00	0.00

**Hunters Avenue**

Maximum stay 3 hours no return for 4 hours

<b>Monday to Saturday</b>			<u>Chargeable period 24 Hours</u>	<u>Chargeable period 24 Hours</u>		
30 mins	S	D	0.00	0.00	0.00	0.00
1 hours	S	D	0.92	1.10	1.25	1.50
2 hours	S	D	1.83	2.20	2.08	2.50
2 hours with discount card	S	D	1.25	1.50	1.50	1.80
3 hours	S	D	2.75	3.30	2.92	3.50
<b>Sunday Charge</b>						
Maximum stay 3 hours no return for 4 hours	S	D	0.92	1.10	0.00	0.00

**FINANCE, ASSETS, INVESTMENTS AND RECOVERY  
FEES & CHARGES SCHEDULE FROM 1 APRIL 2024**

DESCRIPTION OF CHARGE	VAT	FEE	CHARGES April 2023-March 2024		CHARGES April 2024-March 2025	
			Excl VAT	Inc VAT	Excl VAT	Inc VAT

**SERVICE AREA: PARKING**

**CHARGING AREA: Offstreet Parking - Season Tickets and Penalty Charge Notices**

**Season Tickets - Standard Charge - No refund**

7 days	S	D	33.33	40.00	33.33	40.00
1 month	S	D	100.00	120.00	100.00	120.00
3 months	S	D	300.00	360.00	300.00	360.00
6 months	S	D	566.67	680.00	566.67	680.00
12 months	S	D	1,025.00	1,230.00	1,025.00	1,230.00

Note - For Coptfold Road, William Hunter Way\*, Friars Avenue, Hunter Avenue and Eagle Way car parks.

\*-No new season tickets will be offered for William Hunter Way Car Park

**Season Tickets - £2 overnight charge - No refund**

7 days	S	D	11.67	14.00	11.67	14.00
1 month	S	D	50.83	61.00	50.83	61.00
3 months	S	D	152.08	182.50	152.08	182.50
6 months	S	D	304.17	365.00	304.17	365.00
12 months	S	D	608.33	730.00	608.33	730.00

Note - Only for resident parking (subject to address confirmation) at William Hunter way and Chatham way car parks.

**Penalty Charge Notice**

Higher Level Penalty Charge Notice	O	S	70.00	70.00	70.00	70.00
Higher Level Penalty Charge Notice (if paid within 14 days)	O	S	35.00	35.00	35.00	35.00
Lower Level Penalty Charge Notice	O	S	50.00	50.00	50.00	50.00
Lower Level Penalty Charge Notice (if paid within 14 days)	O	S	25.00	25.00	25.00	25.00

Note: Set through national legislation

**Housing Resident Parking Permits**

Annual Parking Permit for Housing Parking Orders	S	D	28	34	33	40
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## FEES & CHARGES SCHEDULE AND CHARGING DIRECTORIES FROM 2024/25 ONWARDS

**Committee: FINANCE, ASSETS, INVESTMENTS AND RECOVERY**  
**Service Area: Office Accommodation**

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

Benchmarked against what other local authorised charge.

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

Increased in line with CPI at September. 6.7% and then rounded to nearest 10.

**Justification for revised charge (compared to previous year)**

To keep charge up in line with inflation

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

Benchmarking was conducted on opening of Town hall. Room's not routinely booked but charge kept in case needed.

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

N/A

**Expected budgeted income**

£0

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## FEES & CHARGES SCHEDULE AND CHARGING DIRECTORIES FROM 2024/25 ONWARDS

**Committee: FINANCE, ASSETS, INVESTMENTS AND RECOVERY**  
**Service Area: Parking**

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

The primary objective of the charge is cost recovery. The level of charge also helps maintain the high level of service provision for the Borough.

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

Increases with september cpi or rounded to nearest whole number

**Justification for revised charge (compared to previous year)**

Increase reflects the increase to costs for supplying the services including labour costs to provide service and costs to maintain built facilities including increased utility costs to heat etc

**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

**Expected budgeted income**

£0

**FINANCE, ASSETS, INVESTMENTS AND RECOVERY  
FEES & CHARGES SCHEDULE FROM 1 APRIL 2024**

DESCRIPTION OF CHARGE	VAT	FEE	CHARGES April 2023-March 2024		CHARGES April 2024-March 2025	
			Excl VAT	Inc VAT	Excl VAT	Inc VAT

**SERVICE AREA: DESIGN AND PRINT SERVICES**

**CHARGING AREA: DESIGN AND PRINT SERVICES**

**External Printing**

Provision of design and print services - per hour	S	D	£ 18.33	£ 22.00	£ 19.17	£ 23.00
Price per black and white copy	S	D	0.02	0.02	0.02	0.02
Price per colour copy	S	D	0.04	0.05	0.05	0.06
Provision of printing materials	S	D	as per job spec			

## FEES & CHARGES SCHEDULE AND CHARGING DIRECTORIES FROM 2024/25 ONWARDS

Committee: FINANCE, ASSETS, INVESTMENTS AND RECOVERY  
Service Area: Economic Development

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

We are not going to be holding the Brentwood Business Showcase this year so there will be no exhibitor fees or sponsorship linked to the event.

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

See above

Justification for revised charge (compared to previous year)

N/A

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

Expected budgeted income

£0

**FINANCE, ASSETS, INVESTMENTS AND RECOVERY  
FEES & CHARGES SCHEDULE FROM 1 APRIL 2024**

DESCRIPTION OF CHARGE	VAT	FEE	CHARGES April 2023-March 2024		CHARGES April 2024-March 2025	
			Excl VAT	Inc VAT	Excl VAT	Inc VAT

**SERVICE AREA: PLANNING & ECONOMY**

<b>CHARGING AREA: Economic Development</b>						
Brentwood Business Showcase exhibitor stands			191.67	230	N/A	N/A

For more information about sponsorship packages, contact the Economic Development team on [business@brentwood.gov.uk](mailto:business@brentwood.gov.uk)



## FINANCE, ASSETS, INVESTMENT & RECOVERY COMMITTEE

20 DECEMBER 2023

<b>REPORT TITLE:</b>	Treasury Management Review
<b>REPORT OF:</b>	Tim Willis, Interim Director – Resources
<b>REPORT IS FOR:</b>	Information

### REPORT SUMMARY

This report sets out the findings of the Council's treasury management advisors, Link, in respect of a review of the Treasury Management Strategy.

The Council has, over recent years, embarked upon an ambitious capital investment programme that has necessitated significant treasury management activity, including sizeable borrowing. A report was commissioned from the local government experts in this field (Link) to report back on this activity – both in terms of the Council's performance and its current compliance with best practice.

### SUPPORTING INFORMATION

#### 1.0 OTHER OPTIONS CONSIDERED

N/A

#### 2.0 BACKGROUND INFORMATION

- 2.1 After a procurement process in April 2023, Link were commissioned to carry out a review of the Council's Treasury Management (TM) Strategy. Link produced a draft report in June 2023 and finalised it in August. Their report is attached.
- 2.2 The report provides an independent view of the Council's management of risk in relation to borrowing and investment. It also provides guidance on compliance with best practice.

2.3 The key conclusions from the report are as follows:

- a) The Council has a high level of absolute debt; consequently a high cost of servicing that debt; and a reliance on income generated from assets, acquired from the borrowing, to service the debt. To balance this, the Council pays a low average rate of interest on the debt; and generates a relatively healthy return in regard to income from the assets.
- b) The Council does not yet fully comply with the CIPFA Code of Practice on Treasury Management in that it does not have a set of updated Treasury Management Practices (TMPs) or an adequate set of Investment Management Practices (IMPs). TMPs set out the manner in which the Council will achieve effective treasury management, and IMPs cover the same ground for non-treasury investments. A TMP operations manual should be produced and used as a reference document to regularly check that details of the TMPs are up to date.
- c) The level of scrutiny of treasury management reports by members requires strengthening: in particular, it is recommended that the Audit & Scrutiny Committee undertakes prior scrutiny of treasury strategy reports before they go to Full Council for approval.
- d) Member scrutiny would also be enhanced by a training programme.
- e) Organisational change has exacerbated existing resourcing issues within the treasury management team. Additional staff resources would be advisable to support with best practice and compliance, particularly in relation to segregation of duties. This will be considered as part of the OneTeam review of the corporate finance function.
- f) The Capital Strategy needs to have a time line beyond the current three years horizon.

2.4 With regard to TMPs, officers have worked with Link to update the these documents, and they are now in place. It is proposed that they be formally adopted as part of the 2024/25 Treasury Management Strategy. A separate exercise is planned for 2024 to develop a full set of IMPs.

2.5 The Committee is asked to note the following actions arising from the Link report:

- a) The TM Strategy will be considered by Audit & Scrutiny Committee before it is submitted to Council for approval.



- b) The updated set of TM Practices will be presented for approval by Council as part of the 2024/25 TMSS, and updated IMPs will be developed during 2024/25.
- c) Progress on compliance with the TMPs and IMPs will be reported to Audit & Scrutiny Committee on a regular basis.
- d) A TMP operations manual will be developed and maintained in 2024/25.
- e) An internal audit of TM will be commissioned for 2024/25 to test the extent of implementation and effectiveness of the above actions.
- f) Training of relevant members will be commissioned to help enable appropriate challenge and interrogation of TM reports.
- g) An Independent Person will be appointed to the Audit & Scrutiny Committee to enhance expertise on the Committee.
- h) The Capital Programme will be extended to five years to assist in longer-term investment planning and the subsequent TM Strategy to support that.
- i) Consideration will be given to the inclusion of a specific risk in the Council's strategic risk register regarding the level of exposure.
- j) A separate capital and investment strategy will be developed in 2024 to support forward planning and be reported separately to members to inform 2025/26 and beyond.

### **3.0 FINANCIAL IMPLICATIONS**

3.1 Contained within the body of the report.

### **4.0 LEGAL IMPLICATIONS**

4.1 The Council's treasury management activities are governed by statute, regulations and best practice.

### **5.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

5.1 Contained within the body of the report.

## **6.0 RELEVANT RISKS**

6.1 The risks associated with the treasury management operation are managed through limits set out in the annual treasury management strategy.

## **7.0 ENGAGEMENT/CONSULTATION**

N/A

## **8.0 EQUALITY IMPLICATIONS**

N/A

## **9.0 ECONOMIC IMPLICATIONS**

N/A

## **10.0 ENVIRONMENTAL IMPLICATIONS**

N/A

### **REPORT AUTHOR:**

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### **APPENDICES**

- Appendix A: Link Review of Treasury Management.

# Brentwood Borough Council

## REPORT ON THE TREASURY MANAGEMENT OF BRENTWOOD BOROUGH COUNCIL

June 2023

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# Notes

Brentwood Borough Council (BBC) were asked to provide replies to various questions that were raised in undertaking this review.

# 1. Introduction

Treasury management in local authorities is a high profile area, this has been brought into further focus following the world financial crisis in 2008, [with a particular emphasis on improving the safety of local authority investing with creditworthy counterparties and adequate identification and management of risk] and more recently with the introduction of the revised Treasury Management and Prudential Codes for 2023-24 which makes it clear Local Authorities must not borrow to invest in assets primarily for financial return.

At the same time, local authorities are having to deal with many pressures to cut costs in an environment of increased budget pressures. Many local authorities have also had difficulties with replacing key staff who, when they leave the authority, take with them a wealth of experience and expertise which, sometimes, may prove difficult to replace. *(Please note that Brentwood Borough Council (BBC) has undergone a significant restructure and experienced difficulties in recruiting permanent members of staff, including S151 (see the section on Staffing resource for the treasury management team.)* Such staffing difficulties can cause issues in the following areas of treasury management:

- **The level of compliance** with all professional, statutory and legal requirements, but especially the **two codes** issued by the Chartered Institute of Public Finance and Accountancy's (CIPFA) - the Treasury Management Code of Practice and the Prudential Code, and with other statutory and legal requirements.
- Treasury management **performance** in terms of the effect on the bottom line of how much an authority pays in interest borrowing costs and on investment earnings on cash balances.
- The level of **risk exposures** in investing and borrowing portfolios.

The purpose of this report is to undertake an independent examination of the following: -

- **Compliance:** do your policies / procedures comply with the CIPFA Code of Practice on Treasury Management, the CIPFA Prudential Code, DLUHC investment guidance and other areas of compliance?
- **Evidence:** can you provide evidence to internal / external scrutiny that the above is the case?
- **Delivery:** how do your policies, procedures and level of staffing impact on the delivery of your treasury function?
- **Review:** following the outcomes of this health check will you review your processes and approach to how you do treasury management?

This report is therefore intended to help those involved in monitoring the treasury management function, whether senior management, members, external auditors or internal auditors to gain insight into the way in which treasury management is carried out in the organisation.

It is also intended to help in identifying areas where the treasury management function could be improved and strengthened and in most local authorities, it is likely that a health check of this nature will find such areas which, at the least, would be worth reviewing.

### **What are the areas covered by treasury management?**

CIPFA has adopted the following as its definition of treasury management activities:

The management of the organisation's: -

- borrowing, investments and cash flows,
- its banking, money market and capital market transactions;
- the effective control of the risks associated with those activities;
- and the pursuit *of optimum performance consistent with those risks.*

# Executive Summary

Link Treasury Service (LTS) have been commissioned by Brentwood Borough Council (BBC) to undertake several pieces of work resulting in a 'health check of the Councils Treasury and Capital Strategies. These areas include a review of the Councils Minimum Revenue Provision (MRP) Policy, Its Capital Strategy, its Commercial Assets (Business Case Review) and its Treasury Management Strategy. Each of the above areas will be distinct pieces of work consisting of a detailed report with their own findings. The focus of this report will be the Councils Treasury Management Strategy approach with significant focus on the Councils recent Borrowing activity. There may be some natural overlap into the other commissioned pieces of work however any comment in this report in relation to those areas will be limited.

It should be noted that HM Treasury published its revised lending terms for PWLB borrowing on 25th November 2020, this included a requirement for authorities to confirm that they do not intend to buy investment assets primarily for yield. This was effective from 9am on 26th November 2020. (See Appendix 1.0 for Newsflash issued to Clients by LTS).

The Prudential Code and Treasury Management Code were subsequently revised in December 2021 with full implementation for the 2023/24 financial year. The revised Prudential Code now specifically states that an authority must not borrow to invest primarily for financial return (an amendment to para 51 of the Code) which was applicable with immediate effect following the change in lending terms set out by HM Treasury with effect from 26<sup>th</sup> November 2020.

Whilst the focus of this report will be on BBC's current 2023/24 treasury strategy, it will be necessary to review treasury strategies and decisions taken by BBC prior to this (*primarily from 2020 onwards*). As such, certain decisions/reports will pre-date the updated TM/Prudential Code changes and revised PWLB lending terms. Activity/decisions predating this guidance will be viewed within the context of the applicable guidance at that time.

This report has reviewed the following areas:

- (i) Compliance with the CIPFA Codes of Practice on Treasury Management
- (ii) Compliance with Statutory Investment Guidance
- (iii) The Annual Treasury Strategy report – Borrowing: Including a detailed timeline with analysis/ context around long term borrowing decisions undertaken from 2020 to date (*Note 2020 is the most relevant starting point given long term borrowing prior to this was March 2012*)
- (iv) Benchmarking of Borrowing Performance
- (v) The Annual Treasury Strategy Report – Investing
- (vi) Benchmarking of Investment Performance

(vii) Staffing

The key findings from this report are as follows:

1. BBC has **not fully complied with the CIPFA's Code of Practice on Treasury Management**.
2. The required **twelve treasury management practices** are not up to date and will require a significant refresh. As a follow-up to this review, Link Treasury Services will support the Council in this piece of work.
3. BBC has work to do to **demonstrate proportionality** in relation to BBC's non-treasury activities and ensure compliance with the spirit of the 2018 Statutory Investment guidance. Non-treasury activities are not currently supported by adequate Investment Management Practices (IMP's).
4. In January 2021 and February 2021 BBC presented two separate reports to Council seeking approval of the purchase of strategic assets. These reports included requests to raise the Authorised Limit to accommodate the uplift in the CFR to ensure that levels were not breached. The starting point for the limit as reported in the 2020/21 Capital and Investment Strategy was £157,729k. The Authorised limit was initially increased to £185,000k [per the 20.01.2021 Ordinary Council Report- Investment proposal – acquisition of Baytree shopping Centre and Academy Place Brentwood]. BBC took a further report to Extraordinary Council on 16-02-2021. [Acquisition of Childeric Industrial Park]. This report was seeking approval to raise the Authorised Limit further to £247,500k. Actual external borrowing had risen significantly during this time to a peak of £233,224k.
5. **BBC's Capital Financing Requirement has increased at a significant rate** during the period 31<sup>st</sup> March 2020 (£118.2m) to 31<sup>st</sup> March 2023 (£259.8m) a total of £141.6m (120% increase) with forecasts for the CFR to reach over £320m by 31<sup>st</sup> March 2024 (further increase of 23% in 2023/24 and a total increase over this 4 year period of 171%). Such rapid increase in CFR levels during this relatively short space of time can adversely impact on treasury planning, (i.e. ability to adopt a proportionate and effective borrowing strategy). (As detailed in the forward balance sheet iterations within section 4.5 of this report). The pace of growth can also adversely impact the effective monitoring and scrutiny of treasury strategy. This has been borne out to some extent by point 3 noted above.
6. As detailed in Section 4.8 Table 5, and linked to point 5 above, the **ratio of financing costs to net revenue stream has risen rapidly from an already elevated position** (12% in 2021 to 48% in 2022/23) and is forecast to increase to 69% by 2024/25. Such elevated levels bring into question affordability and sustainability and would be a risk area for BBC to closely monitor with a view to reduce this ratio in the near future if possible.
7. BBC has clearly had a detailed and thorough approach to its **borrowing strategy**, however whilst this has achieved a level of budgetary certainty and reduction in exposure to



refinancing risk, significant exposure still remains. This is despite BBC externalising £178m worth of borrowing *in just 15 months* from Sept 2020 to Dec 2021 [*included deferred drawdown loans of £45m agreed in Dec 2021*]. This links back to the rapidly rising CFR as noted in point 5 above.

8. As detailed in section 6, Table 8, there is significant reliance (arguably over-reliance) on commercial and Service income. The ratio of gross income to net revenue stream is forecast to increase from an already elevated position of 80% in 2022/23 to 86% by 2024/25.
9. **Benchmarking of Borrowing** performance with neighbouring Authorities ranks BBC as 1<sup>st</sup> in terms of the lowest average rate being achieved. This undoubtedly has been driven by the scale of borrowing in a historically low interest rate environment.
10. **Benchmarking of Investment** performance against a peer group places BBC close to the upper band in terms of expected return achieved on a risk adjusted weighted average rate of return.
11. **Monitoring and Approval processes** require strengthening. Whilst there is regular monitoring of Prudential Indicators, further Scrutiny of TM reports from Members prior to presentation to Full Council could provide a more suitable mechanism, particularly in this time where significant TM work is being undertaken.
12. **Organisational Change** has potentially exacerbated existing resource issues within the TM team. Additional staff resources would be advisable to support with best practice and compliance (particularly in relation to segregation of duties).

A Summary table of compliance is included at Section 13 of this report.

## 2. Basic compliance with the CIPFA code of practice on treasury management

### 2.1 FOUR REQUIREMENTS

The main area of compliance that a local authority treasury management team has to comply with is the above code. **The Code sets out four main requirements** referred to as “Clauses to be formally adopted”(page 13):

1. This organisation will create and maintain, as the cornerstones for effective treasury and investment management:

- suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities
- investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6, 7 and 8 of the TM Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the TM Code’s key principles.

2. This organisation (i.e. full board/council) will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close in the form prescribed in its TMPs and IMPs.

3. This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to [note 1], and for the execution and administration of treasury management decisions to [note 2], who will act in accordance with the organisation’s policy statement, TMPs and IMPs, and if they are a CIPFA member, CIPFA’s Standard of Professional Practice on treasury management.

4. This organisation nominates [note 3] to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

*Note 1: name of responsible body (for example, committee, board or council) or nominated group of individuals or relevant committee such as cabinet or executive. Where a capital strategy is produced by a local authority, this may include the setting of detailed treasury management policies, while being clear that overall responsibility remains with full council.*

*Note 2: title of responsible officer (for the purposes of this Code, the term ‘responsible officer’ has been used, although it is recognised that, in practice, many different terms exist). For example, in higher education, the vice chancellor/principal or equivalent is the ‘designated officer’, who will ensure that the governing body complies with all terms and conditions of funding provided by the funding body. However, it is usual for day-to-day financial management to be delegated to a director of finance, who will take professional responsibility for such areas of an institution’s work, and this is the officer who is referred to here.*

Note 3: name of responsible body (for example, committee, board or council) or nominated group of individuals or relevant committee such as audit committee or relevant scrutiny committee.

## Findings

### **BBC has not fully complied with these four prime requirements as detailed:**

13. The policies, objectives and approach to risk management of its treasury management activities are set out in its **Treasury Management Strategy Statement (TMSS)/ Annual Investment Strategy (AIS)**, (this is termed the **Capital and Investment Strategy** report at BBC), which is revised and updated each year before the start of each new year. The Council has however failed to adequately update the required **twelve treasury management practices** to provide the operational detail in support of each member of the treasury management team when undertaking treasury management activities. The Council does not have adequate **Investment Management Practices** (IMP’s) detailed in support of reporting of its non-treasury activities.
14. The full council receives the following **reports** on its treasury management policies, practices and activities:
  - a. an annual strategy and plan in advance of the year (the TMSS/AIS)
  - b. a mid-year review
  - c. an annual review report after the end of each financial year
15. BBC has **delegated responsibility** for treasury management to the Interim Director of Finance and S151 officer, Tim Willis.

16. The **Audit and Scrutiny Committee do not** undertake prior scrutiny of Treasury reports before they are submitted to the Full Council, the reports go direct to Full Council for approval.

**Note:** Whilst it is not a statutory requirement for Treasury Management Reports to be subject to prior Scrutiny before presentation to Full Council for approval, the CIPFA code considers it “vital that the treasury management decisions of organisations in the public services should be subjected to **prior scrutiny**”. it would be good practice for BBC to incorporate this to enhance current governance arrangements.

**Action:** BBC to Review Treasury Management Practice Templates provided by Link to all clients and incorporate BBC practices in line with best practice. Link will work with BBC in support of this as part of ongoing Treasury Strategy work.

## 2.2 THREE KEY PRINCIPLES

The Code also requires local authorities to comply with three key principles:

### KEY PRINCIPLE 1

*Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the **effective management and control of their treasury management activities**.*

### KEY PRINCIPLE 2

*Their policies and practices should make clear that the **effective management and control of risk** are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that **priority is given to security and portfolio liquidity when investing treasury management funds**.*

### KEY PRINCIPLE 3

*They should acknowledge that the **pursuit of value for money** in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of **effective risk management**, their treasury management policies and practices should reflect this.*

The rest of this CEDR report will look in detail at how well BBC has implemented these four requirements and three key principles. Inevitably, a thorough examination into every corner of how treasury management is being conducted will turn up some areas for improvement.

## 3. Compliance with statutory investment guidance

### 3.1 THREE EDITIONS OF STATUTORY GUIDANCE

There have been **three editions of statutory investment guidance issued by DLUHC** (*formally MHCLG*) in 2004, 2010 and 2018: each edition replaced the previous one. Reference is made below, and elsewhere, to the third edition of 2018 which was the guidance applicable when investments were made. However, the essential principles of security, liquidity and risk are unchanged between the 2010 and 2018 editions.

**The second edition** of the guidance followed in the aftermath of the financial crisis of 2008 and the failure of Icelandic banks, which many local authorities had placed investments with. This raised fundamental questions as to whether local authorities were managing **risk exposure** in an appropriate manner as they appeared to have prioritised earning a higher rate of interest more highly than security, (and also liquidity – as it took several years for local authorities to get nearly all their cash returned to them).

The 2010 edition therefore majored on some **key fundamental principles** to guide all local authority investing as set out in sections 6 and 7 below:

*6. The preparation each year of an investment Strategy is central to the guidance [4.1]. It encourages the formulation of policies for the **prudent** investment of the funds that authorities hold on behalf of their communities. In addition, the need for the Strategy to be approved by the full council ensures that these policies are subject to the scrutiny of elected Members: this is particularly important, given that central Government in 2004 ceased its close regulation of local government investment.*

*7. The guidance defines a prudent investment policy as having two objectives:*

*achieving first of all **security** (protecting the capital sum from loss) and then **liquidity** (keeping the money readily available for expenditure when needed) [4.2]. The generation of investment income is distinct from these prudential objectives and is accordingly not a matter for the guidance. However, that does not mean that authorities are recommended to ignore such potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what **yield** can be obtained consistent with those priorities. This widely-recognised investment policy is sometimes more informally and memorably expressed as follows:*

***Security - Liquidity -Yield ...in that order!***

The 2018 edition retained and repeated the above principles. So, in summary, all local authority investing is required to be:

- **Prudent**
- **To put security before liquidity and yield**

### **3.2 SCRUTINY BY MEMBERS**

In addition, the 2010 edition introduced a new concept of member scrutiny. In this edition the government relinquished exercising detailed control over local authority investing and handed responsibility to members to ensure that effective scrutiny of officer management of the treasury management function.

Each local authority was therefore required to set up a committee which would exercise this scrutiny function before treasury management reports were submitted to full council for approval. Scrutiny members are therefore expected to have a higher level of understanding of treasury management and to challenge officers if they feel uncomfortable with any aspect of the conduct of treasury management or proposed strategies.

Along with this new role of scrutiny, the guidance placed responsibility on officers to arrange appropriate training for members so that they were equipped to be able to carry out this scrutiny role in an effective way.

Inherent in this development, was also the responsibility of members to attend training sessions as they are now personally responsible for carrying out this scrutiny role.

Link has been informed that no evaluation has been done of scrutiny members to establish what TM experience or expertise such members have. As part of the revised TM Code of Practice updated 2021 (for full implementation from 2023/24); TMP 10 is now to include a Knowledge and Skills schedule supported by appropriate training for both officers and members. CIPFA have provided a 'learning needs analysis template' to help Members identify any training gaps.

