

# Public Document Pack

## TENDRING DISTRICT COUNCIL

### AGENDA

For the meeting to be held on Tuesday, 26 March 2019

#### **Prayers**

**1 Summons to Council (Pages 1 - 2)**

**2 Apologies for Absence**

The Council is asked to note any apologies for absence received from Members.

**3 Minutes of the Last Meeting of the Council (Pages 3 - 10)**

The Council is asked to approve, as a correct record, the minutes of the Council Meeting held on Tuesday 5 February 2019.

**4 Declarations of Interest**

Councillors are invited to declare any Disclosable Pecuniary Interests or Personal Interest, and the nature of it, in relation to any item on the agenda.

**5 Announcements by the Chairman of the Council**

The Council is asked to note any announcements made by the Chairman of the Council.

**6 Announcements by the Chief Executive**

The Council is asked to note any announcements made by the Chief Executive.

**7 Statements by the Leader of the Council**

The Council is asked to note any statements made by the Leader of the Council.

*Councillors may then ask questions of the Leader on his statements.*

**8 Statements by Members of the Cabinet**

The Council is asked to note any statements made by Members of the Cabinet (Portfolio Holders).

*Councillors may then ask questions of the Portfolio Holders on their statements.*

**9 Annual State of the Tendring District Statement by the Leader of the Council**

The Council will receive the annual State of the Tendring District Statement from the Leader of the Council.

**10 Petitions to Council**

The Council will consider any petition(s) received in accordance with the Scheme approved by the Council.

There are none on this occasion.

**11 Questions Pursuant to Council Procedure Rule 10.1**

Subject to the required notice being given, members of the public can ask questions of the Leader of the Council, Portfolio Holders or Chairmen of Committees.

The Chairman shall determine the number of questions to be tabled at a particular meeting in order to limit the time for questions and answers to half an hour.

There are none on this occasion.

**12 Questions Pursuant to Council Procedure Rule 11.2**

Subject to the required notice being given, Members of the Council can ask questions of the Chairman of the Council, the Leader of the Council, Portfolio Holders or Chairmen of Committees or Sub-Committees.

The time allocated for receiving and disposing of questions shall be a maximum of 45 minutes. Any question not disposed of at the end of this time shall be the subject of a written response, copied to all Members unless withdrawn by the questioner.

There are none on this occasion.

**13 Report of the Leader of the Council - Urgent Cabinet or Portfolio Holder Decisions**

The Council will receive a report on any Cabinet or Portfolio Holder decisions taken as a matter of urgency in accordance with Access to Information Procedure Rule 16.2, Budget and Policy Framework Procedure Rule 6(b) and/or Overview and Scrutiny Procedure Rule 18(i).

There is no such report on this occasion.

**14 Minutes of Committees (Pages 11 - 46)**

The Council will receive the minutes of the following Committees:

- (a) Standards of Wednesday 16 January 2019;
- (b) Audit of Thursday 24 January 2019;
- (c) Community Leadership Overview & Scrutiny of Monday 28 January 2019;
- (d) Planning Policy & Local Plan of Tuesday 29 January 2019;
- (e) Resources and Services Overview & Scrutiny of Monday 11 February 2019;
- (f) Human Resources & Council Tax of Wednesday 20 February 2019; and
- (g) Community Leadership Overview & Scrutiny of Monday 25 February 2019.

**NOTE:** The above minutes are presented to Council **for information only**. Members can ask questions on their contents to the relevant Chairman but questions as to the accuracy of the minutes **must** be asked at the meeting of the Committee when the relevant minutes are approved as a correct record.

**15 Motions to Council**

No motions to Council have been submitted in accordance with Council Procedure Rule 12 on this occasion.

**16 Motion to Council - "Proposed Town Council for Clacton-on-Sea" (Pages 47 - 50)**

The Council will further consider a motion, which was moved by Councillor Newton and seconded by Councillor Bucke at the meeting of the Council held on 27 November 2018 and which had stood referred to the Community Leadership and Partnerships Committee for consideration and report.

**NOTE:** The Community Leadership and Partnerships Overview & Scrutiny Committee considered Councillor Newton's motion at its meeting held on 28 January 2019. The relevant Committee Minute and the Committee's recommendation to Council are contained within the Council Book. In addition, a reference report containing further information for Members' consideration is included within the Council Book.

**17 Motion to Council - "Utilisation of Available Enforcement Powers to combat Street Drinking and Anti-Social Behaviour in Clacton Town Centre"**

The Council will further consider a motion, which was moved by Councillor P B Honeywood and seconded by Councillor Everett at the meeting of the Council held on 22 January 2019 and which had stood referred to the Community Leadership and Partnerships Committee for consideration and report.

**NOTE:** The Community Leadership and Partnerships Overview & Scrutiny Committee considered Councillor Honeywood's motion at its meeting held on 25 February 2019. The relevant Committee Minute and the Committee's recommendation to Council are contained within the Council Book.

**18 Recommendations from the Cabinet - Annual Capital and Treasury Strategy 2019/2020 (including Prudential and Treasury Indicators) (Pages 51 - 88)**

Council's approval is sought in respect of the Annual Capital and Treasury Strategy for 2019/2020.

Cabinet considered the Strategy at its meeting held on 8 March 2018 and its recommendation to Council is included within the Council Book. The Report of the Finance and Corporate Resources Portfolio Holder which Cabinet considered is also included.

**19 Reports Submitted to the Council by an Overview and Scrutiny Committee**

The Council is asked to consider any reports submitted to it by an Overview and Scrutiny Committee.

There are none on this occasion.

**20 Report of the Chief Executive - A.1 - Membership of Committees (Pages 89 - 90)**

To inform Council of appointments to Committees that had been made since the meeting of the Council held on 22 January 2019.