**Note:** BBC is aware of the new requirement for a 'Knowledge and Skills' schedule however this is not in place at present and will be picked up as an action as part of this review (built into the revised TMPs which will be produced as an output of this report.

**Note:** BBC should review this whole area of member training with a view to conducting training courses which require members to attend. Providing training courses for Members is a service that Link Treasury Services can assist with and will provide as a follow up to this review.

### 3.3 SPECIFIED AND NON-SPECIFIED INVESTMENTS

The 2004 edition of the statutory guidance introduced a new concept, (which was retained in the 2010 and 2018 editions), which was not previously found in the CIPFA TM Code prior to the 2021 updates – the need to split all investments by a local authority between **specified and non-specified investments**:

*(2010 guidance): INVESTMENT SECURITY [5.1 - 5.3]*

13. The idea of **specified investments [5.1]** is to identify options with relatively high security and high liquidity, **to which authorities need make only minimal reference in their Strategies.** All such investments must be in sterling and with a maturity of no more than a year. Such investments with the UK Government, a local authority or parish council will count as specified investments, as will those with bodies or in investment schemes of "high credit quality". The meaning given by the authority to the latter term is to be stated in the Strategy **[5.2]** and it is expected that authorities will adopt rigorous standards of definition. If the criteria here refer to credit ratings, the recommendations in paragraph **[6.1]** of the guidance should be followed.

14. **The Strategy should deal in more detail with non-specified investments [5.3], given the different levels of potential risk.** There is no intention of discouraging authorities from pursuing these options, but the aim is to ensure that proper procedures are in place for assessing and mitigating risk. Therefore, the Strategy should identify the types of such investments that may be used during the course of the year and should set a limit to the amounts that may be held in such investments at any time in the year. The limit may be a sum of money or a percentage of total investments or both. The Strategy should also lay down guidelines for making decisions on such investments, for example, on the circumstances in which professional advice is to be sought. Again, if the criteria mentioned refer to credit ratings, the recommendations in paragraph **[6.1]** of the guidance should be followed.

**(2) DEFINITIONS OF TERMS**

2.4. A **long-term investment** is any investment other than (a) one which is due to be repaid within 12 months of the date on which the investment was made or (b) one which the local authority may require to be repaid within that period.

**Non-specified investments**

5.3 With regard to **non-specified investments** (i.e. those not meeting the definition in paragraph 5.1), the Secretary of State recommends that the Strategy should:



(a) set out procedures for determining which categories of such investments may prudently be used (and where these procedures involves the use of credit ratings, paragraph 6.1 is relevant);

(b) identify which categories of such investments have so far been identified as prudent for use during the financial year; and

(c) state the upper limits for the amounts which, at any time during the financial year, may be held in each identified category and for the overall amount which may be held in non-specified investments (the limits being defined by reference to a sum of money or a percentage of the authority's overall investments or both).

Section 8 of the code has since been updated (as part of the 2021 edition changes adopted for 2023-24 TM Strategies) in relation to non-treasury investments and CIPFA have incorporated a definition of treasury management which states that it **includes all the investments made by the organisation, meaning service investments and commercial investments as well as the 'regular' treasury investments.**

Section 8 of the TM Code describes **Investments for commercial purposes** (or commercial investments) as those which:

*Are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.*

- *This includes non-financial assets such as commercial property, where they are held primarily for financial return.*
- *For local authorities, investments of this type will usually constitute capital expenditure.*
- *'Commercial' in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs and do not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily to generate net financial return or profit.*

Investments for **service purposes (or service investments)** are described as those which:

*Are taken or held primarily for the provision and for the purposes of delivering public services including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services.*

- *Service investments may or may not involve commercial returns; however, obtaining those returns will not be the primary purpose of the investment.*

- *For local authorities, service investments will normally constitute capital expenditure, and it may be appropriate to borrow to finance service investments.*

For investments that are not for TM purposes, classified as commercial or service investments, these should be clearly identified and reported in appropriate categories, to reflect their service or commercial purpose. It should also be noted that for each investment, an investment management Practice (IMP) should set out a range of criteria such as the investment objectives, risk management arrangements and reporting arrangements.

**Note:** Outside of this CEDR TM Review there are separate reports being produced in relation to the Councils Commercial Investment Portfolio, Primarily Seven Archers Investment Ltd (SAIL) as well as a separate report solely focusing on the Councils Capital Strategy, as such, this review will not major on these areas and will only make reference to these areas within the scope of this Treasury Management Strategy Review.

**The following should be noted from the above guidance: -**

1. Investments initially made for under one year, or have only one year left to run to maturity, are defined in the 2018 statutory guidance as being specified investments; therefore all investments, regardless of the type of investment instrument, with over one year to run to maturity are, by definition, **non-specified**.
2. The authority must **set an upper limit** for how much can be held in each type of non-specified investments and an upper limit for the **total of non-specified investments**.
3. Specified investments with high credit quality bodies need only **minimal reference** in annual strategy reports.
4. **Non-specified investments** should be dealt with in more detail in annual strategy reports as they involve a **higher level of risk** than specified investments. It is therefore very important that members' attention should be drawn to the need to understand those risks when approving different types of non-specified investments and when setting upper limits for each one and a total upper limit for all non-specified investments. *(Please see appendix 2.0 containing the TMSS template report provided by Link Treasury Services to all clients, which sets out what types of investments fall into each of the specified and non-specified categories.)*

This is the relevant paragraph of the Capital and Investment Strategy 2023/24 report for your authority, appendix, page 40, para 153:

***Non-specified investments** are any other type of investments; in addition, any investment with a duration of over one year is classified as a non-specified investment. In previous years the Council has not used non-specified investments. For 2023/24, investments of up to three years with other local authorities will be allowed, up to a total value of £5m. This is to enable the Council to access higher returns through investing for longer periods.*

**Note:** BBC confirmed that longer term resources had been identified and set aside which could potentially be utilised for longer term investments, thus benefiting from higher returns (and locking in those returns) to support its investment income target. Having said this, the Council still has a modest income target of £150k for 2023/24 and as of yet has not utilised any longer term investments with other Local Authorities.

## THE TRADE-OFF BETWEEN SECURITY AND RISK

The over-riding principal that Officers and Members need to firmly take hold of is the rule in investing, that generally, and usually, a higher yield or rate of interest can only be achieved by taking on a higher level of risk by accepting less security and / or liquidity. The proper identification and management of risk is what the statutory guidance and CIPFA codes are focused on.

## 3.4 COMPLIANCE WITH STATUTORY INVESTMENT GUIDANCE: NON-SPECIFIED INVESTMENTS

The Capital and Investment Strategy 2023/24 incorporating the Investment and Treasury Management Strategy (the Strategy), complies with statutory guidance as detailed:

- a) **The 2010 statutory guidance stated that the key requirement of a specified investment** (besides being for under one year), is that it should require *‘minimal reference in their Strategies’*, i.e. such types of investments should be straight forward for all members approving the strategy to understand the risks and rewards associated with using that type of investment. *(The 2018 statutory guidance omits this phrase of ‘minimal reference in their Strategies’: however, it is clear in statutory guidance that specified investments are high credit worthiness / low risk, i.e. they would require minimal scrutiny by members. Conversely, non-specified investments would therefore require greater scrutiny and understanding from members: this places responsibility on officers to ensure that TM reports clearly explain the risk characteristics of non-specified investments so that members can form a judgement.)*

## 3.5 MEMBER SCRUTINY

Scrutiny members are required by statutory guidance and the TM code to give careful consideration to approving the TM strategy and approved investment instruments. As high credit worthiness / low risk specified types of investment require little consideration, their scrutiny focus should fall on **non-specified investments** which have higher risk.

**Action: Non-treasury investments should be clearly identified and reported in appropriate categories reflecting their service or commercial purposes. For each, the various purposes and management arrangements should be described. The level of risk and the arrangements for managing it should be set out. A Set of Investment Management Practices should be developed to support Members ability for effective Scrutiny as well as ensure appropriate compliance with the revised TM Code of Practice.**

The scrutiny role of members is given high profile in the CIPFA TM Code and in statutory investment guidance:

### CIPFA TM Code

#### **1.3 DECISION MAKING AND ANALYSIS IN THE PUBLIC SERVICES**

*CIPFA considers it vital that the treasury management decisions of organisations in the public services should be subjected to **prior scrutiny**. The treasury management strategy is approved annually by full board/council, which is a strength. The treasury management strategy should be supplemented by the provision of monitoring information and regular review by board members/councillors in both executive and scrutiny functions.*

#### **1.12**

*The procedures for monitoring treasury management activities through audit, **scrutiny** and inspection should be sound and rigorously applied, with an openness of access to information and well-defined arrangements for the review and implementation of recommendations for change.*

### Investment guidance 2010

#### **INVESTMENT STRATEGY [4.1 - 4.7]**

*6. The preparation each year of an investment Strategy is central to the guidance [4.1].*

*It encourages the formulation of policies for the prudent investment of the funds that authorities hold on behalf of their communities. In addition, the need for the Strategy to be approved by the full council ensures that these policies are subject to the **scrutiny of elected***

***Members: this is particularly important, given that central Government in 2004 ceased its close regulation of local government investment.***

(The 2018 statutory guidance omitted to comment on the scrutiny role of members and so has left this area to CIPFA to provide guidance on. However, members should note the above paragraph from the 2010 guidance which clearly states the importance that the Government places on the role of members in local authorities.)

**Action: In view of the lack of an appropriate level of Member Scrutiny of the Capital & Investment Strategy and the proposed amendments resulting from this report, it is suggested that a new Capital & Investment Strategy should be submitted for approval.**



## 4. The annual TM strategy report: borrowing

### 4.1 COMPLIANCE REQUIREMENTS FOR BORROWING

The CIPFA Prudential Code 2021 states the following: -

*E16. In order to ensure that over the medium-term net debt will only be for a capital purpose, the local authority should ensure that gross external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.*

*E17. Local authorities are reminded that they should **avoid exposing public funds to inappropriate or unquantified risk**. The prime policy objective of their treasury management investment activities is the security of funds, and authorities should consider a balance between security, liquidity and yield that reflects their own risk appetite but that prioritises security and liquidity over yield. **Investments for ‘commercial purposes’, which are taken primarily for financial return, are likely to be higher risk, and local authorities must not borrow to invest primarily for financial return.** It is therefore important that the **risks of commercial investments are proportionate to an authority’s overall capacity** – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services and the level of resources available to the organisation. Authorities that have an expected need to borrow should review options for exiting their financial investments for commercial purposes in their annual treasury management or investment strategies.*

As this report deals with borrowing going back to 2020, reference is made initially to statutory guidance issued pre the 2021 Code of Practice and Pre changes to PWLB guidance effective from 26<sup>th</sup> November 2020.

In addition **the statutory guidance 2010** states the following, (the DLUHC will never give a definitive legal opinion as it would be inappropriate for civil servants to give such):

#### ***Investment of money borrowed in advance of need [6.4]***

*19. Section 12 of the 2003 Act gives a local authority power to invest for "any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs". CLG cannot offer an authoritative interpretation of the law, but takes the informal view that, while **the speculative procedure of borrowing purely to invest at a profit is unlawful**, there appears to be no legal obstacle to the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future. CIPFA’s Prudential Code for Capital Finance in Local Authorities (2nd edition 2009) makes recommendations about this procedure in the context of prudent borrowing practice. **To complement that, the***

**CLG guidance recommends that the Strategy reports the authority's policies relating to the investment of any sums borrowed in advance.** *The Government considers that elected Members should have an opportunity to scrutinise this aspect of their authorities' investment practices, given that it may expose more money than is strictly necessary to investment risk.*

**The statutory guidance 2018** repeats the same principles as the 2010 guidance: -

***Borrowing in advance of need***

*46. Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.*

*47. Where a local authority chooses to disregard the Prudential Code and this Guidance and borrows or has borrowed purely to profit from the investment of the extra sums borrowed the Strategy should explain:*

- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and*
- The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.*

**To summarise our understanding is as follows: -**

- As noted in 4.1 above, per the Prudential Code, it would be ultra vires to borrow in advance of a local authority's needs, (to finance capital expenditure or to replace maturing debt) purely to invest at a profit. Forward projections of CFR levels (usually over a 3 year time horizon) however enables borrowing to take place at the most opportune time in support of planned capital programme works.
- It would be intra vires to borrow in advance of need provided it is within the increase in the capital financing requirement estimates in the strategy and a sound business case can be made which demonstrated e.g. that borrowing rates are expected to go up so it would save money to borrow soon, rather than later.
- Investment activities must put first and foremost the security of funds and not exposing the authority's funds to inappropriate risk.
- Authorities are expected to include in their TM strategy report what their policy is on the investment of any sums borrowed in advance of need.
- Members must be given the opportunity to scrutinise any borrowing in advance, both as a policy in the strategy report and of actual borrowing in advance of need undertaken in the annual review report.



- The CIPFA Code and statutory guidance explicitly prohibit local authorities from borrowing to funding assets primarily for investment return, as the more of such investments an authority has, **the more risk exposure an authority is taking on. Furthermore**, where an authority has large cash balances over and above what it needs to manage day to day cash flows, the expectation would be that that surplus should be the first source for financing capital expenditure rather than going to the PWLB or to financial markets to increase external borrowing so as to maintain those large in house cash balances. That is a prudent policy as borrowing is generally always more expensive than the returns achievable on investments unless investments take on a greater degree of risk and / or are invested for longer periods.

## 4.2 TEMPLATE TM STRATEGY REPORTS PROVIDED BY LINK TO BBC

Link provides template annual strategy and annual review reports to all clients which contain suggested paragraphs dealing with borrowing, the reports have been fully updated to reflect the revised TM/Prudential Code Guidance for implementation in 2023/24.

### 1. Extracts from a template annual review report supplied by Link to all clients

#### ***Borrowing strategy***

*(Please amend for local circumstances)* The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2023 before falling in 2024 through 2025.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates*, then borrowing will be postponed.
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast*, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

*Each authority will now need to state its own particular preferences and strategy...*

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

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

*(If desired)* Borrowing in advance will be made within the constraints that:

- It will be limited to no more than XX% of the expected increase in borrowing need (CFR) over the three-year planning period; and
- The Authority would not look to borrow more than XX months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## **4.3 WHAT POLICY ON BORROWING IN ADVANCE HAVE MEMBERS APPROVED EACH YEAR IN THE TM STRATEGY REPORT?**

BBC does not make any reference in its Capital and Investment Strategy in relation to its policy on borrowing in advance of need. The Council does clearly undertake detailed forecasting for its CFR and future borrowing requirements however it would be good practice to include some of the above detailed template information provided by Link, within its own Capital and Investment Strategy.

**Action: Update Capital and Investment Strategy to include further detail on policy of borrowing in advance of need as provided in templates from Link Treasury Services.**

Extract from BBC 2023/24 TMSS:

	2021/22 Actual	2022/23 Estimated outturn	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£000	£000	£000	£000	£000
Total external borrowing	228,197	217,191	267,688	297,685	308,182
Capital financing requirement	240,596	259,779	303,964	332,894	342,439
Under borrowing	(12,399)	(42,588)	(36,276)	(35,209)	(34,317)

**Note:** the Capital Financing Requirement in the 2021-22 Statement of Accounts was actually £248,673k and thus £8,077k more than the actual reported in the 2023/24 TMSS. It should also be note that BBC Operational Boundary was set at £245,000k for 2021/22, it would typically be set at a margin above forecast CFR levels to allow for variations in expected cashflows. It was noted by the client that the operational boundary was in fact breached for a month in November that year where debt levels reached £247m. The Authorised Limit was set at a level comfortably above expected Borrowing levels (£293,000k). As noted in the TMSS for BBC, The Local Government Act 2003 stipulates that it must not be breached at any time.

**Action: A Revised Capital and Investment Strategy Report should include updated CFR actuals for 2021/22 with existing projections reviewed for accuracy.**

## 4.4 ACTUAL BORROWING FIGURES FOR BBC

Table 1 shows Link figures for the level of under borrowing each year 2019/20 – 2022/23:

Table 1

	31.03.2020 (£m)	31.03.2021 (£m)	31.03.2022 (£m)	31.03.2023 (£m)
BS Balance available for investment	21.6	23.5	25.0	Awaiting
Actual external investments	2.2	21.2	13.9	Awaiting
Surplus monies	<b>19.4</b>	<b>2.3</b>	<b>11.1</b>	Awaiting
<b>Source of Surplus monies</b>				
Working Capital (creditors, debtors etc.)	3.4	5.0	9.0	
Under Borrowing	<b>22.8</b>	<b>7.3</b>	<b>20.1</b>	
<b>BBC Estimate CFR per Capital and Investment Strategy</b>				
Capital Financing Requirement	118.2	149.7	250.3	259.8
Actual external borrowing	96.4	233.2	228.4	
Under Borrowing	<b>21.8</b>	<b>83.5</b>	<b>21.9</b>	
Actual external borrowing	96.4	233.2	228.4	
Actual external investment	2.2	21.2	13.9	
Net borrowing	94.2	212	214.5	

**Note:** BBC has been consistently under-borrowed every year for the years reviewed from 2019/20 to date however during this time the anticipated CFR level has increased significantly year on year and the 2022/23 Forecast CFR is more than double the 2019/20 forecast position. Actual external borrowing has more than doubled during this time.

Table 2 shows the CFR compared to external debt and investments.

**Table 2**

<b>Comparison of CFR to External Borrowing and Investment Portfolios:</b>				
	<b>31.03.2020</b>	<b>31.03.2021</b>	<b>31.03.2022</b>	<b>31.03.2023</b>
	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>	<b>(£m)</b>
<b>Actual external borrowing</b>	96.4	233.2	228.4	
<b>Actual external investment</b>	2.2	21.2	13.9	
<b>Net borrowing</b>	94.2	212	214.5	
<b>Capital Financing Requirement</b>				
<b>Capital Strategy 2023/24</b>	118.2	149.7	250.3	259.8
<b>Actuals from year-end figures</b>	119.2	240.5	248.6	
<b>Authorised Limit reported in Capital &amp; Investment Strategy</b>	£126m	£157.7	£293m	330m

**Note:** There has been a material expansion of both CFR levels and debt . It was reported in the 2020/21 Capital Strategy that the anticipated CFR level would be £149.7m however the actual position per the SOA was £240.5m a significant (£90.8m) variance. External borrowing had also increased significantly during this period.

The Authorised Limit for External Debt is the limit placed by the Council on the absolute level of its gross debt at any time. (The Local Government Act 2003 stipulates that it must not be breached at any time.) The Limit was reported in the 2020/21 Capital and Investment Strategy as £157,729k whilst actual external borrowing was £233,224k. It has been subsequently clarified that further reports were presented to Members to seek authorisation for increases limits.

**Table 3: Borrowing in the last three treasury management strategy reports**

TM Report 2020/21	2019/20 estimate (£m)	2020/21 estimate (£m)	2021/22 estimate (£m)	2022/23 estimate (£m)
Debt as at 1 <sup>st</sup> April	97.934	131.380	128.175	130.080
Expected change in debt	33.446	-3.205	1.905	
Actual gross debt at 31 <sup>st</sup> March	131.38	128.175	130.080	242.688
CFR	118.076	149.729	151.054	152.439
Under/(over) borrowed	<b>13.304</b>	<b>-21.554</b>	<b>-20.974</b>	<b>-90.249</b>
Actual over borrowing				
TM Report 2021/22	2019/20 Actual (£m)	2020/21 estimates (£m)	2021/22 estimates (£m)	2022/23 estimates (£m)
Debt as at 1 <sup>st</sup> April	96.351	213.847	237.599	248.087
Expected change in debt	117.496	23.752	10.488	8.053
Actual gross debt at 31 <sup>st</sup> March	213.847	237.599	248.087	256.140
CFR	<b>119.238</b>	<b>240.382</b>	<b>262.394</b>	<b>271.292</b>
Under/(over) borrowed	<b>94.609</b>	<b>-2.783</b>	<b>-14.307</b>	<b>-15.152</b>
TM Report 2022/23	2019/20 Actual (£m)	2020/21 Actual (£m)	2021/22 estimates (£m)	2022/23 estimates (£m)
Debt as at 1 <sup>st</sup> April	96.351	232.847	233.338	279.835
Expected change in debt	136.496	0.491	46.497	29.997
Actual gross debt at 31 <sup>st</sup> March	232.847	233.338	279.835	309.832
CFR	<b>240.596</b>	<b>250.289</b>	<b>295.648</b>	<b>320.706</b>
Under/(over) borrowed	<b>-7.749</b>	<b>-16.951</b>	<b>-15.813</b>	<b>-10.874</b>

**Note:** There are many questions raised by the above table, notably the seemingly continuous under forecasting of CFR and subsequent expected debt levels. This suggests a lack of capital planning with implications around effective monitoring and scrutiny of the Capital and Investment Strategy.

## 4.5 TIMELINE OF LONG-TERM NORROWING DECISIONS TAKEN FROM 2020 TO 20223:

The below table details the long-term PWLB Maturity loans taken out by BBC between the 2019/20 Financial year to date:

**Table 4: BBC Long term Maturity PWLB borrowing 2020-2023**

Maturity PWLB Borrowing					
Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):	Interest p.a. (£000s)
247841	16/09/2020	16/09/2050	£7,000,000.00	2.57	179.9
272452	27/11/2020	27/11/2030	£10,000,000	2.16	216
272454	27/11/2020	27/11/2050	£10,000,000	2.71	271
324302	26/03/2021	26/03/2071	£20,000,000	1.89	378
340223	27/04/2021	27/04/2071	£30,0000,00	1.87	561
378361	19/07/2021	19/07/2031	£7,000,000	1.48	103.6
378527	22/07/2021	22/07/2034	£10,000,000	1.55	155
378529	22/07/2021	22/01/2068	£9,000,000	1.67	150.3
378263	22/07/2021	22/07/2069	£10,000,000	1.65	165
431961	04/11/2021	04/11/2062	£20,000,000	1.72	344
494800	14/03/2022	14/03/2042	£2,853,000	2.31	65.90
<b>Total:</b>			<b>£135,853,000</b>		<b>£2,589.7</b>

This section of the report will provide a detailed commentary and timeline on the lead up to all long-term borrowing decisions and the strategy undertaken by BBC since 2020 (*including key discussions/meetings which have taken place with LTS in relation to the ongoing borrowing strategy*): The Forward Balance Sheet Projections and Interest rate forecasts will also be detailed to further contextualise decision making:

**28th Jul 2020:** Areas identified by LTS for discussion at Strategy Meeting on 11<sup>th</sup> Aug:

- Significantly under-borrowed at present (£88m if client doesn't renew the £35m st borrowing maturing in year).
- Loans to SAIL [*wholly owned subsidiary classed as commercial activities*] forecast to increase by £27.5m in year – implications for new borrowing with PWLB.

- MTFs only forecasts to 2022/23 – not long enough, need more detailed projections to 2024/25.
- Capital Strategy – Lacking detail and again not projected beyond 2022/23 – and the borrowing identified against spend is minimal.
- HRA is fully funded with £61m LT loans so any borrowing would be GF related.
- Commercial arm SAIL (Seven Arches Investment Ltd) has made the following purchases [Sept 2018 One Curo Park Hertfordshire (Residential development cost £4.965m) and March 2019 44 East Street, Chichester (Former TK Max cost £7.075m). All out of Borough.

11th Aug 2020 Strategy Meeting with BBC:

The below Projected Forward /Balance Sheet agreed in advance with the Council:

2019/20 (£'000)		2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
23,910	GF	36,494	36,219	39,204	39,204	39,204
62,829	HRA	64,671	64,671	64,671	64,671	64,671
32,500	Commercial Activities	60,000	60,000	60,000	60,000	60,000
119,239	CFR	161,165	160,890	163,875	163,875	163,875
	PFI Liabilities					
-	Finance Lease Liabilities	-	-	-	-	-
119,239	Underlying Borrowing Requirement	161,165	160,890	163,875	163,875	163,875
(96,412)	External Borrowing c/fwd	(96,412)	(61,347)	(56,347)	(56,347)	(56,347)
-	Loan Maturities	35,065	5,000	-	-	-
-	New Loans	-	-	-	-	-
(96,412)	External Borrowing	(61,347)	(56,347)	(56,347)	(56,347)	(56,347)
22,827	Under / (Over) Borrowing	99,818	104,543	107,528	107,528	107,528
19%	Underborrowing as a % of Underlying Borrowing Requirement	62%	65%	66%	66%	66%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WORKING CAPITAL (£'000)</b>						
3,117	General Fund Balance	2,578	2,178	2,178	2,178	2,178
7,416	Housing Revenue Account Balance (inc MRA)	2,616	2,616	2,616	2,616	2,616
(449)	Collection Fund Adjustment Account	(449)	(449)	(449)	(449)	(449)
6,804	Earmarked reserves	3,579	3,276	2,974	2,672	2,672
2,065	Capital Receipts Reserve	2,065	2,065	2,065	2,065	2,065
1,968	Provisions (exc. any accumulating absences)	1,968	1,968	1,968	1,968	1,968
751	Capital Grants Unapplied	751	751	751	751	751
21,672	Amount Available for Investment	13,108	12,405	12,103	11,801	11,801
2,221	External Investments	(83,334)	(88,762)	(92,049)	(92,351)	(92,351)
3,376	Working Capital (Deficit) / Surplus	3,376	3,376	3,376	3,376	3,376
<b>INTERNAL BORROWING / OVER BORROWING (£'000)</b>						

For context, the below interest rate view was in place at this time:

Link Group Interest Rate View 11.8.20											
	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month average earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-
6 Month LIBID	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-
12 Month LIBID	0.20	0.20	0.20	0.20	0.20	0.20	0.20	-	-	-	-
5yr PWLB Rate	1.90	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50



## Borrowing Strategy agreed:

In light of the interest rate forecast (note there was a 180bps margin on non HRA PWLB borrowing at this time) and risks highlighted around current commercial programme, a borrowing requirement of c£72.5m was identified by the Council, in-day rate monitoring was put in place by link to optimise timings of new borrowing, the following strategy was agreed with Link and noted in the minutes:

- ***HRA CFR increasing by circa £1.8m this year [2020-21] so consider borrowing from PWLB Gilts + 80bps for this borrowing requirement – (asap)***
- ***Additional SAIL Loans of £27.5m – consider borrowing from PWLB at Gilts + 180bps. [De-risks this financing need as market borrowing for this type of expenditure would be more expensive and PWLB have indicated in the Consultation Paper issued earlier this financial year that they will not fund this type of activity at some date in the near future] – arrange asap.***
- ***Remaining c.£43m consider funding via the market from institutional lenders in agreed tranches which tie in with the dates that the cash is actually needed (future drawdown periods to be agreed) but importantly the interest rate is fixed on the loan now. This scheduled drawdown facility is not available from the PWLB. It is also anticipated that these loans will be materially cheaper than the current PWLB lending rate for General Fund purposes of Gilts plus 180bps. The purpose of this deferred drawdown loan will be to refinance temporary borrowing and general capex as part of the capital programme.***

**Note:** Even with the benefit of hindsight the above borrowing strategy which was set out during the Strategy meeting on 11<sup>th</sup> Aug 2020 seems sound. The long-term view on interest rates was to remain low at 0.1% for the forecast period to March 2023 however there was still a Gilts +180bps margin on new non HRA PWLB borrowing making any cost of carry for new PWLB loans significantly material in terms of revenue budget impact. Through this backdrop the sound strategy was to utilise short term borrowing and seek to replace with deferred market loans, thus securing budgetary certainty (minimising refinancing risk), avoiding significant cost of carry/increased counterpart exposure . The requirement for SAIL was to funded through PWLB at an opportune time (but as soon as possible) to ensure compliance with PWLB requirements prior to any potential change in regulations.

**14th Sep 2020** £7m from PWLB (in relation to SAIL) Application submitted for advance at the morning Fix rate; drawn down on 16th Sep:

Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):
247841	16/09/2020	16/09/2050	£7,000,000.00	2.57

**Note:** Following the above drawdown, the Council still had a further c£20m requirement for SAIL and The Council carries this risk should mooted PWLB regulation changes be announced

**12th Oct 2020** an update from the client was requested on the Councils borrowing by LTS and it was noted by the Council that “At some stage we will be looking to take some more PWLB borrowing but not until the rate drops closer to 2.5%. Last week it was around the 2.7% level, so no phone call updates needed just at the moment. We can touch base again as and when the rates start to move in the right direction”.

**19th Nov 2020** The Council was notified of a chance that the Chancellor may take the opportunity to release the new terms on PWLB borrowing.

**25th Nov 2020:** the Council was notified by Link as follows:

*With reference to our recent discussion, you will be aware that we have advised the Authority in the past to borrow PWLB to finance capex as the PWLB Consultation paper was threatening to withdraw the PWLB borrowing facility for any local authority planning to purchase assets for yield in the future. Today the HM Treasury have confirmed that the PWLB lending arrangement will be changing from 9am tomorrow morning. The language used in their communication is not very clear so you may need to seek further clarification from the PWLB, but it would appear that If you are planning to incur capex on investment assets in the next 3 years, for yield, the PWLB facility will not be available to the Authority from 9am tomorrow morning. If this interpretation is confirmed by the PWLB, and your intentions regarding your future capex plans remain unchanged in relation to your intention to purchase commercial assets for yield, then you may wish to consider borrowing today from the PWLB.*

Following this correspondence the client confirmed the below borrowing in relation to SAIL:

*“Many thanks for this briefing. We have proceeded today with borrowing £20m from PWLB today. £10m for 10 years and £10m for 30 years. The combined interest rates equate to 2.43%, which is just under our target rate of 2.5%. We are unlikely to take any further PLWB borrowing in the foreseeable future, so could you unsubscribe our treasury.management@brentwood.gov.uk account from the PWLB alerts that we currently receive. I can always go into Passport and take a look at the rates if I need to check them”.*

Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):
272452	27/11/2020	27/11/2030	£10,000,000	2.16
272454	27/11/2020	27/11/2050	£10,000,000	2.71

For context, the below interest rate view was in place at this time:

Link Group Interest Rate View		9.11.20													
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
5 yr PWLB	1.80	1.80	1.80	1.80	1.80	1.90	1.90	1.90	1.90	1.90	2.00	2.00	2.00	2.00	
10 yr PWLB	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	
25 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70	2.70	2.70	2.80	2.80	2.80	2.80	
50 yr PWLB	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.60	

**Note:** Following the above £20m drawdown, the Council had fully funded its Commercial programme (SAIL) prior to the regulation changes and therefore avoided placing its future access to the PWLB at Risk. This decision had to be taken despite it being known that the +180BPS margin above Gilts was to be reduced the following day to +80BPS as this scheme would not have been allowable. As such this was a sound decision (albeit a decision that could have been taken earlier).

**2<sup>nd</sup> Feb 2021:** The Council notifies LTS of the potential for a large in-borough purchase and potential requirement to borrow £62m at the end of February. The Council updated that they are in the process of purchasing another asset in Brentwood Town Centre, likely to complete at the end of February, supported by £17m borrowing. Initially borrow short-term, then refinance with PWLB borrowings.

**12<sup>th</sup> Feb 2021:** The previously discussed deferred drawdown borrowing option (as set out at the Aug Strategy Meeting) was presented to the Council. At the time, there was an anticipated c£1m saving over 2 years by not borrowing today and locking in a deferred drawdown private placement. It was noted that naturally the private placement rate was higher than current PWLB but does offer the certainty of locking in an interest rate for money in the future and forgoing the cost of carry £1m.

**19<sup>th</sup> Feb 2021** The Council outlined their preferred approach as follows:

- a) Borrow £30m from PWLB at the prevailing rate next week (1.86%)
- b) Borrow £60m short-term from other local authorities, with a view to replacing, say, £30m with PWLB funding over the next few months if rates start to drop towards the target level of 1.70%, or if they start to rise.

- c) Over the next few months, explore in more detail the deferred draw-down option for the remaining £30m, so that we fully understand the options and the risk factors.

## 22<sup>nd</sup> Feb 2021 Strategy Meeting with BBC:

The below Projected Forward /Balance Sheet agreed in advance with the Council:

2019/20 (£'000)		2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
56,409	GF	176,791	193,108	193,479	193,779	193,779
62,829	HRA	63,591	69,286	77,813	88,340	88,340
119,238	CFR	240,382	262,394	271,292	282,119	282,119
	PFI Liabilities					
-	Finance Lease Liabilities	-	-	-	-	-
119,238	Underlying Borrowing Requirement	240,382	262,394	271,292	282,119	282,119
(96,412)	External Borrowing c/fwd	(96,412)	(123,412)	(63,912)	(63,912)	(63,912)
-	Loan Maturities	-	59,500	-	-	-
-	New Loans	(27,000)	-	-	-	-
(96,412)	External Borrowing	(123,412)	(63,912)	(63,912)	(63,912)	(63,912)
22,826	Under / (Over) Borrowing	116,970	198,482	207,380	218,207	218,207
19%	Underborrowing as a % of Underlying Borrowing Requirement	49%	76%	76%	77%	77%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WORKING CAPITAL (£'000)</b>						
3,117	General Fund Balance	2,578	2,996	3,200	3,200	3,200
1,071	Housing Revenue Account Balance	1,133	1,567	1,585	1,612	1,612
6,345	Major Repairs Reserve	5,684	1,056	866	676	3,576
(449)	Collection Fund Adjustment Account	(449)	(449)	(449)	(449)	(449)
4,404	Earmarked reserves - GF	4,404	7,039	8,824	10,330	10,330
2,400	Earmarked reserves - HRA	2,400	2,400	2,400	2,400	2,400
2,065	Capital Receipts Reserve	2,065	2,065	2,065	2,065	2,065
1,968	Provisions (exc. any accumulating absences)	1,968	1,968	1,968	1,968	1,968
751	Capital Grants Unapplied	751	751	751	751	751
21,672	Amount Available for Investment	20,534	19,393	21,210	22,553	25,453
2,222	External Investments	(93,060)	(175,713)	(182,794)	(192,278)	(189,378)
3,376	Working Capital (Deficit) / Surplus	3,376	3,376	3,376	3,376	3,376

For context, the below Interest rate view was in place at this time:

Link Group Interest Rate View		8.2.21											
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.90	0.90	0.90	0.90	1.00	1.00	1.10	1.10	1.10	1.20	1.20	1.20	1.20
10 yr PWLB	1.30	1.30	1.30	1.30	1.40	1.40	1.50	1.50	1.50	1.60	1.60	1.60	1.60
25 yr PWLB	1.90	1.90	1.90	1.90	2.00	2.00	2.10	2.10	2.10	2.20	2.20	2.20	2.20
50 yr PWLB	1.70	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00

The meeting noted that the Council was looking for a 'blended' approach to its borrowing with a view to de-risk its current position limiting cost of carry and achieving a greater element of budget certainty through:

- (i) Utilising further short-term borrowing (Circa £60m) from other Local Authorities
- (ii) Borrowing Circa £30m from PWLB to fund immediate capital programme requirement.

- (iii) Securing an element of budget certainty through the possibility of arranging a forward starting market loan with a deferred drawdown which would replace £30m of the temporary loans

Prior to the meeting, an illustrative example for the deferred drawdown based on £30m principal for a 40 year annuity PWLB loan at 1.99% was provided:

40 year annuity	PWLB Cost (NPV @ 3.5%)	Market Loan Cost (NPV @ 3.5%)	NPV Saving/(Cost)	Cost of Carry
1 year forward (indicative rate of 2.36%)	£23.476m	£24.204m	(£0.728m)	£0.56m
2 year forward (indicative rate of 2.41%)	£23.448m	£23.584m	(£0.136m)	£1.12m
3 year forward (indicative rate of 2.45%)	£23.422m	£22.941m	(£0.481m)	£1.665m

The meeting minutes note that the Council will maintain dialogue with LTS over imminent borrowing requirement and look to optimise the point of borrowing from PWLB through monitoring of in-day expected movements, *(it was acknowledged that the short-time frame available limits the ability to achieve this due to imminent capital spend requirement)*.

**1<sup>st</sup> Mar 2021** An update was requested by LTS in relation to progression on Borrowing

**2<sup>nd</sup> Mar 2021** The Council confirmed as follows: *“Borrowed £55m last week to fund the first in-borough acquisition, which completed at the end of last week. We borrowed all of this short-term – a package of borrowings from other local authorities. The second acquisition is due to complete on Friday 12 March, and we will need to borrow £25m by that date to fund this acquisition. Ideally, we will borrow from PWLB to fund this acquisition to reduce our exposure to the risk associated with short-term borrowings. The timing of any PWLB borrowing, however, is critical with 50 year rates still at the 2% level”.*

**9<sup>th</sup> Mar 2021 LTS** *notified the Council that updated target rate (1.90 for 50 year maturity) rates are in this area at the moment so we will monitor closely with you. Please make sure that all the admin / paperwork is in place so you are able to undertake borrowing to act at short notice should you be notified of a favourable move.*

Updated forecast also issued direct to the Council:

Link Group Interest Rate View		8.3.21											
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.40	1.40	1.40	1.40
10 yr PWLB	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	1.90
25 yr PWLB	2.10	2.10	2.10	2.20	2.30	2.30	2.30	2.40	2.40	2.50	2.50	2.50	2.50
50 yr PWLB	1.90	1.90	1.90	2.00	2.10	2.10	2.10	2.20	2.20	2.30	2.30	2.30	2.30

**24<sup>th</sup> Mar 2021:** Link notify BBC of PWLB rates being below their Target Rate:

*You may have seen that 50 yr. PWLB is now just below your target rate at 1.89%? How is everything going your side? Also, are you still looking to progress with the deferred drawdown or do we need to look at an alternative approach?*

Client confirms application for borrowing submitted:

Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):
324302	26/03/2021	26/03/2071	£20,000,000	1.89

**Note:** £20m of identified borrowing allocation drawn down from PWLB at an excellent rate. It should be noted however that since the initial borrowing strategy was set-out by the Council in conjunction with LTS (Aug 2020), the Councils CFR has shifted upwards significantly and late notification of purchases through short term borrowing (see note on 22<sup>nd</sup> March) results in increased refinancing risk through additional short term borrowing of £55m; therefore outpaces initial borrowing strategy for replacing short term loans with longer term PWLB. The £20m loan above only partly offsets this increasing short term position.

**8<sup>th</sup> Apr 2021:** LTS requests meeting to update eon borrowing position

**23<sup>rd</sup> Apr 2021:** Update meeting held with Brentwood to update on debt strategy, a signed mandate was received by LTS to progress with the deferred drawdown through the market. The below Updated Forward Balance Sheet Projection was agreed with the Council:

2019/20 (£'000)		2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
56,409	GF	176,791	193,108	193,479	193,779	193,779
62,829	HRA	63,591	69,286	77,813	88,340	88,340
119,238	CFR	240,382	262,394	271,292	282,119	282,119
PFI Liabilities						
-	Finance Lease Liabilities	-	-	-	-	-
119,238	Underlying Borrowing Requirement	240,382	262,394	271,292	282,119	282,119
(96,412)	External Borrowing c/fwd	(96,412)	(178,412)	(103,912)	(63,912)	(63,912)
-	Loan Maturities	-	74,500	40,000	-	-
-	New Loans	(82,000)	-	-	-	-
(96,412)	External Borrowing	(178,412)	(103,912)	(63,912)	(63,912)	(63,912)
22,826	Under / (Over) Borrowing	61,970	158,482	207,380	218,207	218,207
19%	Underborrowing as a % of Underlying Borrowing Requirement	26%	60%	76%	77%	77%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WORKING CAPITAL (£'000)</b>						
3,117	General Fund Balance	2,578	2,996	3,200	3,200	3,200
1,071	Housing Revenue Account Balance	1,133	1,567	1,585	1,612	1,612
6,345	Major Repairs Reserve	5,684	1,056	866	676	3,576
(449)	Collection Fund Adjustment Account	(449)	(449)	(449)	(449)	(449)
4,404	Earmarked reserves - GF	4,404	7,039	8,824	10,330	10,330
2,400	Earmarked reserves - HRA	2,400	2,400	2,400	2,400	2,400
2,065	Capital Receipts Reserve	2,065	2,065	2,065	2,065	2,065
1,968	Provisions (exc. any accumulating absences)	1,968	1,968	1,968	1,968	1,968
751	Capital Grants Unapplied	751	751	751	751	751
21,672	Amount Available for Investment	20,534	19,393	21,210	22,553	25,453
2,222	External Investments	(38,060)	(135,713)	(182,794)	(192,278)	(189,378)
3,376	Working Capital (Deficit) / Surplus	3,376	3,376	3,376	3,376	3,376

For context, the below Interest rate view was in place at this time:

Link Group Interest Rate View		8.3.21											
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.40	1.40	1.40	1.40
10 yr PWLB	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	1.90
25 yr PWLB	2.10	2.10	2.10	2.20	2.30	2.30	2.30	2.40	2.40	2.50	2.50	2.50	2.50
50 yr PWLB	1.90	1.90	1.90	2.00	2.10	2.10	2.10	2.20	2.20	2.30	2.30	2.30	2.30

Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):
340223	27/04/2021	27/04/2071	£30,000,000	1.87

**Note:** The further £30m PWLB maturity loan above helped to further secure capital financing requirements at an excellent rate. The Council however still held a significant short-term position as at 30<sup>th</sup> April (£84.5m) exposing itself to significant refinancing risk (all be it, at a time when the long term out-look for rates was low, enabling the Council to fund at extremely low rates between 0.01% and 0.47%. The strategy remained to replace this short-term funding with a combination of PWLB maturity and deferred drawdown loans.

## Short Term Borrowing held by BBC at 30 April 2021:

Counterparty Name	Start Date	Maturity Date	Principal	Coupon
Western Isles Council	11/01/2021	11/05/2021	£2,000,000	0.0500%
Lincolnshire County Council	02/11/2020	04/05/2021	£2,000,000	0.1000%
Western Isles Council	02/11/2020	04/05/2021	£3,000,000	0.1000%
Warwick District Council	05/11/2020	05/05/2021	£2,500,000	0.1300%
Hyndburn Borough Council	05/01/2021	05/05/2021	£2,000,000	0.0500%
Barnsley Metropolitan Borough Council	14/01/2021	14/05/2021	£8,000,000	0.0500%
Tyne & Wear Pension Fund	25/02/2021	25/05/2021	£5,000,000	0.1000%
Oxfordshire County Council	16/09/2020	16/06/2021	£5,000,000	0.4700%
Lincolnshire County Council	16/09/2020	16/06/2021	£5,000,000	0.4500%
London Borough of Newham	09/09/2020	28/07/2021	£7,000,000	0.3500%
Somerset County Council	01/04/2021	01/12/2021	£5,000,000	0.1500%
Trafford Council	07/04/2021	07/01/2022	£5,000,000	0.160%
West Midlands Combined Authority	31/03/2021	07/01/2022	£10,000,000	0.1000%
Devon County Council	06/04/2021	07/01/2022	£5,000,000	0.1500%
Vale of Glamorgan Council	01/04/2021	14/01/2022	£5,000,000	0.1500%
Hampshire County Council	29/04/2021	28/01/2022	£6,000,000	0.1500%
Hyndburn Borough Council	05/05/2021	07/02/2022	£2,000,000	0.050%
Darlington Borough Council	28/04/2021	27/04/2022	£5,000,000	0.0100%

**18th Jun 2021:** LTs held a Meeting with BBC to review Investor presentation in advance of pitch to proposed market lenders for deferred drawdown funding.

**13th Jul 2021:** The below updated Forward Balance Sheet projection was provided for inclusion in investor presentations:



2020/21 (£'000)		2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
176,921	GF	193,108	193,479	193,479	193,779	193,779
63,437	HRA	69,286	77,813	88,340	88,340	88,340
240,358	CFR	262,394	271,292	281,819	282,119	282,119
	PFI Liabilities					
-	Finance Lease Liabilities	-	-	-	-	-
240,358	Underlying Borrowing Requirement	262,394	271,292	281,819	282,119	282,119
(96,953)	External Borrowing c/fwd	(233,223)	(263,223)	(218,223)	(243,223)	(253,723)
35,065	Loan Maturities	75,000	75,000	-	-	-
(171,335)	New Loans	(105,000)	(30,000)	(25,000)	(10,500)	-
(233,223)	External Borrowing	(263,223)	(218,223)	(243,223)	(253,723)	(253,723)
7,135	Under / (Over) Borrowing	(829)	53,069	38,596	28,396	28,396
3%	Underborrowing as a % of Underlying Borrowing Requirement	0%	20%	14%	10%	10%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WORKING CAPITAL (£'000)</b>						
2,875	General Fund Balance	3,114	3,318	3,318	3,318	3,318
1,480	Housing Revenue Account Balance	1,914	1,932	1,932	1,932	1,932
6,473	Major Repairs Reserve	1,954	1,800	1,800	1,800	1,800
(5,675)	Collection Fund Adjustment Account	(2,000)	(500)	(500)	(500)	(500)
10,781	Earmarked reserves - GF	10,781	10,781	10,781	10,781	10,781
2,400	Earmarked reserves - HRA	2,609	3,435	3,435	3,435	3,435
2,604	Capital Receipts Reserve	2,604	2,604	2,604	2,604	2,604
1,527	Provisions (exc. any accumulating absences)	1,527	1,527	1,527	1,527	1,527
896	Capital Grants Unapplied	896	896	896	896	896
23,361	Amount Available for Investment	23,399	25,793	25,793	25,793	25,793
21,223	External Investments	29,228	(22,276)	(7,803)	2,397	2,397
4,997	Working Capital (Deficit) / Surplus	5,000	5,000	5,000	5,000	5,000

19th to 22nd Jul 2021: Further long term PWLB funding was taken in conjunction with the deferred drawdown process (which is ongoing at this time)

For context, the forecast as of 10<sup>th</sup> May was still in place at this time and includes potential increases in Bank rate from Sep 2023 (to 0.25%) but no significant amends to long term PWLB rates:

Link Group Interest Rate View		10.5.21											
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.40	0.40	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.50	0.50	0.50	
5 yr PWLB	1.20	1.20	1.30	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	
10 yr PWLB	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00	
25 yr PWLB	2.20	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.50	2.60	
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.40	

Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):
378361	19/07/2021	19/07/2031	£7,000,000	1.48
378527	22/07/2021	22/07/2034	£10,000,000	1.55
378529	22/07/2021	27/01/2068	£9,000,000	1.67
378263	22/07/2021	27/07/2069	£10,000,000	1.65

**Note:** The above £36m of PWLB Maturity tranche of long term PWLB supported the ongoing capital programme and the allocation was secured at very low rates. At this time, the long-term interest rate outlook was still low. LTS forecasted 2.4% as the highest point in its 50 year PWLB forecast (*still in place from 10<sup>th</sup> May*).

## 10<sup>th</sup> Sep 2021: Further meeting re investor drawdown

Updated Forward Balance Sheet Projection:

2020/21 (£'000)		2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
177,036	GF	193,108	193,479	193,479	193,779	193,779
63,437	HRA	69,286	77,813	88,340	88,340	88,340
240,473	CFR	262,394	271,292	281,819	282,119	282,119
	PFI Liabilities					
-	Finance Lease Liabilities	-	-	-	-	-
240,473	Underlying Borrowing Requirement	262,394	271,292	281,819	282,119	282,119
(96,593)	External Borrowing c/fwd	(233,223)	(255,723)	(266,223)	(278,723)	(278,723)
35,000	Loan Maturities	129,500	17,000	7,500	-	-
(171,630)	New Loans	(152,000)	(27,500)	(20,000)	-	-
(233,223)	External Borrowing	(255,723)	(266,223)	(278,723)	(278,723)	(278,723)
7,250	Under / (Over) Borrowing	6,671	5,069	3,096	3,396	3,396
3%	Underborrowing as a % of Underlying Borrowing Requirement	3%	2%	1%	1%	1%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WORKING CAPITAL (£'000)</b>						
2,874	General Fund Balance	3,114	3,318	3,318	3,318	3,318
1,480	Housing Revenue Account Balance	1,914	1,932	1,932	1,932	1,932
6,473	Major Repairs Reserve	1,954	1,800	1,800	1,800	1,800
(5,678)	Collection Fund Adjustment Account	(2,000)	(500)	(500)	(500)	(500)
10,783	Earmarked reserves - GF	7,678	9,250	9,250	9,250	9,250
2,400	Earmarked reserves - HRA	2,609	3,435	3,435	3,435	3,435
2,604	Capital Receipts Reserve	2,604	457	-	-	-
1,527	Provisions (exc. any accumulating absences)	1,527	1,527	1,527	1,527	1,527
1,011	Capital Grants Unapplied	1,011	1,011	1,011	1,011	1,011
23,474	Amount Available for Investment	20,411	22,230	21,773	21,773	21,773
21,223	External Investments	18,740	22,161	23,677	23,377	23,377
4,999	Working Capital (Deficit) / Surplus	5,000	5,000	5,000	5,000	5,000

**28th Sept 2021:** BBC updates LTS on borrowing position and review options:

*We currently have £68m of short-term borrowing with other local authorities, of which we will need to refinance around £40m (the balance will be covered by long-term borrowing taken out over the Summer). The £40m matures at different times between January and April 2022. We are considering our options – whether to continue to finance it short-term from other local authorities, or to lock into long-term financing from PWLB. In the light of the current upward trend in PWLB rates, I'd like to get your thought on what our approach could be. It would be useful to get your views on rates short-term borrowing rates and whether the current low rates are going to continue.*

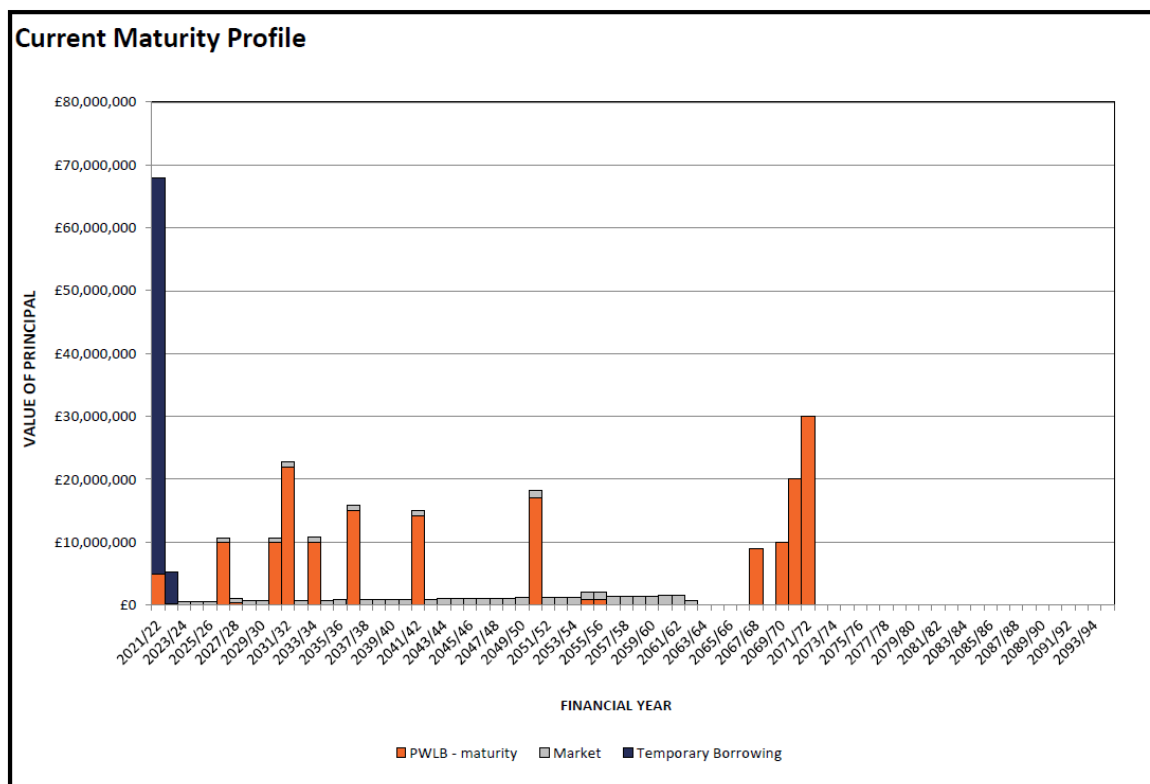
**29th Sep 2021:** Summary of approach for deferred drawdown option highlighted with BBC per below:

- have a premium over PWLB in terms of the interest rate and the amount of interest paid,
- provide a hedge against unexpected future PWLB interest rate increases or movements,
- provide certainty regarding the future interest rates payable, and
- provides a cost of carry saving by not borrowing today and in turn minimises credit risk by not having surplus cash that needs to be invested with a counterparty in a low interest rate environment.

Updated Interest rate view provided for context below which now shows a gradual increase in bank rate to a peak of 0.75% by March 2025 and 50 year PWLB still unchanged at 2.4%:

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

**22nd Oct:** A Debt profile illustration was provided by LTS to BBC which includes deferred loans a mocked up debt maturity profile is included to show “the £40m of annuity loans (£20m in 2years and £20m in 3 years overlayed with BBC current loans. The profile shows a smooth fall out of loans until maturity which complements BBC current debt portfolio in terms of having a staggered fallout of loans”



**29th Oct 2021:** BBC notifies LTS of further PWLB Borrowing as follows:

*“We applied yesterday for £20m of PWLB borrowing. The loan will start from next Thursday, assuming no queries from HMT. This borrowing is intended for refinancing some of the existing short-term term borrowing. Just to say, be assured that we remain keen to pursue the deferred market loan, which we are looking to align with our new borrowing requirements over the next 3-4 years. We’ve taken the £20m over 41 years @ 1.72%. With the drop in rates this week on the back of the market reaction to the scaling back of QE*

Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):
431961	04/11/2021	04/11/2062	£20,000,000	1.72

**Note:** The above £20m of PWLB borrowing takes total fixed long-term maturity PWLB borrowing to £133m (from 16<sup>th</sup> September 2020 to 4<sup>th</sup> November 2021). Whilst this is a significant amount of borrowing for a period of just over one year, there has been a coherent strategy in place (including the planned deferred drawdown of c£45m). The financing of the projected CFR (updated 10<sup>th</sup> Sep 2021 detailed above) is at this point fully funded and therefore de-risked with long term low interest rate PWLB loans secured. The proposed deferred drawdown (set-up to replace outstanding short term funding, ensured budgetary certainty of funding whilst avoiding cost of carry).

**12th Dec 2021:** Forward Borrowing agreed:

Total £45m Annuity loans on a deferred drawdown basis: £25m 40yr annuity loan for settlement 14/8/2023 at a rate of 2.058% and a £20m 40yr annuity loan for settlement 13/6/2024 at a rate of 2.059%.

**Note:** The above £45m deferred drawdown loans agreed with private lender Phoenix were secured after 8 months from the signed mandate. This was a rigorous process involving numerous presentations by BBC to prospective lenders. LTS supported in the projection of the presentation packs and ongoing investor queries. As detailed in the below (most recent forecast from LTS): The strategy to undertake these loans at the time seemed to be good risk management for the debt portfolio and the decision when viewed in hindsight further emphasises this point.

Link Group Interest Rate View		20.12.21													
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00	
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10	
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20	
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00	
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30	
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50	
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30	

### 03<sup>rd</sup> Mar 2022 Strategy Meeting

Link Group Interest Rate View		7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25		
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25		
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20		
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30		
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40		
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30		
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40		
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60		
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40		

### 08<sup>th</sup> Mar 2022: Updated Forward Balance Sheet following Strategy Meeting:

The draft Forward Balance Sheet Review was presented which showed the CFR continuing to increase from £250m in 2021/22 to £326m in 2024/25. The draft FBS position includes the deferred borrowing scheduled (£25m in 2023/24 and £20m in 2024/25).

The meeting minutes also noted: *The Council is anticipating a further £102m spend on capital over the next 3 financial years to 2024/25. This includes a new Regeneration Fund initiative which represents £20m of this value (although this could increase up to £100m). The initiative involves loans to SME's to support their development plans. It was noted that a full appraisal should be undertaken to assess the risks and particular attention should be given to the potential impact of proposed changes to MRP guidance via the DLUHC consultation on changes to the Capital Framework. The proposal is to stop the exclusion of MRP relating to an investment asset or capital loan with implemented from 1st April 2023, (no retrospective application). It is however not yet clear how the changes will be implemented, if it would be applied to loans already in place or only applied to new loans provided once the revised regulations are adopted. This would also impact on the Councils SAIL investments.*

2020/21 (£'000)		2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
177,036	GF	185,802	217,180	217,180	216,670	216,670
63,437	HRA	64,487	78,468	103,268	109,460	109,460
240,473	CFR	250,289	295,648	320,448	326,130	326,130
-	PFI Liabilities	-	-	-	-	-
-	Finance Lease Liabilities	-	-	-	-	-
240,473	Underlying Borrowing Requirement	250,289	295,648	320,448	326,130	326,130
(96,593)	External Borrowing c/fwd	(233,089)	(228,261)	(279,261)	(309,261)	(313,261)
35,000	Loan Maturities	149,681	41,000	49,000	16,000	-
(171,496)	New Loans	(144,853)	(92,000)	(79,000)	(20,000)	-
(233,089)	External Borrowing	(228,261)	(279,261)	(309,261)	(313,261)	(313,261)
7,384	Under / (Over) Borrowing	22,028	16,387	11,187	12,869	12,869
3%	Underborrowing as a % of Underlying Borrowing Requirement	9%	6%	3%	4%	4%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WORKING CAPITAL (£'000)</b>						
2,874	General Fund Balance	2,874	2,874	2,874	1,470	(356)
1,480	Housing Revenue Account Balance	1,480	1,514	1,997	2,457	2,457
6,473	Major Repairs Reserve	1,954	1,800	1,800	1,800	1,800
(5,678)	Collection Fund Adjustment Account	(2,000)	(500)	(500)	(500)	(500)
10,783	Earmarked reserves - GF	6,472	7,315	8,302	9,324	9,324
2,400	Earmarked reserves - HRA	2,400	2,327	2,327	2,327	2,327
2,604	Capital Receipts Reserve	2,604	457	-	-	-
1,527	Provisions (exc. any accumulating absences)	1,527	1,527	1,527	1,527	1,527
1,011	Capital Grants Unapplied	1,011	1,011	1,011	1,011	1,011
23,474	Amount Available for Investment	18,322	18,325	19,338	19,416	17,590
21,089	External Investments	1,294	6,938	13,151	11,547	9,721
4,999	Working Capital (Deficit) / Surplus	5,000	5,000	5,000	5,000	5,000

**Updated Short Term Borrowing Position Presented at the 08th March 2022 Meeting:**

## Brentwood Borough Council - Temporary Borrowing

Loan Reference Number	Counterparty Name	Start Date	Maturity Date	Principal	Coupon	Years to Maturity
	Darlington Borough Council	28/04/2021	27/04/2022	£5,000,000	0.1000%	0.15yrs
	Winchester City Council	27/01/2022	27/04/2022	£1,500,000	0.1200%	0.15yrs
	New Forest District Council	27/01/2022	27/04/2022	£1,500,000	0.1200%	0.15yrs
	Western Isles Council	28/02/2022	28/04/2022	£5,000,000	0.3000%	0.15yrs
	West Yorkshire Combined Authority	28/01/2022	29/11/2022	£5,000,000	0.2000%	0.74yrs
	West Yorkshire Combined Authority	14/01/2022	15/12/2022	£5,000,000	0.2000%	0.78yrs
	Warwickshire County Council	26/01/2022	25/01/2023	£5,000,000	0.3000%	0.9yrs
	Hampshire County Council	28/01/2022	27/01/2023	£6,000,000	0.3000%	0.9yrs
	Hyndburn Borough Council	07/02/2022	06/02/2023	£2,000,000	0.2000%	0.93yrs

### 14th March, final tranche (to date) of PWLB borrowing taken:

Ref:	Start date:	Maturity date:	Principal:	Interest rate (%):
494800	14/03/2022	14/03/2042	£2,853,000	2.31

**Note:** The updated March 2022 Forward Balance Sheet projections above shows £80m of net new borrowing (£35m after deferred drawdown loans secured) over the forecast period. This contrasts with the Sep 2021 projection detailed previously above which shows £54.5m of net new borrowing (£9.5m after deferred drawdown loans secured.) This increasing borrowing need is reflective of the continuing ambitions of BBC's capital programme as detailed in the strategy meeting note above; *(despite BBC having already secured £178m of long-term borrowing via PWLB and through its deferred drawdown loans.*

Subsequently, a further £2.853m of PWLB Maturity borrowing was secured on 14<sup>th</sup> March. The Council held £36m of short-term borrowing. These short loans are to be covered by the deferred drawdown market loans of £45m, however due to the ongoing steeping in the CFR, the Council will still have significant exposure to increased borrowing costs.

### 04<sup>th</sup> Oct 2022 Strategy Meeting:

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>BANK RATE</b>	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

2021/22 (£'000)		2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
184,054	GF	188,524	211,432	210,664	216,670	216,670
64,487	HRA	75,267	100,067	106,259	109,460	109,460
248,541	CFR	263,791	311,499	316,923	326,130	326,130
PFI Liabilities						
-	Finance Lease Liabilities	-	-	-	-	-
248,541	Underlying Borrowing Requirement	263,791	311,499	316,923	326,130	326,130
(233,224)	External Borrowing c/fwd	(228,402)	(205,402)	(215,402)	(235,402)	(235,402)
4,822	Loan Maturities	38,000	15,000	-	-	10,000
	New Loans	(15,000)	(25,000)	(20,000)	-	-
(228,402)	External Borrowing	(205,402)	(215,402)	(235,402)	(235,402)	(225,402)
20,139	Under / (Over) Borrowing	58,389	96,097	81,521	90,728	100,728
8%	Underborrowing as a % of Underlying Borrowing Requirement	22%	31%	26%	28%	31%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WORKING CAPITAL (£'000)</b>						
2,874	General Fund Balance	2,874	2,874	1,470	356	356
1,927	Housing Revenue Account Balance	1,480	1,514	1,997	1,997	1,997
5,153	Major Repairs Reserve	1,800	1,800	1,800	1,800	1,800
(4,461)	Collection Fund Adjustment Account	(500)	(500)	(500)	(500)	(500)
12,619	Earmarked reserves - GF	7,315	8,302	9,324	9,324	9,324
2,327	Earmarked reserves - HRA	2,327	2,327	2,327	2,327	2,327
2,337	Capital Receipts Reserve	457	-	-	-	-
1,191	Provisions (exc. any accumulating absences)	1,191	1,191	1,191	1,191	1,191
1,095	Capital Grants Unapplied	1,095	1,095	1,095	1,095	1,095
25,062	Amount Available for Investment	18,039	18,603	18,704	17,590	17,590
13,946	External Investments	(35,350)	(72,494)	(57,817)	(68,138)	(78,138)
9,023	Working Capital (Deficit) / Surplus	5,000	5,000	5,000	5,000	5,000

The meeting noted that “The Updated Forward Balance Sheet included revised CFR forecasts provided by the Council, which although shows the CFR increasing to £264m (up c£15m) in 2022-23, this was still a reduction based on the original TMSS forecasts. The forecasts were revised due to capital programme slippage. Whilst it was acknowledged that a revised reserves schedule is required, the projected cash position is still negative and will therefore require the continued approach of short term borrowing which exposes the Council to refinancing risk”.

It was also noted that “the Councils affordable housing programme has been delayed (still to be procured) and this project will likely require further viability assessment as a result. The Councils regeneration fund has also stalled due to current market conditions. There are two additional capital schemes which are not yet profiled into the CFR. These include the industrial estate at Childerditch (storage unit/depot) – Cost c£5.5m) and the £21.5m shopping centre development. Both Schemes are provisionally set for January 2024. Target levels of borrowing for these schemes is set at 3.5%”.

The Council updated on its borrowing strategy and it was noted that “The Council held £230m of External debt at the time of this meeting. (£192m Fixed PWLB) and £38m in short term loans from other local authorities. The average rate was 2.063%. (PWLB Maturity debt average life was 29.3 years). The Council has also secured two deferred drawdown loans from Phoenix as Follows: £25m 40yr annuity loan for settlement 14-8-2023 at a rate of 2.058% and £20m 40yr annuity loan for settlement 13-6-2024, with a rate of 2.059%. These rates were achieved based on a margin of 110bp over the relevant forward gilt and are profiled into the forward Balance sheet projection. The Council has also agreed a further £15m of forward dated short term loans from other LA’s.



*It was noted that the Council will be exposed to the current volatile interest rates for its short-term funding requirements. An element of this risk has however been offset through the forward/deferred deals and the view is to fix into longer term PWLB funding in a couple of years once rates fall back from current levels (per current forecast). Furthermore, Capital Programme slippage and internal borrowing will help to further defer some external borrowing requirements”.*

**Note:** It is clear from the above meeting minutes that BBC has continued with its ambitious capital plans, with further schemes of £27m sitting outside of the projections detailed above. The meeting note identifies the significant change in the interest rate environment since the last tranche of long term PWLB borrowing was undertaken. Further capital schemes were placed on hold with a view to delay any long term borrowing requirement until a point when rates return to levels in line with the Councils target borrowing rate (noted to be 3.5%). At this meeting time, the latest forecast did not anticipate 50 year PWLB maturity loans to be within this range until September 2024. *(At the time of writing, the updated forecast of 24<sup>th</sup> May 2023 sees this level not being reached until Sep 2025).*

## 4.6 SUMMARY OF DEBT POSITION AT MAY 2023

FIXED DEBT						
		Principal Outstanding	Discount	Premium	Average Rate	Average Life
PWLB	Maturity	£192,019,000	(£55,987,571)	£1,279,424	2.374%	28.69 yr
	Annuity	-	-	-	-	-
	EIP	-	-	-	-	-
<b>Total PWLB (fixed)</b>		<b>£192,019,000</b>	<b>(£55,987,571)</b>	<b>£1,279,424</b>	<b>2.374%</b>	<b>28.69 yr</b>
Market	Maturity	£0			-	-
	Annuity	£45,000,000			2.058%	40.59 yr
	Stock	£0			-	-
<b>Total MARKET (fixed)</b>		<b>£45,000,000</b>			<b>2.058%</b>	<b>40.59 yr</b>
EIB	Maturity	£0			-	-
	Annuity					
<b>Total EIB (fixed)</b>		<b>£0</b>			<b>0.000%</b>	<b>0.00 yr</b>
<b>Total FIXED debt</b>		<b>£237,019,000</b>	<b>(£55,987,571)</b>	<b>£1,279,424</b>	<b>2.314%</b>	<b>30.95 yr</b>

**Note:** The above table details BBC latest Summary Borrowing position. As can be seen, the average rate of fixed borrowing is at just 2.314% (average life 30,95 years). This is a very low rate by any standards. Even if the additional £44m of short-term borrowing is added, the average rate increases just slightly to 2.485% and as previously noted, this short-term debt will be replaced by the deferred loans at low coupon rates.

## 4.7 CFR AND EXTERNAL DEBT COMPARISONS FROM 2020/21 TO 2021/22

	2020/21 £bn	2021/22 £bn	% change y/y
<b>CFR</b>	<b>72.48</b>	<b>75.35</b>	<b>4%</b>
<b>PFI and finance leases</b>	<b>(8.54)</b>	<b>(8.31)</b>	<b>-3%</b>
<b>Underlying Borrowing Requirement (UBR)</b>	<b>63.94</b>	<b>67.04</b>	<b>5%</b>
<b>External borrowing</b>	<b>52.48</b>	<b>54.30</b>	<b>3%</b>
<b>Internal Borrowing</b>	<b>11.45</b>	<b>12.74</b>	<b>11%</b>
<b>% Internally Borrowed</b>	<b>17.9%</b>	<b>19.0%</b>	

**Note:** The above table shows the 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2022 movement CFR requirement (UBR) and external borrowing positions across 224 clients who submit their y/e information to LTS. BBC fits within the Non-metro district category where CFR's increased by 4% and external borrowing 3%. BBC CFR increased by 3.35% with external borrowing reducing by 2% during the same period. By 2025/26 however there is a significant 31.2% increase in CFR forecast to 2025/26 from 2021/22 levels. This follows on from CFR levels more than doubling between 2019/20 (£119,238k) to 2020/2021 (£240,473K).

Type	2021			2022		
	Internal Borrowing £bn	UBR £bn	%	Internal Borrowing £bn	UBR £bn	%
Welsh Unitary	0.30	3.11	9.8%	0.31	3.15	9.9%
Scottish Unitary	0.97	13.05	7.5%	1.37	13.79	9.9%
London Boroughs	1.94	6.09	31.8%	1.84	6.54	28.1%
Metropolitan Districts	3.00	14.44	20.8%	3.49	14.96	23.3%
Unitary Authorities	1.89	10.06	18.8%	2.22	10.66	20.8%
Counties	1.31	7.34	17.8%	1.46	7.52	19.4%
Non-Metropolitan Districts	1.56	8.63	18.1%	1.79	9.01	19.8%
Other Authorities	0.13	0.75	17.1%	0.17	0.84	20.1%
Combined Authorities	0.35	0.47	73.4%	0.10	0.56	18.1%
<b>Total</b>	<b>11.45</b>	<b>63.94</b>	<b>17.9%</b>	<b>12.74</b>	<b>67.04</b>	<b>19.0%</b>

**Note:** The above table shows the 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2022 movement in underlying borrowing requirement (UBR) and internal borrowing positions across 224 clients whom submitted their y/e information. BBC fits within the Non-metro district category where UBR increased on average from 18.1% to 19.8%. BBC UBR increased from 3% March 2021 to 8% March 2022.

## 4.8 DEBT RATIOS

The following table shows the revenue costs to the general fund of financing capital expenditure (made up of interest charges and provision of debt repayment) as a ratio of general fund net revenue:

**Table 5: Ratio of Financing Costs to Net revenue Stream (Per 2023/24 TMSS):**

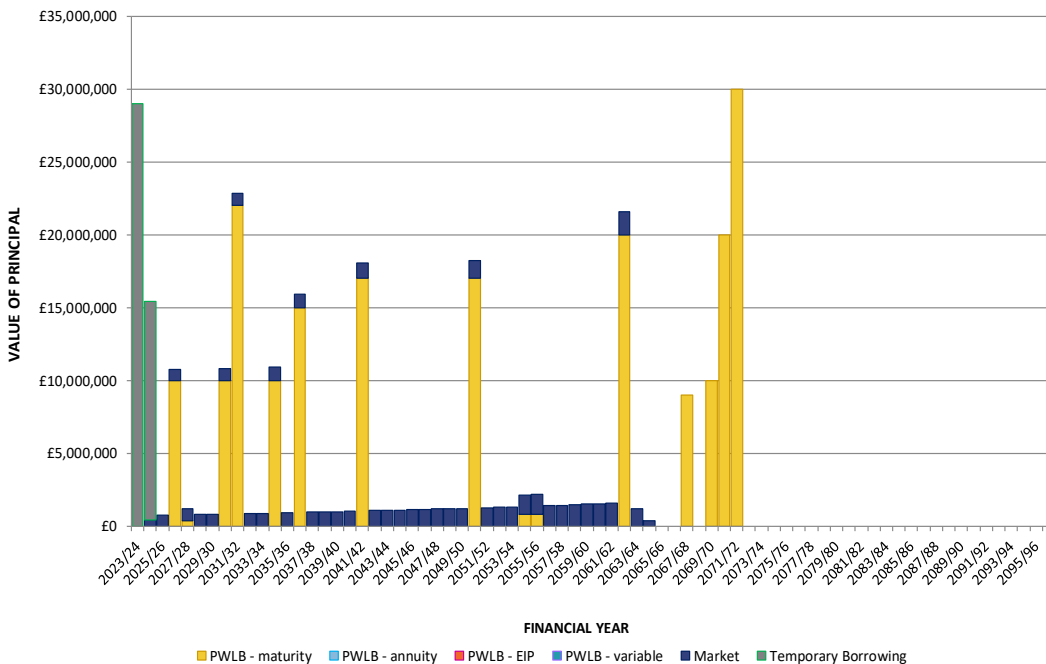
General Fund	2020/21	2021/22	2022/23	2023/24	2024/25
Financing Costs (£000's)	1,109	3,431	4,300	4,998	5,938
Net Revenue Stream (£000's)	9,245	9,061	9,027	8,477	8,647
Ratio (%)	12	38	48	59	69

**Note:** The above table shows a significant increase in the proportion of financing costs to net revenue stream borne by the general fund through years 2020/21 to 2024/25.

**Action:** It may be appropriate to add debt exposure to the Council’s risk register with assessment of impact in relation to forecast rising debt levels, exposure to rising interest rates, affordability and mitigating actions including deferring/re-appraising planned capital programmes.

### 4.9 DEBT MATRUITY PROFILE AT 23.05.2023

The maturity graph below shows how BBC is still heavily exposed to rising longer term borrowing rates through its outstanding short term local Authority borrowing. BBC however does have a good spread of long term maturity profiles for its PWLB debt and a significant portion of BBC long term funding has been de-risked through long term low rate PWLB loans.



### 4.10 BORROWING BENCHMARK PERFORMANCE

10 of the 12 Councils in Essex held outstanding PWLB borrowing at year end 31<sup>st</sup> March 2023. (Including Brentwood BC). [The data has been sourced direct from PWLB Website]. The below table shows that BBC ranks 1<sup>st</sup> as the top performer when looking at the average rate of secured for its

external PWLB borrowing portfolio, with a rate of 2.37% being achieved. Furthermore BBC has a 28.8 average years to maturity for its debt which is 2<sup>nd</sup> on the list just behind Colchester City at 29.85. Granted that these figures do not include any short term borrowing outside of PWLB however this still indicates that BBC has secured this low rate of borrowing for a significant time period compared to its peers.

**Table 6: Essex Authority PWLB Borrowing at 31st March 2023:**

Local Authority	No. of PWLB Loans	Total Principal	Weighted Average Rate %	Weighted average Years to Maturity	Rank
Brentwood BC	18	£192,019,000	2.37	28.8	1
Braintree DC	1	£5,800,000	2.59	14.16	2
Castle Point DC	6	£33,300,000	2.73	6.05	3
Colchester City	37	£132,094,000	3.28	29.85	4
Epping Forest DC	17	£261,639,333	3.3	15.49	5
Harlow DC	6	£211,837,000	3.31	11.19	6
Basildon BC	69	£314,300,967	3.34	17.43	7
Tendring DC	20	£34,699,167	3.57	19.88	8
Uttlesford DC	22	£158,314,827	3.76	16.89	9
Bassetlaw DC	13	£65,363,000	3.90	14.61	10

**Note:** Brentwood compare favourably (ranking 1<sup>st</sup>) in comparison to the other Essex based Authorities when looking at weighted average rate paid on its outstanding PWLB debt. Furthermore, with a weighted average time to maturity of 28.8 years in existing PWLB debt, this low rate has been secured for the long term.

## 4.11 CONCLUSIONS TO SECTION 4 ON BORROWING

- TM Staff have maintained an ongoing dialogue with its Treasury Advisors and there is clear rationale detailed prior to each borrowing decision. *[Evidenced through ongoing iterations of forward balance sheet projections, rate tracking and detailed minutes/email exchanges between BBC and its treasury advisors].*
- The clear borrowing strategy has been borne out through the total current long term debt portfolio for BBC being at a very low average rate of 2.31%.
- Furthermore, the total PWLB portfolio at 31<sup>st</sup> March 2023 had an average rate of 2.37% which was the lowest amongst its Essex Authority peer group.
- Despite BBC having demonstrated a clear and detailed borrowing strategy, capital programme ambitions and the pace of these capital plans have led to an ongoing and significant increase in CFR levels (*BBC's CFR has doubled between 2019/20 and 2020/21*); therefore, BBC is still exposed to a rising interest rate environment for future borrowing needs.
- This exposure to refinancing risk comes despite the fact over £180m of long-term borrowing was externalised in the relatively short period between September 2020 to March 2022. (£135.8m of PWLB maturity loans and a further £45m deferred drawdown Market loans)
- The CFR is forecast to increase yet further by 31% through to 2025/26.
- The £45m deferred drawdown market loans secured in December 2021 have further supported the borrowing strategy and helped to de-risk this element of the portfolio's exposure to rising interest rate.
- The main question in relation to BBC borrowing strategy is in terms of affordability. The Financing Costs to Net Revenue Stream have seen a significantly material increase (*as reported in BBC 2023/24 TMSS*) with an increase from 12% in 2020/21 to a forecast position of 69% by 2024/25.
- As noted, it may be appropriate for BBC to add debt exposure to the Councils risk register with assessment of impact in relation to forecast rising debt levels, exposure to rising interest rates, affordability and mitigating actions including deferring/re-appraising planned capital programmes.
- BBC borrowing strategy can only be optimised with an appropriate long term capital strategy. A separate review of BBC Capital Strategy is underway and falls outside the scope of this Treasury Strategy Health Check however findings from this report will naturally build on the findings of the Capital Strategy Review, further strengthening

Governance and compliance around the treasury Management Borrowing Strategy, planning and approach taken by BBC.

# 5. The annual TM strategy report: investing

## 5.1 INTRODUCTION

- Statutory guidance requires local authorities to prepare an **Annual Investment Strategy (AIS)**.
- The CIPFA TM code requires local authorities to prepare an annual **Treasury Management Strategy**; this is commonly referred to as the **TMSS** (the Treasury Management Strategy Statement), and it can incorporate the AIS as above.
- The CIPFA prudential code which deals with capital finance, requires local authorities to prepare a **Capital Strategy report**. BBC has chosen to roll all three reports into one report termed the **Capital and Investment Strategy report 2023/24 incorporating the Investment and Treasury Management Strategy**.

The most important part of an investment strategy report is setting out what creditworthiness parameters will apply to all investments made by the authority.

As already explained in section 2, statutory guidance requires local authorities to apply and comply with three key principles in selecting creditworthy counterparties and suitable types of investment instrument to use.

**All local authority investing is required to be:**

- **Prudent**
- **To put security before liquidity and yield**
- ***Security - Liquidity - Yield ...in that order!***

**In addition, all investments in each local authority's investment portfolio have to be split between specified and non-specified.**

The 2004 edition of the statutory guidance introduced a new concept which is not found in the CIPFA TM Code – the need to split all investments by a local authority between **specified and non-specified investments**: -

### ***INVESTMENT SECURITY [5.1 - 5.3]***

13. The idea of **specified investments [5.1]** is to identify options with relatively high security and high liquidity, **to which authorities need make only minimal reference in their Strategies.**



The 2010 and 2018 editions of the statutory guidance retained this distinction between specified and non-specified investments.

## 5.2 CREDITWORTHINESS LIMITS

Para 154 of the Councils 2023/24 TMSS details the Council's proposed minimum acceptable credit as follows:

Agency	Short term	Long term
Fitch	F1	A-
Moody	P-1	A3
S&P	A1	A-

The following is an extract from the 2023/24 strategy report para162: *The table below details the Councils Investment Instruments that it will utilise, and the associated limits:*

Instrument	Minimum short term credit rating	Minimum long term credit rating	Maximum value of investment per counterparty	Maximum duration of investment
Term Deposits with UK Local Authorities	N/a	N/a		3 years
Term deposits or notice accounts with UK banks and building societies	Fitch F1 Moody's P-1 S&P A-1	Fitch A- Moody's A3 S&P A-	£5m	1 year
Term deposits with banks part nationalised	Minimum credit ratings not required as long as these banks continue to be part nationalised		£5m	1 year
Term deposits or notice accounts with non UK banks accessible via the Link Group Agency Treasury Service	Fitch F1 Moody's P-1 S&P A-1	Fitch A- Moody's A3 S&P A-	£5m	1 year
	Sovereign rating AA-			

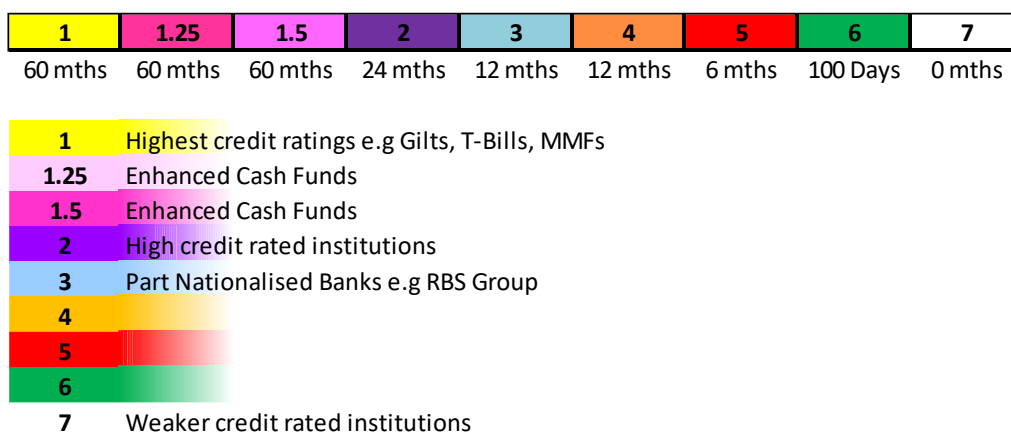
Debt Management Account Deposit Facility (DMADF)	N/a	N/a	Unlimited	6 months (DMADF time limit)
Ultra-Short/Short Dated Bond Funds	Selection process	Selection process		
Treasury Bills issued by the UK Government	N/a	N/a	Unlimited	1 year
Money Market Funds CNAV	N/a	AAA	£5m	Liquid
Money Market Funds LVNAV	N/a	AAA	£5m	Liquid
Money Market Funds VNAV	N/a	AAA	£5m	Liquid
Certificates of Deposit issued by UK institutions	Fitch F1 Moody's P-1 S&P A-1	Fitch A- Moody's A3 S&P A-	£5m	1 year

The Council has made the below amendment for its 2023/24 Investment Strategy:

*For 2023/24, investments of up to three years with other local authorities will be allowed, up to a total value of £5m. This is to enable the Council to access higher returns through investing for longer periods.*

It is further noted in para 159 that *“In 2022/23, the country limits were expanded to include the non-UK banks that are accessible via the Agency Treasury Service provided by Link Group.”*

The following diagram illustrates the suggested time horizon “buckets” that individual counterparties are assigned to by Link Treasury Services, dependent on a calculation that incorporates both credit ratings and the CDS price of an entity. The colour of a counterparty is also shown on a Council’s Monthly Investment Report. Link Treasury Service’s Approved Counterparty List is found at Appendix 3.0 and the Council’s credit list is shown for comparison in Appendix 4.0.



Although BBC treasury advisors Link Treasury Services have their own suggested counterparty approach as outlined above, it is up to each authority to determine their own risk appetite and therefore they may choose to take greater or less risk than the approach set out by Link Treasury Services. As noted, prior to 2022/23 the Council took a more risk averse approach to investment strategy with the exclusion of non-UK banks from its approved counterparty list (despite some of those banks meeting the minimum acceptable credit score set-out in Link Treasury Services approved Counterparty methodology). From 2022/23 BBC moved to include non-UK Banks which are accessible to BBC via Agency Treasury Services.

The only non-specified investments approved by BBC are Ultra Short and Short dated bond funds, as well as the 2023/24 amended allowance for investments up to three years with other Local Authorities. Yet, the Council has non undertaken any of these such investments. In this regard, the Councils investment strategy could be described as low risk however in terms of BBC standard approved Counterparty approach, it does not follow Link Treasury Serviced approved methodology.

**Note:** A key differential between BBC approved counterparty list and Link Treasury Services suggested list is the deposit duration period. BBC 'approved investment instrument' table (detailed above), has a maximum 1 year duration across all of its approved *counterparties* (*exception of DMADF as they have their own maximum term of 6 months and exc. LA's*)

An alternative approach provided by Link Treasury Services, as part of its client services, is a credit worthiness service which blends together the use of both long and short term ratings, viability and support ratings and rating outlooks, and then overlays them with analysis of CDS prices, (it was CDS prices which gave early warning that the Icelandic banks were heading towards default).

This is a complex approach which is beyond the capability of any local authority to replicate and therefore provides a higher level of credit analysis than any individual local authority can achieve on its own. LTS also has access to other market information which could provide early warning of concerns for an individual counterparty. It is doubtful that any local authority would have a similar level of access to market information and to process it in a usable form.

**IMPORTANTLY: following challenge of this approach as part of this review process, it has been confirmed that it is the intention of BBC to apply Links methodology (duration of suggested deposit terms).**

**Action: BBC to amend Capital & Investment Strategy to reflect intended Counterparty Approach in line with Link Treasury Service suggested methodology.**

## 5.3 FORECASTS OF EXPECTED INVESTMENT BALANCES

The following table appears in para 128 of BBC's Capital & Investment Strategy:

	31 March 2022 £000	31 March 2023 £000	31 March 2024 £000	31 March 2025 £000	31 March 2026 £000
Borrowing					
- PWLB	192,019	192,019	211,019	219,019	241,019
- Market Lender	0		25,000	45,000	45,000
- Other Local Authorities	36,000	25,000	31,500	33,500	22,000
- Transferred Debt	178	172	169	166	163
<b>Total Borrowing</b>	<b>228,197</b>	<b>217,191</b>	<b>267,688</b>	<b>297,685</b>	<b>308,182</b>
Investments	-11,000	-1,000	-5,000	-5,000	-5,000
<b>Net Borrowing</b>	<b>217,197</b>	<b>216,191</b>	<b>262,688</b>	<b>292,685</b>	<b>303,182</b>

**Note:** Investment Balances are clearly to be maintained at minimum levels for the medium term whilst the Council utilises short term and internal borrowing in support of its capital programme. As noted in the section on Borrowing, this is where the main risks to the current treasury strategy lie.

## 5.4 INVESTMENT PERFORMANCE

The benchmarking report detailed below compares the return that BBC's portfolio of specified investments actually earned during the period against the return that the portfolio would have been forecast to earn, given the three main risks inherent in it. It does this by comparing:

- (a) the actual weighted average rate of return (WARoR) earned by a portfolio, derived from the returns and portfolio holdings provided by each authority.
- (b) a forecast, or model, WARoR, which estimates what the portfolio would have been forecast to earn, given its exposure to maturity risk, credit risk and the risk of changes in the shape of the yield curve.

We measure a portfolio's exposure to maturity risk by calculating the length of time during which the investments in the portfolio have been held (since we want to forecast what the portfolio's return

should have been during this time). We measure it's exposure to credit risk by it's weighted average credit risk score. This score is arrived at after using Link's methodology (which takes into account variables such as credit ratings and CDS spreads) to measure a portfolio's exposure to credit risk on a scale of 1-7. Lastly, we measure a portfolio's exposure to changes in the shape of the yield curve by examining the spread of maturity dates in the portfolio (since the greater the dispersion in the maturity dates of a portfolio's investments, the greater is the risk of the portfolio being affected by a change in the shape of the yield curve.)

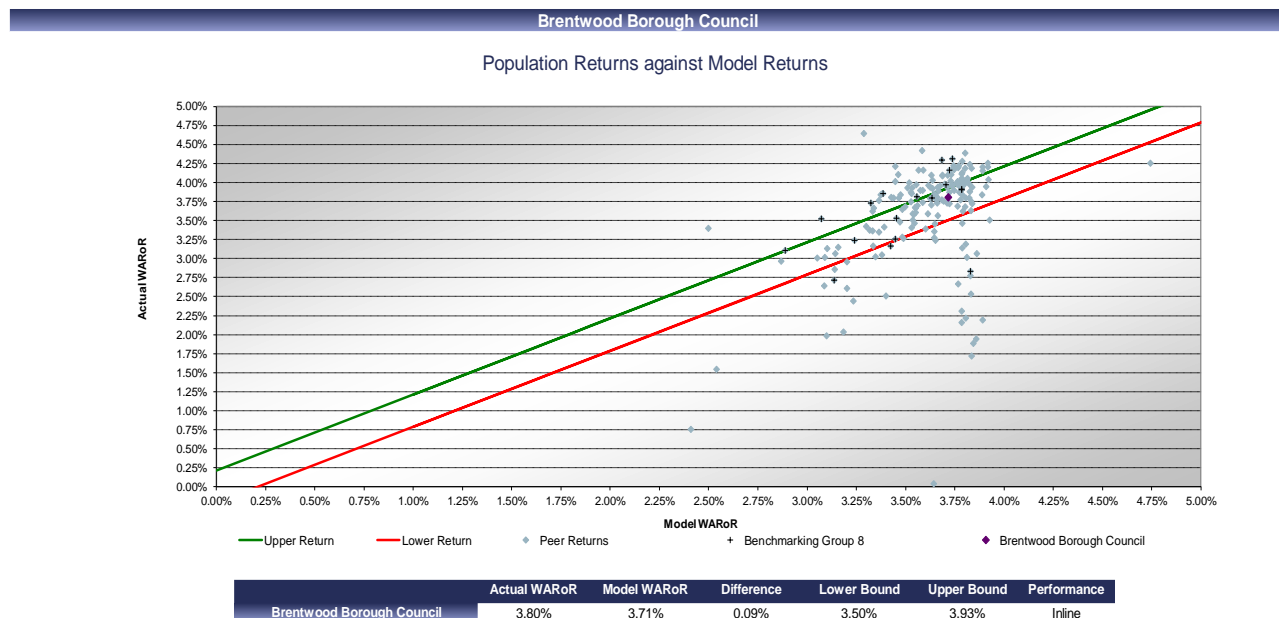
Although we use the above framework to forecast what a portfolio's return would have been given it's exposure to risk, we recognise that other variables might also influence it's return during any given time period. These other influences include, but are not limited to, diversification, the impact of timing, or the tilt of a portfolio towards a particular asset type or institution type that is extraordinarily paying an above market rate (e.g. special tranche rates). As such, we recognise that there is some uncertainty attached to our forecast WARoR.

We account for this uncertainty by using standard mathematical techniques to create a confidence interval within which we would expect the forecast WARoR should lie. (Another way of saying the same thing, given that we plot a portfolio's actual return on the vertical axis of the regression chart in the benchmarking report, is that it allows us to establish a range within which we would expect a portfolio's actual WARoR to have been, given the risks to which the portfolio was exposed, as they are reflected in the portfolio's forecast, or model, WARoR.) This enables us to plot on the regression chart in our benchmarking report: (i) a dot reflecting how each authority's actual WARoR (on the vertical axis) compared to it's forecast (or model) WARoR (on the horizontal axis) and (ii) upper and lower bands (or bounds) which reflect where we would expect each authority's actual return to have been, given (a) their portfolio's exposure to maturity, credit and yield curve risk and (b) the uncertainty attached to making a forecast portfolio return.

If an authority's actual WARoR lies above the upper band then we would say that the their return is "above" on a risk-adjusted basis, given the risks inherent in the portfolio. In other words, we would say that the portfolio actually earned a greater return than would be expected during the period, given the maturity, credit, and yield curve risks to which it was exposed. By contrast, if the portfolio's actual WARoR is below the lower bound, then we would say the client's return is "below" on a risk-adjusted basis, given the risks inherent in the portfolio. I.e. the portfolio actually earned a smaller return than would be expected during the period, given the maturity, credit and yield curve risks to which it was exposed. On the other hand, if the authority's actual return laid within the bands, (*as is the case for BBC at 31<sup>st</sup> March 2023*), then we would say that the return was "in line" on a risk adjusted basis, given the risks inherent in the portfolio. i.e. We would say that the portfolio earned a return commensurate with the maturity, credit and yield curve risks to which it was exposed. Once again, the bands are used to help identify whether performance was "above", "below" or "in line",

given the uncertainty of precisely forecasting what a portfolio would have been expected to earn, given the risks to which it was exposed.

## 5.6 BENCHMARK REPORT AS AT 31ST MARCH 2023

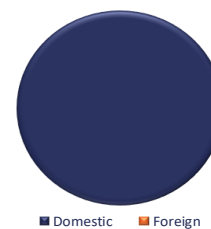
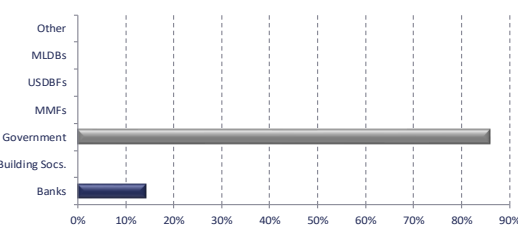
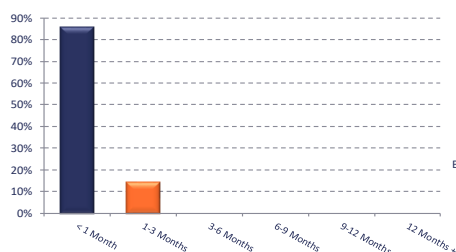


**Note:** Given the inherent limitations within BBC’s investment strategy (due to liquidity needs), the Council has performed well with its investment strategy, placing towards the upper returns band (green line). BBC achieved an actual Weighted Average Rate of Return (WARoR) of 3.8% which was above the model WARoR of 3.71%.

## 5.7 BBC INVESTMENT POSITION 31<sup>ST</sup> MARCH 2023

Totals		Portfolio Breakdown		Portfolio Characteristics				
<b>Total</b>	<b>£7,000,000</b>	Fixed Deposits	100.0%	WARoR	3.80%	<b>Score</b>	%	Days Limit
exc. Calls & MMFs & USDBFs	£7,000,000	Calls & O/N	0.0%	WAM	7	1	86%	1825
exc. Struct. Prods.	£7,000,000	MMFs	0.0%	WA Tot. Time	33	1.25	0%	1825
Fixed Deposits	£7,000,000	USDBFs	0.0%	Maturity Std. Dev.	15	1.5	0%	1825
Calls & O/N	£0	Struct. Prods.	0.0%	WA Risk	1.6	2	0%	730
MMFs	£0	Bonds	0.0%			3	0%	365
USDBFs	£0	CDs	0.0%			4	0%	365
Struct. Prods.	£0					5	14%	180
Bonds	£0					6	0%	100
CDs	£0					7	0%	0

Maturity Structure		Institution Type		Country	
< 1 Month	86%	Banks	14%	Domestic	100%
1-3 Months	14%	Building Soc.	0%	Foreign	0%
3-6 Months	0%	Government	86%	*Excludes MMFs & USDBFs	
6-9 Months	0%	MMFs	0%		
9-12 Months	0%	USDBFs	0%		
12 Months +	0%	MLDBs	0%		
		Other	0%		



Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating
DMO	3,000,000	4.05%	31/03/2023	03/04/2023	AA-
DMO	2,000,000	4.05%	31/03/2023	03/04/2023	AA-
Thurrock Borough Council	1,000,000	2.15%	05/10/2022	05/04/2023	AA-
National Bank of Kuwait (International) PLC	1,000,000	4.22%	28/03/2023	02/05/2023	A
<b>Total Investments</b>	<b>£7,000,000</b>	<b>3.80%</b>			

As can be seen by the above Investment summary, BBC has maintained a liquid portfolio with all investments sub 3 months. As such the investment portfolio is exposed to any fall in the yield curve. At this time however the yield curve has been steepening and thus the Council has seen investment returns increase as maturities are reinvested at higher rates.

## 5.7 ESG INVESTMENT POLICY

Page 3 of the Council's Capital and Investment Strategy notes the new requirements under TMP for an ESG Policy however the Council does not have any TMP's and therefore **does not meet this new requirement in relation to having an appropriate ESG investment approach**. Link Treasury Services provide an example template approach to support in this regard.

*Link note: this is a suggested draft for clients to amend as appropriate.*

ESG is an area that CIPFA is still working on after the 2022 revised codes. In particular, work will be needed to coordinate the priority which needs to be given to issues of security, liquidity and yield (SLY) while also accommodating ESG principles as a fourth priority and principle to apply.

The assessment and implementation of ESG considerations are better developed in equity and bond markets than for short-term cash deposits, primarily due to the wider scope of potential investment opportunities. Furthermore, there is a diversity of market approaches to ESG classification, analysis and integration. This means that a consistent and developed approach to ESG for public service organisations, focussed on more typical Treasury-type investments, is currently difficult to achieve. CIPFA, therefore, recommends authorities to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their organisation's own relevant policies, such as environmental and climate change policies.

CIPFA does not expect that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

When drafting an ESG "policy", Councils will need to understand that anything too "broad" in its approach could have a material impact on potential counterparties, which could then limit diversification and / or security considerations in investment processes. Furthermore, Councils will also need to be clear that when choosing between two counterparties that pass all relevant "security" tests, that the additional implementation of an ESG policy may mean that a lower investment rate is achieved by choosing the counterparty that passes the council's ESG requirements.

*Typical ESG considerations are shown below.* Please note that these are examples of ESG factors that are considered by Credit Rating Agencies, such as Fitch, Moody's and Standard & Poor's when assigning credit ratings to counterparties. The credit ratings provided by these agencies are also used as the basis for selecting suitable counterparties by Councils.

- **Environmental:** Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.
- **Social:** Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.
- **Governance:** Management structure, governance structure, group structure, financial transparency.

*Suggestions for possible wording.....*

This Council is supportive of the Principles for Responsible Investment ([www.unpri.org](http://www.unpri.org)) and will seek to bring ESG (environmental, social and governance) factors into the decision-making process for investments. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and



Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Council uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in credit risk and ratings statement, which is as follows:

*"We, the undersigned, recognise that environmental, social and governance (ESG) factors can affect borrowers' cash flows and the likelihood that they will default on their debt obligations. ESG factors are therefore important elements in assessing the creditworthiness of borrowers. For corporates, concerns such as stranded assets linked to climate change, labour relations challenges or lack of transparency around accounting practices can cause unexpected losses, expenditure, inefficiencies, litigation, regulatory pressure and reputational impacts.*

*At a sovereign level, risks related to, inter alia, natural resource management, public health standards and corruption can all affect tax revenues, trade balance and foreign investment. The same is true for local governments and special purpose vehicles issuing project bonds. Such events can result in bond price volatility and increase the risk of defaults.*

*In order to more fully address major market and idiosyncratic risk in debt capital markets, underwriters, credit rating agencies and investors should consider the potential financial materiality of ESG factors in a strategic and systematic way. Transparency on which ESG factors are considered, how these are integrated, and the extent to which they are deemed material in credit assessments will enable better alignment of key stakeholders.*

*In doing this the stakeholders should recognise that credit ratings reflect exclusively an assessment of an issuer's creditworthiness. Credit rating agencies must be allowed to maintain full independence in determining which criteria may be material to their ratings. While issuer ESG analysis may be considered an important part of a credit rating, the two assessments should not be confused or seen as interchangeable.*

*With this in mind, we share a common vision **to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness.**"*

For short term investments with counterparties, this Council utilises the ratings provided by Fitch, Moody's and Standard & Poor's to assess creditworthiness, which do include analysis of ESG factors when assigning ratings. The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.

For those Councils who use external fund managers to manage part of their investment portfolio, you should ask these managers to provide details of how ESG factors are incorporated into their investment process and provide the relevant details here.

*For councils investing in shares or corporate bonds, the following is an example of what could be included...*

This Council will not invest in companies whose core activities pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's mission and values e.g.:

- a. Human rights abuse (e.g., slave or child labour, political oppression)
- b. Activities that damage the environment by extraction of fossil fuels, destruction of habitat, or creation of pollutants
- c. Socially harmful activities (e.g., tobacco, gambling)
- d. Manufacture of weapons

**Action: As part of the TMP review, TMP 1 will be updated to include BBC ESG investment approach utilising LTS ESG Template wording as a starting point for this work.**

## 5.8 CONCLUSIONS TO SECTION 5 ON INVESTING

- It is clear that the main focus and risk area for BBC treasury Management strategy lies with borrowing rather than its investment strategy *[by investment strategy in this instance we are referring to 'regular' Treasury investments and not service/commercial investments]*.
- A key finding here has been the requirement for BBC to update its approved investment instruments table under para 162 of its Capital & Investment Strategy. This needs to reflect the intention of the Council to have its maturity limits for deposits in line with Links suggested approach.
- As noted, BBC will also need to include an ESG approach within its Capital & Investment Strategy, this will be picked up as part of the TMP work to be undertaken by the Council.
- It is for each authority to determine its own risk appetite. BBC has increased its risk appetite slightly through the inclusion of non-UK Banks *[which have been approved by its Treasury Advisors and are accessible through Agency Treasury Services]* from 2022-23 as well as approving investments with other Local Authorities for up to three years *[previously one year prior to 2023-24]*. The rationale for BBC increasing its maturity term for investments

with other LA's, is to utilise long term monies set aside in reserve, however from a practical sense this will have little impact on the Councils current investment activity as it requires liquidity to support its internal borrowing/ cashflow position. The Council in all likelihood will not utilise this investment option in the near future. The addition of Non-UK banks (from ATS platform) has however proved useful to the Council in expanding its counterparty options and increasing opportunities for greater yield without taking undue risk.

- The investment benchmarking information detailed in this report evidences that BBC has performed well compared to its peer group based on the weighted average rate of return being achieved. This is a welcome finding, particularly given the limitations on the current investment parameters due to the liquidity needs of BBC in support of its internal borrowing needs.
- BBC has the option to join one of LTS Investment Benchmark Groups if it wishes to have access to ongoing Investment benchmark meetings with peer Authorities.

## 6. Non-treasury management investments

The 2023/24 strategy report includes the following paragraph under Commercial Investments:

*These are investments held primarily for financial return with no treasury management or direct service provision purpose. The investments held by the Council that come within this category are:*

- *the loans totalling £60m made by the Council to its subsidiary company, SAIL, to fund the purchase of commercial properties*
- *the residential flats and the commercial office space in the Town Hall*
- *the neighbourhood shops that were formerly part of the HRA (these can be considered as legacy assets)*

Table 7 below shows the Movement in Fair Value of Investment Property 2021/22. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

**Table 7: Movement in Fair Value of Investment Properties:**

Investment Properties	£000's
Balance at 1st April 2021	16,714
Enhancements	70
Transfer to Surplus Assets	(256)
Net gains/(losses) from fair value adjustments	1,269
<b>Balance at 31st March 2022</b>	<b>17,797</b>

**Table 8: Ratio of Gross Income to Net revenue Stream (Per 2023/24 TMSS):**

Investments	2022/23	2023/24	2024/25
Service Delivery (%)	45	52	50
Commercial Investments (%)	35	36	36
<b>Total (%)</b>	<b>80</b>	<b>88</b>	<b>86</b>

**Note:** The above table shows significant reliance on non-treasury investment income in support of delivery of Council services.

**Note:** BBC has confirmed there are no further plans to invest directly in purchases of assets with the sole focus of generating yield. BBC should ensure that there is a process of ongoing monitoring, reporting and performance review of existing Commercial assets with appropriate risk management measures in place. It is noted that BBC does include the following risk on its Corporate Risk Register:

*“If the commercial income target from the Joint Venture and other activities are not achieved.”* This risk is scored 16 out of 25 and is ranked a very high risk by the Council. The mitigating measures detailed are:

- *Consultants have been engaged to advise and assist in delivery of projects*
- *Appropriate governance arrangements have been set up for the Council's Wholly owned company - Seven Arches Investment Ltd*
- *Progress reports to Committee. Robust business modelling and financial projections.*
- *Monthly SLT & Leader meetings to monitor finances*
- *Financial Initiatives working group established*

Whilst it is good to see BBC has high visibility of this area, it may be advisable to undertake sensitivity analysis and impact assessment around reductions in service income as well as establishing exit strategies. Councils engaging in non-treasury investment activity (*more specifically in relation to investing in assets primarily for financial return*), has seen some high-profile negative coverage. Failure to ensure appropriate financial controls within this area therefore not only brings financial risk but reputational risk which can be damaging to the Council and lead to a lack of trust/confidence in Leadership amongst for example taxpayers, other market participants and other Councils.

A separate review of BBC Commercial Assets and Capital Strategy is being undertaken and is outside the scope of this TMSS Health Check.

## 7. Staffing resource for the treasury management team



The Corporate Finance team of BBC underwent a restructure in 2022. This coincided with the S151 Officer leaving the Council. The Corporate Finance Manager (who was also involved with Treasury Management) transferred to another department. A new Corporate Finance Manager (Sam Wood) was appointed during this period and since this time has had responsibility for Treasury Management as part of their remit. Principal Accountant Alistair Greer has remained the constant within treasury and has significant expertise and experience in this area.

A new post has been created – (Capital & Treasury) however, the Council confirmed that recruitment there are no plans to recruit to this post at this time.

The Corporate Finance team is currently undergoing a service review as part of the wider ‘One Team’ programme involving Brentwood Council and Rochford Council. The outcome of this review has not yet been determined.

This Treasury Strategy Health Check report has been requested by Tim Willis, the Interim Director of Finance.

Tim started the end of November 2022. As noted, the previous S151 left in December 2022. Furthermore, Phoebe Barnes (Corporate Finance Manager) was promoted to Director of Assets and Investments role on November 1<sup>st</sup> 2022 and is no longer directly involved in Treasury Management Strategy going forward. Sam Wood joined the treasury team to replace Phoebe.

## **7.1 RESPONSIBILITIES OF TREASURY MANAGEMENT STAFF**

### **Corporate Finance Manager – Sam Wood**

Responsibility for:

- Co-ordinating annual budget setting process
- Development of MTFS
- Co-ordinating Budget Monitoring process
- Overseeing Treasury Management Operations

### **Principal Accountant (Financial Reporting) – Alistair Greer**

Responsibility for:

- Production of Annual Statement of Accounts
- Support with delivery of Capital Strategy / MTFS
- Co-ordination / liaison with External Audits in delivery of Annual Audit
- Maintaining the Councils Fixed Asset Register
- Daily Treasury Management activity
- Collection Fund

## **7.2 POSTS INVOLVED IN TREASURY MANAGEMENT DUTIES**

### **(i) Dealing in the Market**

- Placing the deals - Principal Accountant: Alistair Greer (daily requirement)
- Approval of deal – Corporate finance Manager: Sam Wood

Whenever possible the recording/checking of the details of deals is kept separate from the negotiating and closing of them however it was noted that the Principal Accountant has the autonomy to place deals with DMADF without additional authorisation

### **(ii) Authorisation process for bank payments**

- Creating payment via online banking - Finance Assistant: Vacant

- Authorising release of payment - Principal Accountant: Alistair Greer (daily requirement)

### (iii) Cash forecast (Cash book)

- Finance Assistant: Vacant (Temporary staffing measures in place)

**Note:** For the authorisation and release of payments, BBC does not currently have appropriate segregation of duties or seniority from sign-off on deals or release of payments. Processes have seemingly failed to keep pace with the expansion / growth and increased complexities of the treasury function. As a result, BBC is failing to meet the requirements of the Treasury Management Code of Practice.

The Treasury Team at BBC has seen a significant change in staff resource over the past 12 months which has exacerbated some of the resource issues which already existed within the tm function. This has adversely impacted the ability of the team to maintain/develop appropriate treasury management practices/ policies and processes. Ad hoc arrangements for daily treasury management have been in place even prior to the restructure. This will inevitably have had an adverse effect on the amount and quality of time dedicated to treasury management. BBC has been highly dependent on the TM expertise and experience of one person, the Principal Treasury Accountant (Alistair Greer), to manage TM operations in addition to the other duties as part of his main post.

**Note:** It is important for BCC to maintain a level of continuity within the Treasury Management function.



## 8. Treasury Management Practices (TMPs)

The below is an extract from BBC's 2023/24 Capital and Investment Strategy para 109:

*This Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services and, as required by the Code, has an approved Treasury Management Policy Statement and associated Treasury Management Practice Statements (TMPs).*

It has been confirmed as part of this review that the TMPs, for BBC have not been updated for some years, possibly several years.

Link Treasury Services supplies templates for each of the 12 TMP's to all clients. In the context of the repeated questions around the level of compliance with statutory guidance in this report, this is a serious omission.

Please see Appendix 5.0 for the templates that Link supplies to all clients for each of the TMP's

It is suggested that an annual review date is set for management to check that the TMPs have been fully updated for any changes during the year. It should be noted that the whole point of the TMPs is to ensure that all staff have the same understanding of how to operate the treasury management function by ensuring that a full description has been documented of all policies and procedures required to operate TM. This documentation should include a full set of all forms etc. in daily or other periodic use.

It is also important that the TMPs are taken seriously, and kept up to date, in order to build resilience into the TM function at BBC; if the authority were to lose key TM staff unexpectedly, the TMPs should be of sufficient quality that an outsider could pick up the TMPs and be able to operate TM at BBC i.e. this should not just be a tick box exercise to put a poor quality document into a file, never to see the light of day again. A detailed Operations Manual should be maintained.

It is suggested that a three-monthly check is made to ensure that names of staff, including backup staff, are up to date. As there is a major question in terms of how up to date the current TMPs are, it should be a priority to carry out a full review and update.

**Note:** As previously detailed in this report, BBC does not currently have any Treasury Management Practices in place. To comply with the CIPFA Code of Practice, BBC must produce a full set of TMP's for approval by Council.

**Action: BBC to produce a full suite of TMPS using Link Treasury Services Template information as a base to produce practices specific to BBC needs.**

**Action: BBC should maintain a three-monthly check to ensure that names of staff, including backup staff, are up to date detailed and detailed within an Operations Manual. An annual review date should be agreed for management to check that the TMPs have been fully updated for any changes during the year.**

## 9. Overall Conclusions

The findings and proposed actions from this Treasury Management Strategy Health Check will build on the additional findings from the separately commissioned pieces of work in relation to the BBC Capital Strategy, Commercial Assets and MRP Strategy. A key output of this report will be to provide an action plan to enable BBC to strengthen its TM framework, providing Officers and Members with greater confidence and oversight of ongoing treasury activities.

Whilst credit needs to be given to the treasury management team, in particular Alistair Greer for the work undertaken to deliver BBC's treasury management function, (most notably the execution of the long term borrowing rates secured); the investigations undertaken in writing this report have revealed numerous instances of lack of compliance/best practice, or questions around the level of compliance, with statutory guidance, the CIPFA treasury management code of practice and the CIPFA prudential code. The report has highlighted several instances here, particularly in relation to the absence of Treasury Management Practices. By developing a suite of TMP's specific to BBC needs, this will by default rectify many of the compliance issues raised here, whilst also installing best practice, e.g. segregation of duties, Operations Manual, Member approval processes, monitoring, training requirements and so on.

The overall conclusion from the examination of how treasury management has been carried out at Brentwood Borough Council, is that it has suffered from a lack of adequate resourcing in recent years. A more junior finance assistant has been in post to support with the more administrative function of the daily treasury management responsibilities, however at the time of writing, this post is vacant.

Furthermore, an experienced Senior Manager, previously involved in treasury, moved posts last year and will not be involved in treasury management going forward. Although this post has been filled, the replacement will naturally need time to develop experience within this often-complex area.

Several key recommendations have been identified as part of this review for BBC to follow-up on. Link Treasury Services will work with the Council in support of implementing these recommendations.

## 9.1 OTHER MAIN RECOMMENDATIONS REQUIRING FURTHER ATTENTION

1. There is a need for improvement in the level of **compliance** with statutory guidance, the CIPFA TM and Prudential Codes, Member approved TM limits and policies. These are all requirements which are applicable to a local authority.
2. A **new Capital and Investment Strategy Should be submitted for approval**. The amended Capital & Investment Strategy should also reflect the intended **counterparty approach** of the Council in line with Link Treasury Service suggested methodology. The report should also **include updated (accurate) CFR actuals** for 2021/22 with **existing projections reviewed for accuracy**.
3. Further detail on the Councils policy of **borrowing in advance of need should be included** within its revised Capital and Investment Strategy.
4. A **full set of Treasury Management Practices** should be developed (This will also include the required detail within **TMP1 in relation to the Councils ESG policy on investments**. Link Treasury Service Templates should be used as a starting point for this exercise.
5. A set of **investment management Practice (IMP)** should set out a range of criteria such as the investment objectives, risk management arrangements and reporting arrangements. For each, the various purposes and management arrangements should be described. The level of risk and the arrangements for managing it should be clearly set out. This detail will support Members ability for effective Scrutiny as well as ensure appropriate compliance with the revised TM Code of Practice.
6. Annual **review date set for TMP's and Operations Manual** with a three monthly check on the **Operations Manual maintained** to ensure Treasury Operational details are up to date (i.e. designated staff responsibilities)
7. A wider **Internal Audit of Treasury Management** would be advisable following implementation of the recommendations of this report.
8. In view of the number of instances of non-compliance in BBC's treasury management, it is suggested that there should be a **review of the level of training and expertise of Members** to help them to be able to carry out more effective scrutiny of all treasury management

policies. As part of this process, a **knowledge and skills schedule should be produced** as required under the revised CIPFA TM Code of Practice 2021 ( TMP10).

9. **Additional Overview & Scrutiny of TM Reporting** should take place prior to approval of reports by Full Council.
10. Major work needs to be done to improve the Capital Strategy with a **time horizon beyond 3 years**, in accordance with CIPFA Capital Strategy Guidance. A separate piece of work commissioned by BBC will provide detailed recommendations in relation to this area.
11. **Elective Professional Client Assessment** to be undertaken in line with FCA requirements (as notified through client questionnaire). Link Treasury Services will action this with the client.
12. An appropriate level of **segregation of treasury duties** and hierarchical levels of sign-off should be introduced as practicable.
13. It may be appropriate for BBC to **add debt exposure to the Council's risk register** with an assessment of impact in relation to forecast rising debt levels, **exposure to rising interest rates, affordability and mitigating actions including deferring/re-appraising planned capital programmes.**

## 10. Summary tables of levels of compliance

Treasury management area	Fully compliant	Part compliant	Non-compliant	Notes
<b>1. CAPITAL, INVESTMENT AND TM STRATEGY REPORT 2023/24 – overall compliance</b>			<b>×</b>	No TMPs
<b>1a. Capital strategy</b>				
Does the report contain tables of estimates for three financial years on capital expenditure, financing of capital expenditure, movements in the CFR and debt portfolio and commentary on the proposed capital strategy.	✓			
IMPS and supporting commentary		<b>×</b>		
<b>1b. Borrowing strategy</b>				
Does the report set limits for three financial years for the operational boundary, authorised limit, maturity structure of fixed rate borrowing, forecasts for PWLB rates and economic commentary.	✓			
<b>1c. Investing strategy</b>				
Does the report contain tables of estimates for three financial years on an analysis of year end cash resources and expected total investments, forecasts for Bank Rate and economic commentary?		✓		Forecast of BBC own resources to be included
<b>1d. Creditworthiness policy</b>				
Does the report contain a table to how various credit ratings will be used to determine credit limits for counterparties and different types of investment instruments and time and cash		✓		Forecast of BBC own resources to be included

limits, investment tables of estimates for three financial years of an analysis of year end cash resources and expected total investments, forecasts for Bank Rate and economic commentary?				
Does the report provide a full explanation of the different types of investment instruments approved for use and the risks around each type so that the average member would be able to fully understand the risk exposure for all types?		√		Further detail around risk / exposure for non-specified investments
Is the table on how various credit ratings will be used to determine credit limits for counterparties and different types of investment instruments and time and cash limits, clear, unambiguous, and unlikely to have the potential for different interpretations?			×	An amendment to the Policy is required here. As noted, as part of the report, the review discovered that it is BBC intention to follow Links recommended methodology for deposit durations however the table within the TMSS states that investments with such institutions can be placed for up to 1 year regardless of what Links recommended maximum duration is
<b>1e.Non-Treasury Investments</b>				
Has the rationale for change in non-specified investments (e.g. longer term deposits with other Local Authorities) been clearly reported, with rationale for change for approval by Members?		√		Was included within the TMSS as an amendment, noting higher returns...no comment on increased risk (mainly impact on liquidity)
Has the report correctly defined specified and non-specified investments in accordance with statutory investment guidance?	√			
Does the report set a limit for the total that can be invested by TM officers in each type of non-specified investment and a total			×	BBC notes that investments in LA's for up to 3 years are applicable but there should

limit for investments in all non-specified investments?				perhaps be a more explicit reference to the fact that no other Non-specified investments are approved.
Are current levels of non-commercial income deemed proportionate?			✗	Significantly high ratio of commercial income vs non-commercial income
<b>1f. Other areas</b>				
Does the report cover commercial property investing, shares, loans and financial guarantees?		✓		Further detail required
Did BBC propose a policy to comply with DLUHC guidance that investment in commercial property solely to achieve yield is not an appropriate policy for local authorities?	✓			Strategy was ( <i>prior to changes in PWLB borrowing requirements Nov 20</i> ) overtly seeking Commercial Investments primarily for yield. A shift away from this approach has been required however the SAIL project is a key part of the Councils Investment strategy.
Does BBC have an up-to-date operations manual?			✗	Not in place
Has BBC updated its Investment strategy to include its policy on ESG investing (inline with TMP1)			✗	
<b>2. ANNUAL REVIEW REPORT 2022/23</b>				
Has a template provided by Link been utilised		✓		
Provision of annual review report – overall compliance	✓			
Does the report contain tables of comparisons of actuals to estimates on capital expenditure, financing of capital expenditure, movements in the CFR and debt and investment portfolios and commentary on these areas.	✓			Further commentary would be appropriate and no benchmarking within the report



Does the report contain tables showing the maturity structure of borrowing, average rates of interest paid on borrowing and earned on investments, plus benchmark investment rates?			×	Not included as we intentionally aim for brevity
Does the report contain commentary on how Bank Rate has changed during the year or not changed, plus economic commentary?			×	BBC noted that it is not included as they intentionally aim for brevity
Provision of assurance to members of compliance with the CIPFA Prudential Code and statutory investment guidance	✓			BBC includes a statement of compliance however as noted in the report, work needs to be done to ensure compliance
Provision of assurance to members that TM has been carried out during the past year has complied with the authority's TM policies and TMPs	n/a	n/a	n/a	No investments over one year
Does the report contain a table showing the breakdown of the investment portfolio by different types of investment instrument so that members can review risk exposures?				Not included as the only investment instrument is fixed term deposits
Provision of a table on the amount of investments invested for over 1 year				N/A
Provision of a report on under borrowing at the year end, comparison to the original strategy and explanation of any deviation from that strategy.		✓		Just a table: no narrative
Provision of report on how borrowing and investment interest rates have moved in the year and how that has impacted TM.			×	Not currently included
Reporting of all breaches of credit limits during the year.	✓			None to report

Has an internal Audit of TM been undertaken in the last 3 years?	✓			June 2022
Internal audit reports: Have any red flags been highlighted, if so, has remedial action been subsequently taken to remedy this area?				Some process recommendations, but no red flags. Made recommendations for approval of borrowing. Note that the Audit report has not been shared with LTS as part of this review.
<b>3. MID-YEAR REPORT 2022/2023</b>				
Has the Template provided by Link been utilised?		✓		
Provision of mid-year report – overall compliance	✓			
Does the report contain tables of movements in total debt and investments in the first half year and the maturity structure of debt?	✓			
Does the report contain commentary on how Bank Rate has changed during the half year or not changed, plus economic commentary? Also updated forecasts for Bank Rate and PWLB rates?	✓			
Timing of report in the year - provision of report in autumn	✓			2022/23 mid year report done Nov 2022
Provision of updates of prudential indicators or confirmation of no change	✓			
Does BBC monitor its Prudential indicators Quarterly in line with the update Prudential Code Requirements 2021	✓			The Council confirmed that it actually maintains a monthly monitoring sheet to ensure no breaches take place. This is good practice – particularly given the steep CFR increases which have occurred.

Provision of breakdown of the investment portfolio over different types of investment instruments?		✓		Only had fixed term deposits so analysis over various investment instruments was not applicable.
Provision of report on how interest rates have moved in the year to date and how that has impacted TM?		✓		Just included as narrative (no tables)
Increase in limit for investment over 365 days: was rationale clearly reported and approved.	✓			
Provision of amount of investments invested for over 1 year (there is a table for investments invested beyond the end of the year).	✓			N/a as no investments > 365 days
Provision of assurance that no approved limits were breached in the first half year or reporting of all breaches of those limits.	✓			
<b>4. MEMBERS</b>				
What level of scrutiny (if any) is undertaken on TM Reports prior to submission to full Council?				None - as detailed in the report, this may be an action BBC wishes to follow up on
Have TM scrutiny members received training in TM?	✗			No – As detailed in this report, training is to be scheduled
Has a Knowledge and Skills schedule been provided to members in line with TMP10	✗			No – As detailed in this report, a schedule will be completed
Have records been kept of what training has been given and to who?	✗			No – This will be actioned as part of the TMP work.
Is it likely that members are fully aware that over the last four years there has been both a large increase in, and a major shift upwards in CFR levels and subsequent borrowing?	✓			
Over the last four years, has the member approval process succeeded in giving sufficient priority to security and liquidity, over achieving yield, in line with		✓		In terms of Treasury Investments it is fair to say this has succeeded however questions remain in relation to non-treasury activity

statutory guidance, in view of all of the above findings?				(Commercial / Service investments).
In view of non-compliance (particularly in relation to updated TMPS and IMPS) in this strategy committee report, was the member approval of this report valid? It is suggested that BBC should consider resubmitting a new report dealing with all areas of non-compliance to members for fresh approval for 23/24.			✗	This will be actioned as an output of this report.
<b>5. TM OFFICERS</b>				
Do internal TM staff have sufficient experience and technical understanding to be able to adequately challenge advice provided by brokers and external treasury advisers?	✓			
Has there been stability within the TM Team/wider Finance Function?			✗	
Do the TMPs provide a fully comprehensive documentation of all TM processes and other areas?			✗	
Do the TMPs name the individual officers who carry out which roles in TM?			✗	
Are the TMPs up to date?			✗	
Would the TM operational manager inform the S151 officer if a breach was identified?	✓			
Is there appropriate separation of duties between 1. officers who place investments and input investment deals into the financial records, and 2. officers who approve each deal and the sending of the investment transaction?			✗	
Is a monthly reconciliation of TM investment deals done by an		✓		Monthly rec prepared by TM officer but reviewed by independent officer

officer independent of the TM team?				
Is there adequate backup cover to undertake investment deals when the regular TM officers are absent from work?			✘	Back up in place, but not adequate cover - would benefit from being strengthened
Do the TM team have a cash flow forecasting facility to identify the periods for which individual investments deals can be placed?	✓			
Does this cash flow forecasting facility provide a rolling one year ahead view?		✓		Forecast is set up to the end of the current financial year and then reviewed/extended towards the end of the financial year (therefore not done on a rolling basis)
Do the TM team provide a basic monthly summary monitoring report to officers and scrutiny members of borrowing and investments?			✘	Would be best practice but is not a specific issue of compliance. Council produces Quarterly Monitoring reports.
<b>6. INVESTING OPERATIONS</b>				
Are the Council's systems updated each day for changes in credit ratings before placing investments? (Use Link's Passport system)	✓			
Is the credit worthiness of each bank and building society checked before placing each investment deal?	✓			
Do officers have delegated authority to suspend/remove an institution from the counterparty list if they suspect that institution to no longer be a safe investment option?	✓			
Do the TMPs fully document all criteria used in determining selection of counterparties to place investments with?			✘	
Do the TM team make use of external treasury advisers to provide expert advice on optimising investing and borrowing operations?	✓			

Does the Council undertake benchmarking of the performance of the investment portfolio against investment benchmark rates and the performance of other local authorities so as to make an assessment of its relative performance on yield?			×	Investment Benchmarking is available to the Council as detailed within this report.
Is there a disaster recovery plan in place in case the Council's premises are out of action?		✓		No contingency manual in place – the Council does have a wider corporate disaster recovery plan which would cover elements of TM process.
Has this plan been reviewed and updated to reflect any recent changes?	×			
Is this disaster recovery plan regularly tested on a periodic basis?	×			
<b>7. BORROWING</b>				
Do you have a full schedule of when all TM borrowings mature so as to manage refinancing risk?	✓			
Has the large expansion of debt increased the level of risk that BBC is exposed to?				Yes – as noted in the report, financing costs have increased significantly in the past 2 years.
Do you use balance sheet reviews, revenue budget plans for use of reserves and provisions, and cash flow forecasts to optimise timing and amounts of new external borrowing?	✓			Council is very pro-active with BSR forecasting.
Has your total external borrowing been below your CFR (capital financing requirement) over the last 4 years?				It has however the annual CFR position has increased significantly in the past 3 financial years.
Does the Council undertake benchmarking of the performance of the external borrowing portfolio against the performance of other local authorities so as to make an			×	This exercise has been undertaken as part of this report

assessment of its relative performance?				
Does the Council regularly monitor total external borrowing against its authorised limit and operational boundary to check that it does not exceed them?	✓			
Leasing: Does the authority allow individual services to arrange their own leasing contracts?  Central oversight of all leasing will be required for implementation of IFRS16 in 23/24.			✗	Would be best practice to have central over sight in order to achieve optimal value for money - but is not a specific issue of compliance
<b>8. FCA REGULATION</b>				
Has the Council complied with the FCA requirements of MIFID2 in order to conduct investing on the basis of being a professional investor?				As detailed at Appendix X the Council needs to complete the elective professional client assessment

**The above check list has been produced from an examination of BBC Capital & Investment Strategy and other documents as well as the answers to a questionnaire completed by Alistair Greer.**

## Contact us

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**COMMITTEE TITLE:** Finance, Assets, Investments & Recovery Committee

**DATE:** 20/12/2023

<b>REPORT TITLE:</b>	P8 2023.24 Budget Update Report
<b>REPORT OF:</b>	Tim Willis, Interim Director - Resources

## REPORT SUMMARY

The purpose of this report is to set out the forecast revenue and capital budget positions as at period 8 for 2023/24 and to give an overall financial update for the Council.

The commentary of the report does not attempt to cover all budgetary changes but draws attention to the key factors affecting net expenditure differences.

The General Fund is forecasting a balanced budget, this means the income generated covers the council's expenditure. The result of a balanced budget is the general fund working balance will remain unchanged.

The Housing Revenue Account (HRA) is currently forecasting a surplus position of £717k. The main cause of this underspend is due to utility bills falling. We are predicting an underspend of £644k for premises related costs, £423k specifically for utility bills. If this £717k underspend materialises it will increase the HRA's working balance or held in to reserves to pay for future developments. The Director of Housing and CLT are exploring ways to prioritise some urgent works in 23/24 to reduce this underspend by 31<sup>st</sup> March 2024.

The overall capital programme is forecast to underspend by £40mil. £20mil of this is due to the delays around the Regeneration Fund. The total underspend will be considered as slippage into next year's programme unless projects are specifically removed from the programme.

The current financial backdrop poses further financial risks to the Council's budget. It should be noted that the Local Government Association has issued a statement "The lack of funding for local services in the Autumn Statement has left councils facing a growing financial crisis and 1 in 5 council leaders & CEO are very or fairly likely to issue a section 114 in this or next financial year". This statement can be found on LGA website: [www.local.gov.uk](http://www.local.gov.uk).

For Brentwood, there are further financial risks to pay inflation forecasts as well as cost pressures from the current high rates of inflation. The high inflation rates,

increasing bank rates and national living wage pressure will have further impact on the ongoing budgets.

Whilst the Council is not anticipating the need to reduce any services, the financial position will have to be monitored over the year and will make the Medium Term Financial Strategy for 2024/25 and beyond even more of a challenge.

## **SUPPORT ING INFORMATION**

### **1.0 OTHER OPTIONS CONSIDERED**

N/A

### **2. BACKGROUND INFORMATION**

1. The report provides a financial update for the General Fund, Housing Revenue Account (HRA) and Capital Budgets for 2023/24, based on operational and financial impacts for the period April to November 2023.
2. On 1st March 2023 Ordinary Council set a budget for the General Fund that forecast a £111k deficit, with this deficit to be funded from earmarked reserves. To date as at period 8 monitoring, it is now expected for there to be no deficit.
3. At the same meeting, the HRA budget was agreed at a net surplus of £26k. Currently the projection is that the HRA will generate a surplus of £717k.
4. A total capital commitment of £58.340m was approved at the same meeting. The updated forecasts shows that it is expected £18.1m will be committed this financial year.

### **Issue, Options and Analysis of Options**

#### **General Fund**

5. The General Fund revenue forecast is a balanced position. Appendix A & B provides a detailed analysis of the activity making up the variance compared to the surplus set originally.
6. The General Fund working Balance is forecast to remain at £2,874m as at 31<sup>st</sup> March 2024

#### **General Fund Forecast**

	2023/24	2023/24	2023/24
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	Current Budget £'000	Forecast Outturn £'000	Variance £'000
Total General Fund Net Expenditure	6,953	7,516	563
Net Non-Service	3,576	2,876	(700)
Appropriations	(110)	26	136
Total Funding	(10,308)	(10,418)	(110)
<b>General Fund (Surplus)/Deficit</b>	<b>111</b>	<b>(0)</b>	<b>(111)</b>
Working Balance B/fwd	2,874	2,874	2,874
Surplus/(Deficit) in year	(111)	(0)	111
Earmark Reserve Drawdown	111	0	(111)
<b>Working Balance C/fwd</b>	<b>2,874</b>	<b>2,874</b>	<b>0</b>

7. To analyse the variances a subjective analysis per cost centre under each corporate strategy heading has been produced and can be found within Appendix A
8. In summary the variances caused within the General fund are associated with the following:

#### Growing Our Economy

9. There is a total overspend of £155k within Growing our Economy. This is attributed to overspends within Planning development, planning enforcement & Land charges totalling £241k. This is partly offset by an underspend in Planning policy.
10. Planning enforcement have an additional temporary agency post and planning development are paying a premium for the agency staff. There is a national shortage of town planners.
11. As in 22/23, we are also projecting similar large expenditure on consultancy fees and other professional fees.

#### Protecting Our Environment

12. The Protecting our Environment overspend has reduced from Q1 from £421k to 198k.

13. Parking services are forecasting to under-achieve their income targets by £115k. King George's playing fields income for 2023 summer was less than 2022. This could be attributed to the wet summer. Generally, throughout the year so far, activity for our car parks is down on last year. There have also been issues with the car parking system at the multi storey car park and we will monitor how the new scheme performs. Parking have managed to partially mitigate some of this loss by finding in year efficiencies to reduce the overspend to £49k.
14. There is a forecast overspend of £88k for Building Control. This is due to not achieving their income targets for building regulation applications.
15. There have also been pressures across waste management and street services totalling £149k. Street services are currently relying on agency staff and there is also overtime being paid to permanent staff to keep up with demand. There are also pressures for premises expenditure (water bills) and supplies and services (repairs and maintenance).
16. There have been underspends within Protecting our Environment for Asset management & grounds maintenance.

#### Developing Our Communities

17. Developing our Communities are forecasting an overspend of £113k.
18. £100k is attributed to not achieving income targets for sport and social venues including the community hubs.
19. Golf course £26k pressure, £19k for water and then other smaller R&M pressures.

#### Delivering an Efficient and Effective Council

20. The cause of this overspend is mainly attributable to a £144k overspend with office accommodation. This is in relation to paying increased services charges as a result of utility bills increasing over the last year. This should be a one-off overspend as utility bills have reduced and the service charges have been reset.

#### Improving Housing

21. Improving Housing has a small underspend of £29k.
22. This is attributed to homelessness as well as the capitalisation of staffing costs for supporting the capital programme.

### Net Non-Service Expenditure

23. Due to the capital programme slipping, the cash borrowed at 2.058% to fund the programme has been invested, with an extra £700k from Interest receivable.

### Funding

24. Currently for P8 there only change is there is a small surplus for the collection fund.

### Cost of Living Crisis

25. The financial backdrop the UK economy is facing is volatile, inflation is still way above the targeted 2%. Latest figures from the office of nation statistics show inflation is still at 4.7%. Even though inflation has fallen, it is still above the target and therefore the Bank of England have kept the interest rate at 5.25%

26. The Bank of England have stated higher interest rates reduce inflation by making it more expensive for people to borrow money. Higher interest rates also encourage people who can save, to save rather than spend. Together, these factors result in less spending in the economy overall.

27. This Council can set its pay locally, however it has followed the national joint council's pay offer of £1,925 for all staff and 3.88% salaries above approximately. £50k.

28. This was a similar offer to 22/23, the only difference being the 3.88% for £50k and above plus there was no additional annual leave days.

### Savings & Initiatives

29. The Savings initiatives built within the MTFs are set out in the table below. They are RAG rated, Red being unachieved, and green being achieved at the time of reporting and based on current periods forecasts. These initiatives are monitored through the Council's budget monitoring process and reviewed regularly.

### Proposed Saving Targets

	2023/24	2024/25	2025/26
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<b>Proposed Saving Targets</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate Vacancy Factor	(673)	(686)	(700)
Capitalisation Staff Costs *	(50)	(50)	(50)
One team savings	(224)	(808)	(846)
<b>Total Efficiency Targets</b>	<b>(947)</b>	<b>(1,544)</b>	<b>(1,596)</b>
Leisure Strategy Income	(175)	(175)	(175)
Service Income Generation	(80)	(80)	(80)
<b>Total Income Generation Targets</b>	<b>(255)</b>	<b>(255)</b>	<b>(255)</b>
<b>Total Saving Targets</b>	<b>(1,202)</b>	<b>(1,799)</b>	<b>(1,851)</b>

30. The savings marked amber are yet to be achieved for the following reasons:

- Inflationary increases preventing any saving.
- Delay in service delivery generating efficiencies.
- Decrease in income targets due to cost-of-living crisis.

#### One Team Strategic Partnership

31. A OneTeam Strategic Partnership was agreed at an Extraordinary Council on 25 January 2022 and led to a Joint Chief Executive/Head of Paid Service being appointed across Rochford District Council and Brentwood Borough Council with effect from 1 February 2022. A savings ambition for the Partnership has been estimated at £846k by 2025/26.

32. The first activity for the OneTeam Transformation Programme was the review of the senior leadership structure at Tier 2 (Strategic Director) and Tier 3 (Assistant Director/Corporate Director) levels. Appointments for new Tier 3 Director roles were made by the Chief Officer Appointments Committee on 16 June, with further appointments in November 2022 and June 2023.

33. There has recently been a recruitment process to fill all the remaining vacancies in CLT. When writing this report, it is still yet to be confirmed the outcome of that recruitment, however for the 20<sup>th</sup> December there should be a further update.

34. The tier 4 review is underway; however, it has not yet been confirmed & finalised the budgetary impact of the tier 4 review.

#### Collection Fund

35. The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund, therefore, is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Business Rates. The administrative costs associated with the collection process are charged to the General Fund.

### **Council Tax**

36. For 2023/24 the Council's precept upon the collection fund is £6.929m, representing 10.3% of the total Council Tax precepts upon the Collection Fund of £67.355m.

37. The collection rate is currently running at 97.2%. This will be monitored closely during the year for any reduction resulting from the ongoing increases in the cost of living. A significant drop in the collection rate could result in a deficit on the Collection Fund, which would be a cost to the General Fund in 2024/25.

### **National Non-Domestic Rates**

38. The funding regime from NNDR income has become increasingly complex in recent years. This is partly due to the granting of a range of business rates reliefs by central government, which are reimbursed to the Council via S31 grant. The reliefs include support for local businesses to help them recover from the impact of the COVID-19 pandemic.

39. In addition, the Council has seen a significant decline in its NNDR tax base in recent years, due to the closure of the Ford site and the trend of office space being converted to flats.

40. The Council's forecast share of NNDR income for 2023/24, including S31 grants and "safety net" payment from the Essex Business rates pool, is £1.535m

41. The NNDR collection rate will be monitored closely during the year. Any reduction in collection rates would result in a deficit on the Collection Fund, but the impact of this upon the General Fund would be offset by additional safety net payments.

### **Earmarked Reserves**

42. The detailed earmarked reserve balances enclosed in Appendix E. A summary is provided in the table below.

	2023/24 Opening Balance £'000	2023/24 Forecast Balance £'000	2023/24 Movement £'000

Mitigation Reserves	6,207	6,207	(0)
Service Reserves	1,932	1,795	(147)
Specific Reserves	960	677	(283)
COVID-19 Reserves	373	0	(373)
<b>Total Reserves</b>	<b>9,472</b>	<b>8,669</b>	<b>(803)</b>

### **Housing Revenue Account – HRA**

43. The Council approved an HRA budget and net surplus of £26k for 2023/24, and an HRA working Balance of £2.311m as at 31st March 2023.

44. The HRA in year variances for 2023/24, and resulting working balance forecast is summarised below, with further variance detail reported in Appendix A & B.

#### HRA Forecast

	Budget £'000	Forecast £'000	Variance £'000
Total Expenditure	12,148	11,494	(654)
Total Income	(14,447)	(14,484)	(37)
Non-Service Costs	2,273	2,273	0
Appropriations	0	0	0
<b>(Surplus)/Deficit on HRA</b>	<b>(26)</b>	<b>(717)</b>	<b>(691)</b>
Working Balance B/fwd	2,311	2,311	0
Surplus/(Deficit) in year	26	717	691
<b>Working Balance Cfwd</b>	<b>2,327</b>	<b>3,028</b>	<b>691</b>

45. The main variances contributing to the revised forecast of £717k, variance to budget of £691k are set out below.

46. £643k of the variance is in relation to premises related expenditure, £423k utility bills, £157k for council tax bills, £123k on fixtures and fittings R&M. There is a £37k overspent in relation to premises insurance premiums. There are also some smaller overspends on maintenance of grounds and building repairs.



47. There is also a small increase for income generated through rent and fees and charges, this variance is £37k.

48. All the other smaller variances are shown in appendix A & B.

### **Capital Programme**

49. The current capital budget totals £58.340m. The detailed capital programme is enclosed in Appendix E.

50. Currently there is £41,934m of identified slippage within the current programme.

51. Major build work has been delayed in relation to the Strategic Housing Development Programme, with challenges encountered in identifying sufficient market interest from contractors.

52. The Football Hub project continues, and conversations continue with the football foundation regarding options available to the Council. A full appraisal on any scheme is required before further commitment is made.

53. Works for stage 1 in the Baytree Centre are delayed. The contract for building works requires procurement, with a similar issue for the works at Childerditch.

54. Regarding the decent homes programme, works are progressing well. The forecast shows the budget and slippage from 22/23 to be fully utilised. Slippage was not automatically carried forward. Therefore, this programme is currently showing an overspend on this programme. The slippage was not carried forward as the council would need to realign and adjust the cost-of-living crisis and rising rates. We are currently monitoring and reviewing the 23/24 forecast and will be adjusting for future reports.

## **3.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**  
**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

The financial implications are contained within this report.

## **4.0 LEGAL IMPLICATIONS**

**Name & Title: Claire Mayhew, Joint Acting Director – People & Governance**  
**Tel & Email 01277 312500 / Claire.Mayhew@brentwood.gov.uk**

The Council has a variety of statutory duties which it must fulfil by law. Including setting a balanced budget for each fiscal year and must take steps to monitor income and expenditure against the budget set. It cannot lawfully not to carry out those duties. Financial monitoring of the budget throughout the year complies with the duties under the Local Government Act 2003, the Housing Act 1985, the Local Government and Housing Act 1989 and the Local Government Finance Act 1992 and subsequent legislation. For other activities, the Council provides services in pursuance of a statutory power rather than a duty, and though not bound to carry out those activities, decisions about them must be taken in accordance with the decision-making requirements of administrative law

## **5.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

The resource implications are contained within the report.

## **6.0 RELEVANT RISKS**

The relevant risks are contained in the report.

## **7.0 ENGAGEMENT/CONSULTATION**

The report has been presented to the corporate leadership team, the leader and the Chairs of Committees.

## **8.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk**

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

## 9.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

**Name & Title:** Phil Drane, Director - Place

**Tel & Email** 01277 312500 / phil.drane@brentwood.rochford.gov.uk

There are no direct economic implications, although it is important that the Council maintain a robust budget to inform how the Council interacts with residents, businesses, partners and customers through the provision of certain services.

### REPORT AUTHOR:

**Name:** Sam Wood

**Title:** Corporate Manager – Finance

**Phone:** 01277 312866

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## APPENDICES

- A. Revenue - estimated outturn report
- B. GF 2023.24 - Estimated outturn
- C. HRA 2023.24 - Estimated outturn
- D. Capital 2023.24 - Estimated outturn
- E. Earmarked reserves - 2023.24 estimated outturn
- F. Budget guidelines for 2024/25 to 2026/27

## BACKGROUND PAPERS

1. Q1 2023.24 Budget Update Report
2. Budget 2023/24 and Medium-Term Financial Strategy – 01/03/2023
3. 2022/23 Financial Outturn – 12/07/2023

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
FAIR: Q1 2023.24 budget update	12/07/2023
PRED: 2022-23 Budget update	23/11/2023
PRED: 2022-23 Budget update	14/09/2023
PRED: 2022-23 Budget guidelines & forecast	13/07/2022

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# Appendix A

	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Total General Fund Surplus/Deficit	111,220	(0)	(111,220)	(0)	-100.00%
Total HRA Surplus/ Deficit	(26,350)	(717,237)	(690,887)	(313,450)	-2621.96%
Total BBC	84,870	(717,237)	(802,107)	(313,450)	-945.10%

## Chief Executive

Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Senior Leadership Team	555,772	815,590	259,818	(8,570)	46.75%
Commercial Activity	0	0	0	0	0.00%
<b>Total Chief Executive</b>	<b>555,772</b>	<b>815,590</b>	<b>259,818</b>	<b>(8,570)</b>	<b>46.75%</b>

## Director - Resources

Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Corporate Finance	720,875	714,521	(6,354)	39,411	-0.88%
Revenues & Benefits	742,870	746,310	3,440	(260,500)	0.46%
Risk and Business Continuity	1,250	11,000	9,750	0	780.00%
Corporate Management	209,620	272,340	62,720	7,750	29.92%
Corporate Fraud	(21,780)	(21,860)	(80)	830	0.37%
Internal Audit	94,870	94,870	0	0	0.00%
Payroll	48,890	48,890	0	0	0.00%
Procurement	25,140	34,780	9,640	250	38.35%
<b>Total Director - Resources</b>	<b>1,821,735</b>	<b>1,900,851</b>	<b>79,116</b>	<b>(212,259)</b>	<b>4.34%</b>

## Director - People & Governance

Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Democratic Services & Support	302,800	259,335	(43,465)	(2,290)	-14.35%
Corporate Support	276,320	245,915	(30,405)	810	-11.00%
Electoral Services	340,040	300,050	(39,990)	1,660	-11.76%
Legal Services & Data Protection	342,900	381,980	39,080	(2,410)	11.40%
Human Resources	341,330	339,490	(1,840)	14,370	-0.54%
<b>Total Corporate Director - Law &amp; Governance</b>	<b>1,603,390</b>	<b>1,526,770</b>	<b>(76,620)</b>	<b>12,140</b>	<b>-4.78%</b>

## Director - Environment

Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Depot Management & Admin	794,617	771,536	(23,081)	17,937	-2.90%
Cemeteries	17,161	22,966	5,805	(12,663)	33.83%
Environmental Intitatives	12,424	7,424	(5,000)	(28,096)	-40.24%
Environmental Maintanace	(57,500)	(57,500)	0	0	0.00%
Golf Course	(76,638)	(49,731)	26,907	31,343	-35.11%
Grounds Maintenance	623,133	586,050	(37,083)	31,677	-5.95%
Open Spaces	437,949	375,068	(62,881)	29,031	-14.36%
Street Services	392,573	425,168	32,595	(3,956)	8.30%
Vehicle Fleet Management	843,500	922,954	79,454	15,234	9.42%
Waste Management	(225,129)	(188,221)	36,909	(841)	-16.39%
Building Control	66,140	153,677	87,537	(18,573)	132.35%
<b>Total Director - Environment</b>	<b>2,828,230</b>	<b>2,969,392</b>	<b>141,162</b>	<b>61,094</b>	<b>4.99%</b>

## Director - Place

Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Land Charges	(9,360)	31,425	40,785	8,502	-435.74%
Planning Development	124,770	226,431	101,661	(118,194)	81.48%
Planning Enforcement	120,850	220,010	99,160	240	82.05%
Planning Policy	815,440	648,918	(166,522)	(930)	-20.42%
Economic Development	133,390	163,522	30,132	(36,558)	22.59%
<b>Director - Place</b>	<b>1,185,090</b>	<b>1,290,307</b>	<b>105,217</b>	<b>(146,940)</b>	<b>8.88%</b>

## Director - Customer & Data Insight

Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
ICT Services	1,178,980	1,146,757	(32,223)	(445)	-2.73%
Digital Services	146,220	139,508	(6,712)	6,210	-4.59%
Customer & Performance	293,698	304,885	11,187	10,013	3.81%
<b>Total Director - Customer &amp; Data Insight</b>	<b>1,618,898</b>	<b>1,591,150</b>	<b>(27,748)</b>	<b>15,778</b>	<b>-1.71%</b>

## Director - Policy & Delivery

Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Programmes & Projects	103,340	80,738	(22,602)	(9,612)	-21.87%
Communications	60,905	70,826	9,921	930	16.29%
<b>Total Director - Policy &amp; Delivery</b>	<b>164,245</b>	<b>151,564</b>	<b>(12,681)</b>	<b>(8,682)</b>	<b>-7.72%</b>

<b>Director - Communities &amp; Health</b>					
Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Community Safety	178,780	187,038	8,258	2,750	4.62%
Communities Health & Leisure	401,500	356,024	(45,476)	(12,151)	-11.33%
CCTV	146,440	175,552	29,112	55,535	19.88%
Other Environmental Services	290,060	249,273	(40,787)	1,637	-14.06%
Licensing	(7,760)	(2,033)	5,727	2,350	-73.80%
EH Managed Service	327,230	324,402	(2,828)	4,488	-0.86%
<b>Total Director - Communities &amp; Health</b>	<b>1,336,250</b>	<b>1,290,256</b>	<b>(45,994)</b>	<b>54,610</b>	<b>-3.44%</b>

<b>Director - Assets &amp; Investments</b>					
Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Facilities Management	228,770	383,937	155,167	(13,930)	67.83%
Asset Management	(3,681,900)	(3,764,072)	(82,172)	(401,447)	2.23%
Parking	(802,080)	(753,529)	48,551	136,197	-6.05%
Commercial Activity (Asset Development)	0	50,000	50,000	50,000	0.00%
<b>Total Director - Assets &amp; Investments</b>	<b>(4,255,210)</b>	<b>(4,083,664)</b>	<b>171,546</b>	<b>(229,180)</b>	<b>-4.03%</b>

<b>Director - Housing</b>					
Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Homelessness	154,920	123,518	(31,402)	(32,387)	-20.27%
Community Alarms	0	0	0	0	0.00%
Housing Advice & Enabling	49,360	49,014	(346)	1,050	-0.70%
Housing General Fund Properties	(59,540)	(58,438)	1,102	1,102	-1.85%
<b>Director - Housing</b>	<b>144,740</b>	<b>114,094</b>	<b>(30,646)</b>	<b>(30,235)</b>	<b>-21.17%</b>
HRA Expenditure	8,699,580	8,045,738	(653,842)	(287,575)	-7.52%
HRA Share of CDC	347,100	347,100	0	0	0.00%
HRA Income	(14,447,020)	(14,484,065)	(37,045)	(25,875)	0.26%
HRA Non Service Expenditure	0	0	0	0	0.00%
<b>HRA Subtotal</b>	<b>(5,400,340)</b>	<b>(6,091,227)</b>	<b>(690,887)</b>	<b>(313,450)</b>	<b>12.79%</b>
<b>Corporate Director - Housing &amp; Community Safety</b>	<b>(5,255,600)</b>	<b>(5,977,133)</b>	<b>(721,533)</b>	<b>(343,685)</b>	<b>13.73%</b>

<b>Non Service Expenditure</b>					
Service	Current Budget	Current Forecast	Variance to budget	Movement from P6	% Variance
Contingency & Savings	(50,000)	(50,000)	0	223,560	0.00%
Parish Precepts	680,966	680,966	0	0	0.00%
Interest Payable	3,845,240	3,845,240	0	0	0.00%
Interest Receivable	(2,451,460)	(3,162,960)	(711,500)	(101,500)	29.02%
Investment Properties	(401,960)	(390,034)	11,926	0	-2.97%
Payments to Pension Fund	0	0	0	0	0.00%
Provision for Loan Repayment (MRP)	1,791,110	1,791,110	0	0	0.00%
General Fund Bad Debt	112,120	112,120	0	0	0.00%
General Fund Appropriations	(110,130)	26,055	136,185	136,185	-123.66%
Interest Payable (HRA)	2,335,000	2,335,000	0	0	0.00%
HRA Investment income	(62,000)	(62,000)	0	0	0.00%

## General fund Subjective analysis

Subjective	Budget	Forecast	Variance	Comments
<b>Net service expenditure</b>	<b>6,953</b>	<b>7,516</b>	<b>563</b>	
Employee Related Expenditure	12,308	12,188	(120)	177k overachieved on vacancy factor. In digital services, finance, assets, parking & Planning
Premises Related Expenditure	2,849	2,794	(55)	Savings on utility bills (186k), new contract started 2023. Increases in service charges (90k) and water (31k)
Transport Related Expenditure	1,129	1,081	(48)	Fuel prices have reduced since budget representing 67k savings but vehicle insurance costs have increased.
Supplies & Services	3,553	3,930	377	General insurance increased by 135k, software increases of 69k, 21k Golf course comp , 100k for other fees and services
Professional fees	924	952	28	Small increase on expenditure for consultancy fees
Third Party Payments	438	438	0	
Contracted services	2,908	2,899	(9)	
Internal Contribs/Approps	(446)	(235)	211	Not fully drawing down on services reserves as budgeted
Other External Payments	70	70	0	
Rent Allowances & Rebates	8,433	8,501	68	Small variation in the rent allowances.
Benefit Subsidy	(8,393)	(8,393)	0	
Fees & Charges	(6,575)	(6,171)	404	Unachieved income by 123k in Waste management, 115k in parking, 102k in building control, 31k land charges, 30k sports venues
HRA Recharge income	(1,943)	(1,943)	0	
Other Grants	(1,493)	(1,910)	(417)	147k increase for council tax collection, 90k for Communities, 89k for Economic dev, 54k waste and 36k Homelessness
Other reimbursements	(313)	(420)	(107)	Insurance claims recover
Rental income	(5,192)	(5,306)	(114)	Increase predicted for strategic assets
SAIL Recharges	(406)	(150)	256	SAIL recharge no longer justifiable
Sponsorship/donations	(87)	(11)	76	
Other Grants & Reimbursements	(811)	(798)	13	
<b>Net Non-Service Expenditure</b>	<b>3,576</b>	<b>2,876</b>	<b>(700)</b>	
Employee Related Expenditure	48	48	(0)	
Premises Related Expenditure	30	31	1	
Supplies & Services	112	112	0	
Professional fees	0	9	9	Expenditure on investment properties
Council Tax - Parish	681	681	0	
Interest payable	3,845	3,845	0	
MRP	1,791	1,791	0	
Interest Receivable	(2,451)	(3,163)	(712)	Investing surplus cash at 5%
Investment properties	(480)	(478)	2	
<b>Appropriations</b>	<b>(110)</b>	<b>26</b>	<b>136</b>	Not drawing down on corporate services as budgeted.
<b>Funded By</b>	<b>(10,308)</b>	<b>(10,419)</b>	<b>(111)</b>	
Business Rates	(1,535)	(1,535)	0	
Business Rates Retention	0	0	0	
Collection fund surplus/deficit	(195)	(306)	(111)	Small additional surplus for NNDR collection fund
Council Tax	(6,930)	(6,930)	0	
Council Tax - Parish	(681)	(681)	(0)	
New Homes Bonus Grant	(450)	(450)	0	
Other Grants	(517)	(517)	0	
<b>Total</b>	<b>111</b>	<b>(0)</b>	<b>(111)</b>	

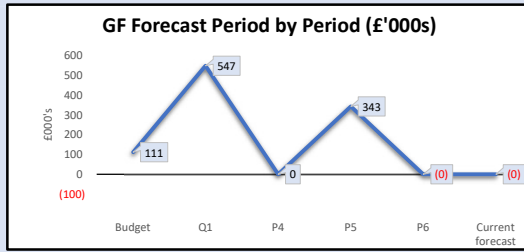
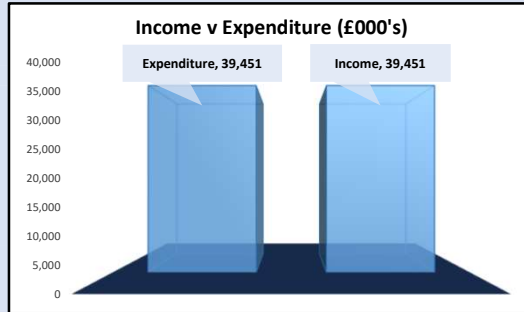
### HRA Subjective analysis

Subjective	Budget	Forecast	Variance	Comments
Employee Related Expenditure	1,657	1,667	10	
Premises Related Expenditure	4,230	3,586	(644)	£423k utility bills, 157k for council tax bills, 123k on fixtures and fittings R&M. There is a 37k overspent in relation to premises insurance premiums. There are also some smaller overspends on maintenance of grounds and building repairs.
Transport Related Expenditure	15	18	3	
Supplies & Services	612	627	15	
Professional fees	598	588	(10)	
Contracted services	180	194	13	
GF Charge	1,990	1,990	0	
Depreciation & Imp Losses	2,941	2,941	0	
Fees & Charges	(966)	(942)	23	
Internal Contribs/Approps	2	0	0	
Other Grants	0	0	0	
Other reimbursements	(10)	(23)	(13)	
Rent income	(13,470)	(13,514)	(45)	
<b>Total</b>	<b>(2,299)</b>	<b>(2,990)</b>	<b>(691)</b>	



# GENERAL FUND FINANCIAL DASHBOARD

AREA	£'000s			% Variance
	BUDGET	P8	VARIANCE	
GENERAL FUND	111	(0)	(111)	100%
<b>NET SERVICE EXPENDITURE</b>	<b>6,953</b>	<b>7,785</b>	<b>832</b>	<b>(0)</b>
Chief Executive	556	824	268	48%
Director Of Resources	1,822	2,113	291	16%
Director People & Governance	1,603	1,515	(89)	-6%
Director Of Environment	2,828	2,908	80	3%
Director Of Place	1,185	1,437	252	21%
Director Communities & Health	1,336	1,236	(101)	-8%
Director Customer & Data	1,619	1,575	(44)	-3%
Director Of Asset & Investment	(4,255)	(3,854)	401	-9%
Director Of Policy & Delivery	164	160	(4)	-2%
Director Of Housing	145	144	(0)	0%
Contingency And Savings	(50)	(274)	(224)	447%
<b>Net Non-Service Expenditure</b>	<b>2,895</b>	<b>2,297</b>	<b>(598)</b>	<b>0</b>
Accounting Adjustments	112	112	0	0%
Interest Payable - Gf	3,845	3,845	0	0%
Interest Receivable	(2,451)	(3,061)	(610)	25%
Investment Properties	(402)	(390)	12	-3%
Provision For Loan Repay (Mrp)	1,791	1,791	0	0%
<b>Funded By</b>	<b>(9,737)</b>	<b>(10,082)</b>	<b>(345)</b>	<b>2</b>
Appropriations	(110)	(110)	0	0%
Business Rates Retention	(1,535)	(1,535)	0	0%
Council Tax - Bbc	(6,930)	(6,930)	0	0%
New Homes Bonus	(450)	(450)	0	0%
Collection Fund Surplus	(195)	(540)	(345)	177%
Other Non-Specific Grants	(517)	(517)	0	0%



### Total Variance per Directorate

Rank	Director's area	Variance (£'000s)
1	Director People & Governance	(77)
2	Director Communities & Health	(46)
3	Director Of Housing	(31)
4	Director Customer & Data	(28)
5	Director Of Policy & Delivery	(13)
6	Director Of Resources	79
7	Director Of Place	105
8	Director Of Environment	141
9	Director Of Asset & Investment	172

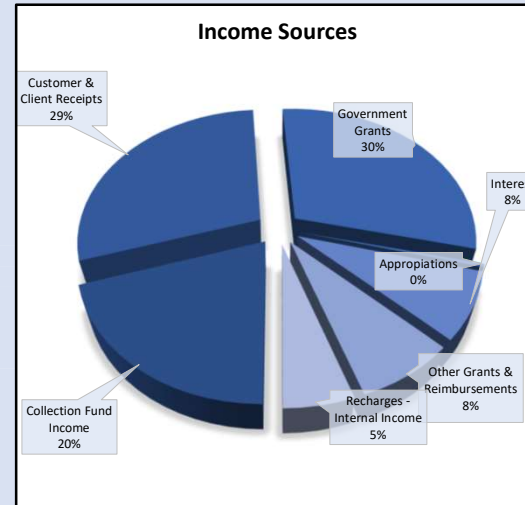
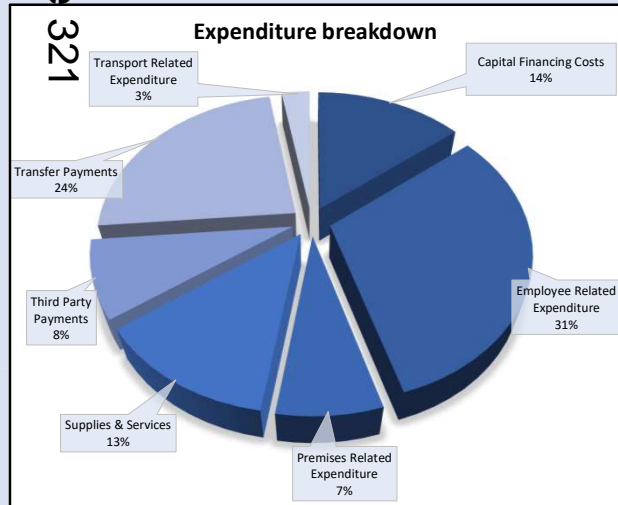
### Top 5 overspent GF cost centres

Rank	Cost centre	Overspent (£'000s)
1	Sports & Social Venues	176
2	Recycling - Dry	154
3	Office Accommodation	153
4	Planning Development Management	102
5	Planning Enforcement	99

### Top 5 Under spent GF cost centres

Rank	Cost centre	Underspent (£'000s)
1	Council Tax Collection	(211)
2	Planning Policy	(167)
3	Buildings & Stakeholders	(77)
4	Recycling - Food Waste	(54)
5	Trade Waste	(52)

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### Top 10 Expenditure Account lines

Rank	Account code	Budget (£'000s)	Forecast (£'000s)	Variance (£'000s)
1	Full permanent establishment costs	10,784	10,179	(605)
2	Contracted Services	2,295	2,567	272
3	Agency Staff	1,370	1,866	496
4	Electricity	998	872	(126)
5	Insurances - General	231	366	135
6	Vehicle - Fuel	419	351	(67)
7	Computer Software Licences	331	347	17
8	Managed Services	336	335	(1)
9	Project Management Support	613	331	(282)
10	Service Charges	233	324	91

### Top 10 Income Account lines

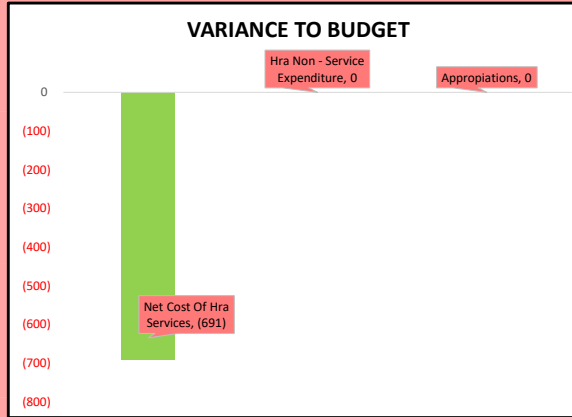
Rank	Account code	Budget (£'000s)	Forecast (£'000s)	Variance (£'000s)
1	Rents - Other Premises	(4,925)	(5,131)	(206)
2	Income - Car Parking	(1,238)	(1,074)	(164)
3	Income - General Fees & Charge	(837)	(845)	(8)
4	Income - Planning Applications	(853)	(800)	(53)
5	Income - Waste Collection	(640)	(640)	0
6	Income - Hires Charges	(553)	(555)	(2)
7	Income - Recycling Credits	(592)	(523)	(69)
8	Income - Season Tickets	(295)	(343)	(48)
9	Rents - Shops	(256)	(273)	(17)
10	Rents - Council Dwellings	(329)	(222)	(106)

Appendix C

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# HRA FINANCIAL DASHBOARD

AREA	£'000s			% OVERSPENT
	BUDGET	P8	VARIANCE	
<b>HRA TOTAL</b>	<b>(26)</b>	<b>(717)</b>	<b>(691)</b>	
<b>Net Cost Of Hra Services</b>	<b>(2,299)</b>	<b>(2,990)</b>	<b>(691)</b>	<b>30%</b>
Repairs And Maintenance	3,368	3,214	(154)	-5%
Supervision And Management	3,018	3,061	42	1%
Special Services	1,906	1,480	(426)	-22%
Rents, Rates & Other Charges	407	290	(116)	-29%
Self Financing Payment	0	0	0	0%
Depreciation And Impairment	2,941	2,941	0	0%
Movement For Bad Debts	160	160	0	0%
Dwelling Rents	(13,220)	(13,263)	(44)	0%
Non Dwelling Rents	(250)	(251)	(1)	0%
Cfs Leaseholders	(339)	(336)	3	-1%
Cfs Tenants	(569)	(571)	(2)	0%
Cfs Other Charges - Community	(0)	(0)	0	0%
Contributions To Expenditure	(5)	(20)	(16)	348%
Reimbursement Of Costs	(65)	(43)	23	-35%
Hra Share Of Cdc	347	347	0	0%
<b>Hra Non - Service Expenditure</b>	<b>2,273</b>	<b>2,273</b>	<b>0</b>	
Interest Payable - Hra	2,335	2,335	0	0%
Hra Interest-Investment Income	(62)	(62)	0	0%
HRA Payments To Pension Fund	0	0	0	0%
<b>Appropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Contribution To/From Reserves	0	0	0	100%
Contribution To Capital	0	0	0	0%

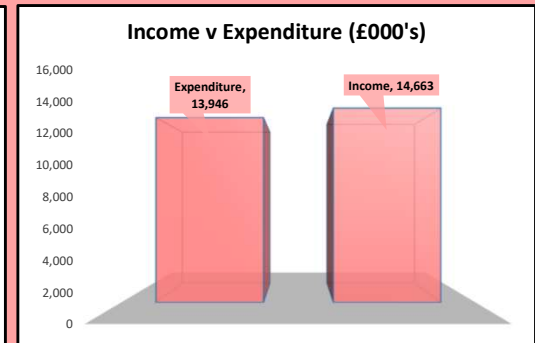
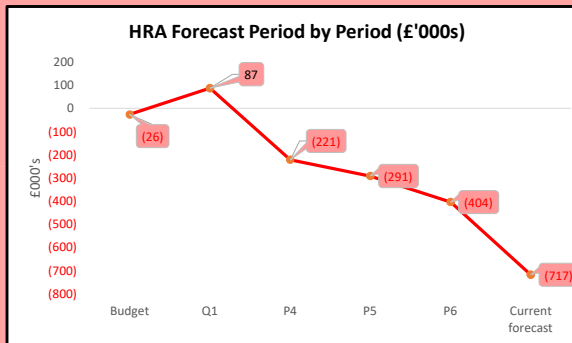


### Total Variance per Cost Centre

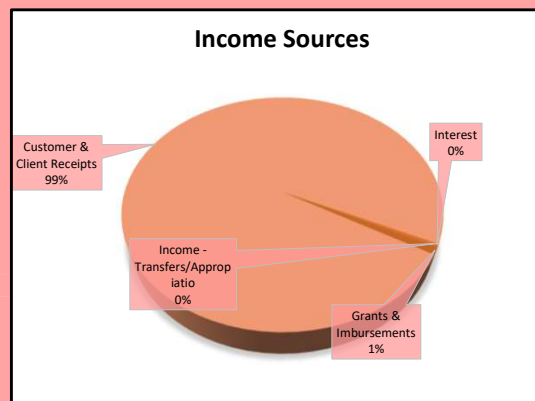
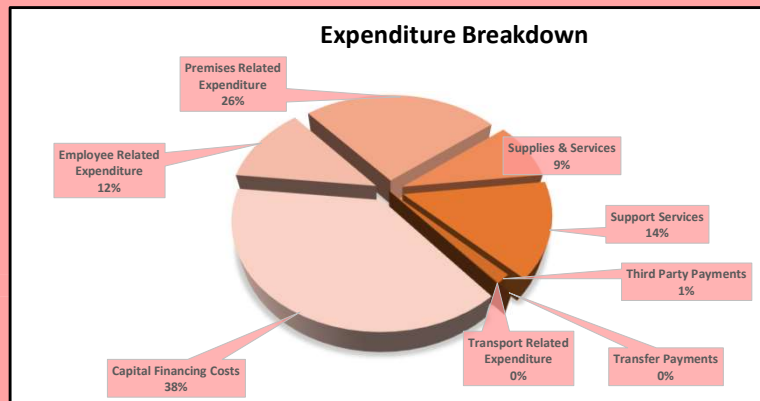
Rank	Director's area	Variance (£'000s)
1	Supervision And Management	42
2	Reimbursement Of Costs	23
3	Cfs Leaseholders	3
4	Cfs Other Charges - Community	0
5	Self Financing Payment	0
6	Depreciation And Impairment	0
7	Hra Share Of Cdc	0
8	Movement For Bad Debts	0
9	Non Dwelling Rents	(1)
10	Cfs Tenants	(2)
11	Contributions To Expenditure	(16)
12	Dwelling Rents	(44)
13	Rents, Rates & Other Charges	(116)
14	Repairs And Maintenance	(154)
15	Special Services	(426)

### HRA Future Years budget Info

	23/24	24/25	25/26	Total (£'000s)
Net Cost Of Hra Services	(2,299)	(2,952)	(3,060)	(8,311)
Hra Non - Service Expenditure	2,273	2,419	3,991	8,683
Appropriations	0	0	0	0
<b>HRA TOTAL</b>	<b>(26)</b>	<b>(533)</b>	<b>931</b>	<b>372</b>



## ACCOUNT CODE BREAKDOWN



### Top 10 Account lines

Rank	Account code	Amount (£'000s)
1	Full permanent establishment costs	1,576
2	R&M Bldgs - Ppp	1,198
3	R&M Bldgs - General	500
4	Consultancy Fees	420
5	R&M Fix & Fit - Gas Extra Ppp	325
6	Electricity	312
7	Depot Service Hra Charge	287
8	R&M Fix & Fit - Communal	231
9	Gas	227
10	Premises Insurance Premiums	168

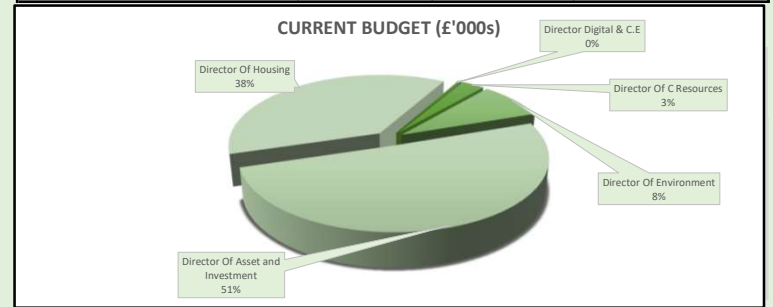
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## CAPITAL FINANCIAL DASHBOARD

CODE	CAPITAL PROJECT	£'000s			PROPOSED SLIPPAGE for 23/24
		CURRENT BUDGET	P8 Est Outturn	Variance	
<b>CAPPRO</b>	<b>CAPITAL PROGRAMME</b>	<b>58,340</b>	<b>18,134</b>	<b>(40,106)</b>	<b>(41,934)</b>
	<b>Director Digital &amp; C.E</b>	<b>275</b>	<b>275</b>	<b>0</b>	<b>0</b>
C103	Ict Strategy	100	100	0	0
C155	Software Licences	50	50	0	0
C203	Ict Hardware	125	125	0	0
	<b>Director Of C Resources</b>	<b>1,651</b>	<b>1,651</b>	<b>0</b>	<b>0</b>
C107	E-Financial	51	51	0	0
C110	Asset Management Strategy	100	100	0	0
C217	Brentwood Leisure Centre	1,000	1,000	0	0
C223	Asset Compliance	250	250	0	0
C230	Retrofit - GF	250	250	0	0
	<b>Director Of Environment</b>	<b>4,898</b>	<b>1,958</b>	<b>(2,840)</b>	<b>(2,812)</b>
C125	Vehicle Replacement Programme	1,388	1,378	(10)	0
C128	Play Area Refurbishments	100	0	0	0
C215	Football Hub Development	2,817	5	(2,812)	(2,812)
C149	Home Repair Assistance Grants	5	5	0	0
C150	Disabled Facilities Grant	250	250	0	0
C193	Car Park Improvements	100	100	0	0
C200	Open Spaces Infrastructure	100	100	0	0
C220	Low Emissions infrastructure	138	0	(138)	0
CLA	S106	0	120	120	0
	<b>Director Of Housing</b>	<b>22,007</b>	<b>13,200</b>	<b>(8,807)</b>	<b>(12,663)</b>
CJA	HRA Decent Homes	6,007	9,863	3,856	0
CJB	HRA Affordable Housing	16,000	3,337	(12,663)	(12,663)
	<b>Director Of Asset and Investment</b>	<b>29,509</b>	<b>1,050</b>	<b>(28,459)</b>	<b>(26,459)</b>
C222	Regeneration fund	20,000	0	(20,000)	(18,000)
C228	Baytree Centre redevelopment	4,988	800	(4,188)	(4,188)
C229	Childerditch Redevelopment	4,521	250	(4,271)	(4,271)

DIRECTORATE	CURRENT BUDGET (£'000s)	Outturn (£'000s)	PROPOSED SLIPPAGE for 22/23 (£'000s)
Director Digital & C.E	275	275	0
Director Of C Resources	1,651	1,651	0
Director Of Environment	4,898	1,958	(2,812)
Director Of Asset and Investment	29,509	1,050	(26,459)
Director Of Housing	22,007	13,200	(12,663)
<b>Total</b>	<b>58,340</b>	<b>18,134</b>	<b>(41,934)</b>



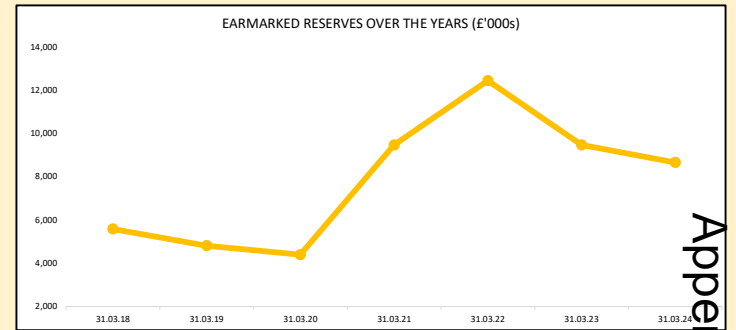
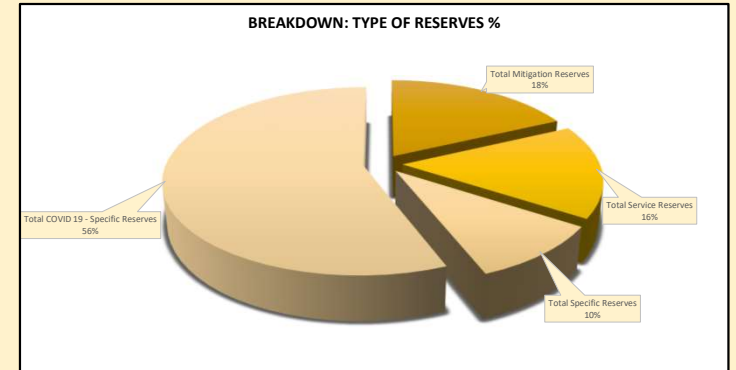
TOP 5 Biggest Projects		
Rank	PROJECT	BUDGET (£'000s)
1	Regeneration fund	20,000
2	HRA Affordable Housing	16,000
3	HRA Decent Homes	6,007
4	Baytree Centre redevelopment	4,988
5	Childerditch Redevelopment	4,521

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## RESERVES DASHBOARD

Reserve	Balance as at 1.4.23	Budget proposed drawdown/ contribution	Forecast Drawdown/ contribution	Variance	Forecast balance 31.3.24
<b>Total General Fund Earmarked Reserves</b>	<b>9,472</b>	<b>(1,112)</b>	<b>(803)</b>	<b>309</b>	<b>8,669</b>
<b>Total Mitigation Reserves</b>	<b>6,207</b>	<b>(209)</b>	<b>0</b>	<b>209</b>	<b>6,207</b>
Funding Volatility	1,200	(111)	0	111	1,200
Housing benefit Subsidy	150			0	150
Insurance and Risk Management	37			0	37
In Borough Regeneration	3,500	(98)	0	98	3,500
Inflation & Finance Mitigation	1,320			0	1,320
<b>Total Service Reserves</b>	<b>1,932</b>	<b>(247)</b>	<b>(147)</b>	<b>100</b>	<b>1,785</b>
Asset Management	164	(21)	(21)	0	143
Electoral Registration	57			0	57
Economic Development	300	(14)		14	300
High Street Fund	200			0	200
Environmental Initiatives	182	(23)		23	182
Planning Enforcement	61			0	61
Service Investment and Initiatives	200			0	200
Legal Resource	100			0	100
Leisure Contingency	72			0	72
LGV Driver Training	10			0	10
Digital, Customer & Comms	134		(15)	(15)	119
Rochford Partnership	189	(189)	(117)	72	72
Other Licences	5			0	5
Corporate Training	46		6	6	52
Apprentice Incentive	9			0	9
Street Scene Initiatives Creation	200			0	200
Staff Achievement & Recognition	3			0	3
<b>Total Specific Reserves</b>	<b>960</b>	<b>(283)</b>	<b>(283)</b>	<b>0</b>	<b>677</b>
Duchess Of Kent/Nightingale	280	(12)	(12)	0	268
Preventing Homelessness	100	(21)	(21)	0	79
Brentwood Community Hospital	40			0	40
Community Rights	38			0	38
Health and Wellbeing	109			0	109
Neighbourhood Plan	29			0	29
Land at Hanover House	10			0	10
Willowbrook Rosen Crescent	7			0	7
Open Data Funding to LA's	1			0	1
New corporate priorities	250	(250)	(250)	0	0
CEV funding	27			0	27
Domestic Abuse funding	69			0	69
<b>Total COVID 19 - Specific Reserves</b>	<b>373</b>	<b>(373)</b>	<b>(373)</b>	<b>0</b>	<b>0</b>
NDR Collection Fund Deficit	373	(373)	(373)	0	0

RESERVE	Balance as at 1.4.23	Forecast Drawdown/ contribution	Forecast balance 31.3.24
<b>Total General Fund Earmarked Reserves</b>	<b>9,472</b>	<b>(1,915)</b>	<b>8,669</b>
Total Mitigation Reserves	6,207	(209)	6,207
Total Service Reserves	1,932	(394)	1,785
Total Specific Reserves	960	(566)	677
Total COVID 19 - Specific Reserves	373	(373)	0



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## **Members Interests**

Members of the Council must declare any pecuniary or non-pecuniary interests and the nature of the interest at the beginning of an agenda item and that, on declaring a pecuniary interest, they are required to leave the Chamber.

- **What are pecuniary interests?**

A person's pecuniary interests are their business interests (for example their employment trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and asset including land and property).

- **Do I have any disclosable pecuniary interests?**

You have a disclosable pecuniary interest if you, your spouse or civil partner, or a person you are living with as a spouse or civil partner have a disclosable pecuniary interest set out in the Council's Members' Code of Conduct.

- **What does having a disclosable pecuniary interest stop me doing?**

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not :

- participate in any discussion of the business at the meeting, of if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business or,
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

- **Other Pecuniary Interests**

Other Pecuniary Interests are also set out in the Members' Code of Conduct and apply only to you as a Member.

If you have an Other Pecuniary Interest in an item of business on the agenda then you must disclose that interest and withdraw from the room while that business is being considered

- **Non-Pecuniary Interests**

Non –pecuniary interests are set out in the Council's Code of Conduct and apply to you as a Member and also to relevant persons where the decision might reasonably be regarded as affecting their wellbeing.

A 'relevant person' is your spouse or civil partner, or a person you are living with as a spouse or civil partner

If you have a non-pecuniary interest in any business of the Authority and you are present at a meeting of the Authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.

## **Finance, Assets, Investment and Recovery Committee**

The committee shall consider all matters of policy and strategic importance to the Council including matters referred to it by other Committees and/or Chief Officers.

The function within the remit of the Finance, Assets, Investment and Recovery Committee include all financial matters relating to the budget, (and for avoidance of doubt, being the superior Committee on all such matters including capital, revenue and the Housing Revenue Account (HRA) except where the law otherwise requires), and without prejudice to the generality of this, include the specific functions which are set out below.

### Policy

Generally to review and oversee the co-ordination and governance of all functions of the Council. To undertake and discharge any functions in relation to strategic policies including periodic reviews of the policy framework adopted by full Council from time to time except where required by law to be undertaken elsewhere.

### Finance

- 1) Financial Services
  - 2) Contracts, commissioning, procurement
  - 3) Legal services
  - 4) Health and safety at work (in so far as it relates to the Council as an employer)
  - 5) Corporate communications and media protocols
  - 6) Corporate and Democratic services
  - 7) Human Resources
  - 8) Information Communication Technology
  - 9) Revenues and Benefits
  - 10) Customer Services
  - 11) Assets (strategically)
- 
2. Overall responsibility for monitoring Council performance.
  3. To formulate and develop relevant corporate policy documents and strategies including the Corporate Plan.
  4. To formulate the budget proposals in accordance with the Budget and Policy Framework, including capital and revenue spending, and the Housing Revenue Account Business Plan (including rent setting for Council homes), in accordance with the Council's priorities and make recommendations to Council for approval.
  5. To formulate the Council's Borrowing and Investment Strategy and make recommendations to Council for approval.

6. To take decisions on spending within the annual budget to ensure delivery of the Council's priorities.
7. To approve the write off of any outstanding debt owed to the Council above the delegated limit of £5,000.
8. To determine capital grant applications.
9. To make recommendations on the allocation and use of resources to achieve the council's priorities.
10. To manage and monitor the Council approved budgets and allocation of resources.
11. To provide the lead on partnership working including the joint delivery of services.
12. To consider any staffing matters that are not delegated to Officers, such as proposals that are not contained within existing budgetary provision.
13. To strategically manage any lands or property of the council and provide strategic property advice relating to the council's Housing Stock and without prejudice to the generality of this, to specifically undertake the following-

#### The Council's Asset Management Plan

- (a) The acquisition and disposal of land and property and taking of leases, licenses, dedications and easements.
- (b) The granting variation renewal review management and termination of leases, licenses, dedications and easements.
- (c) Promoting the use of Council owned assets by the local community and other interested parties.
- (d) To manage any lands or property of the Council;
- (e) To include properties within the council's Asset Management Portfolio including Halls etc.
- (f) To take a strategic approach to asset management, ensuring that the use of all of the Council's Property assets achieves Value for Money and supports the achievement of the Council's corporate priorities.
- (g) To review the corporate Asset Management Plan annually.
- (h) The acquisition of land in advance of requirements for the benefit, improvement or development of the Borough.

- (i) Disposal of land surplus to the requirements of a council function.
  - (j) Appropriation of land surplus for the requirements of another Council function.
  - (k) Promote the use of Council owned assets by the local community and other interested parties where appropriate.
  - (l) Property and asset management, including acquisitions and disposals not included in the approved Asset Management Plan.
  - (m) To receive updates reports on the Asset Development Programme and the work of the Asset Development Programme and Project Board.
  - (n) To take a strategic approach to commercial activity, both existing and new, ensuring the Council realises revenue generation opportunities and supports the achievement of the Council's corporate priorities.
  - (o) To agree and monitor the governance arrangements for any commercial and/or partnership arrangement with the Council.
  - (p) Promoting a culture of entrepreneurialism and building the required skills and capacity.
  - (q) To consider and approve business cases and commercial business plans for commercial activity.
14. To consider and propose matters concerning the promotion of economic development throughout the Borough and the interface with countryside or regional economic development initiatives.

#### Economic Development

- (a) To lead, consider and propose matters concerning the promotion of economic development throughout the Borough and the interface with countryside or regional economic development initiatives.
- (b) To promote and encourage enterprise and investment in the Borough in order to maintain and sustain the economic wellbeing and regeneration of the area.
- (c) To develop climate where businesses and individuals can innovate, compete and contribute to the economic development and regeneration of the area; and excellence in local business.
- (d) To encourage the growth of existing businesses in the borough and access to the skills and training necessary to support them.
- (e) To develop and deliver a Borough wide initiative on apprenticeships.

- (f) To consider and determine matters relating to the promotion, maintenance and enhancement of the vitality and viability of shopping centres within the Borough.
  - (g) To consult with the Chamber of Commerce, Federation of Small Businesses, residents and other interested third parties.
  - (h) To maintain a special interest in promoting employment in the Borough.
  - (i) To promote and encourage tourism and heritage.
  - (j) Parking (off street parking provision in Council owned/leased off-street parking places).
  - (k) Any matters relating to Crossrail.
15. To consider a report from the Monitoring Officer at the beginning of the Municipal Year, for the Committee to appoint the membership of the Constitution Working Group, in order for the Monitoring Officer to consult with such Members on the regular review of the Constitution documentation in accordance with Article 12 of the Constitution during the year.
16. To review and facilitate the transformation of delivery of services.

#### Transformation

- (a) To approve and facilitate the transformation of delivery of services.

#### Projects

- (a) To identify, monitor and oversee the implementation of those Corporate Projects that have been agreed by the committee to be major.

#### Scrutiny

- (a) To advise the Audit & Scrutiny Committee of any matters that require scrutiny in accordance with the Audit and Scrutiny Procedure Rules.
  - (b) To receive requests and determine on matters that require scrutiny from any Committee in accordance with the Audit and Scrutiny Procedure Rules.
17. To consider any requests for sponsorship and use of the Council's Coats of Arms and logos.