**21 Report of the Chief Executive - A.2 - Change in Membership of Political Groups (Pages 91 - 92)**

To inform Council of a change in the membership of the UKIP and Independent political groups on Tendring District Council.

**22 Report of the Deputy Chief Executive - A.3 - Pay Policy Statement 2019/20 and Pay Assimilation (Pages 93 - 110)**

Council's approval is sought in respect of the Pay Policy Statement for 2019/20. Council is also requested to note the new Pay Spine that will come into effect from 1 April 2019.

**23 Report of the Monitoring Officer - A.4 - Review of the Council Procedure Rules (Part 4 of the Council's Constitution) (Pages 111 - 148)**

The Council is asked to consider the recommendations submitted to it by the Cabinet in respect of proposed changes to the Council Procedure Rules (Part 4 of the Council's Constitution).

**24 Urgent Matters for Debate**

The Council will consider any urgent matters submitted in accordance with Council Procedure Rules 3(xv), 11.3(b) and/or 13(q).

**Date of the Next Scheduled Meeting of the Council**

Annual Meeting - Tuesday, 21 May 2019 at 7.30 pm - Princes Theatre, Town Hall, Clacton-on-Sea, CO15 1SE

# **INFORMATION FOR VISITORS**

## **PRINCES THEATRE FIRE EVACUATION PROCEDURE**

There is no alarm test scheduled for this meeting. In the event of an alarm sounding, please calmly make your way out of any of the four fire exits in the auditorium and follow the exit signs out of the building.

Please follow the instructions given by any member of staff and they will assist in leaving the building.

Please do not re-enter the building until you are advised it is safe to do so by the relevant member of staff.

The assembly point for the Princes Theatre is in the car park to the left of the front of the building as you are facing it. Your calmness and assistance is greatly appreciated.

## **PUBLIC ATTENDANCE AT TENDRING DISTRICT COUNCIL MEETINGS**

Welcome to this evening's meeting of Tendring District Council.

This is an open meeting which members of the public can attend to see Councillors debating and transacting the business of the Council. However, please be aware that, unless you are included on the agenda to ask a public question, members of the public are not entitled to make any comment or take part in the meeting. You are also asked to behave in a respectful manner at all times during these meetings.

Members of the public do have the right to film or record council meetings subject to the provisions set out below:-

### **Rights of members of the public to film and record meetings**

Under The Openness of Local Government Bodies Regulations 2014, which came into effect on 6 August 2014, any person is permitted to film or record any meeting of the Council, a Committee, Sub-Committee or the Cabinet, unless the public have been excluded from the meeting for the consideration of exempt or confidential business.

Members of the public also have the right to report meetings using social media (including blogging or tweeting).

The Council will provide reasonable facilities to facilitate reporting.

### **Public Behaviour**

Any person exercising the rights set out above must not disrupt proceedings. Examples of what will be regarded as disruptive, include, but are not limited to:

- (1) Moving outside the area designated for the public;
- (2) Making excessive noise;
- (3) Intrusive lighting/flash; or
- (4) Asking a Councillor to repeat a statement.

In addition, members of the public or the public gallery should **not** be filmed as this could infringe on an individual's right to privacy, if their prior permission had not been obtained.

Any person considered being disruptive or filming the public will be requested to cease doing so by the Chairman of the meeting and may be asked to leave the meeting. A refusal by the member of the public concerned will lead to the Police being called to intervene.

# Agenda Item 1

## TENDRING DISTRICT COUNCIL

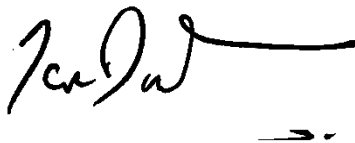
Committee Services  
Town Hall  
Station Road  
Clacton-on-Sea  
Essex  
CO15 1SE

18 March 2019

Dear Councillor

I HEREBY SUMMON YOU to attend the meeting of the Tendring District Council to be held in the Princes Theatre, Town Hall, Station Road, Clacton-on-Sea at 7.30 p.m. on Tuesday 26 March 2019 when the business specified in the accompanying Agenda is proposed to be transacted.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Davidson', with a long horizontal flourish extending to the right.

Ian Davidson  
Chief Executive

To: All members of the  
Tendring District Council

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**MINUTES OF THE MEETING OF THE COUNCIL,  
HELD ON TUESDAY, 5TH FEBRUARY, 2019 AT 7.30 PM  
IN THE PRINCES THEATRE, TOWN HALL, STATION ROAD, CLACTON-ON-SEA,  
CO15 1SE**

<b>Present:</b>	Councillors Platt (Chairman), Yallop (Vice-Chairman), Alexander, Amos, Baker, Bennison, Bray, Broderick, B Brown, M Brown, Bucke, Bush, Callender, Calver, Cawthron, Chapman, Chittock, Coley, Cossens, Davis, Everett, Fairley, Ferguson, Fowler, Gray, Griffiths, C Guglielmi, V Guglielmi, Heaney, I Henderson, J Henderson, P Honeywood, S Honeywood, Khan, King, Land, McWilliams, Miles, Newton, Nicholls, Pemberton, Poonian, Raby, Scott, Skeels Jnr, Steady, Stephenson, Stock OBE, Talbot, Turner, Watson, White, Whitmore and Winfield
<b>In Attendance:</b>	Ian Davidson (Chief Executive), Martyn Knappett (Deputy Chief Executive (Corporate Services)), Lisa Hastings (Head of Governance and Legal Services & Monitoring Officer), Richard Barrett (Head of Finance, Revenues and Benefits Services & Section 151 Officer), Ian Ford (Committee Services Manager & Deputy Monitoring Officer), William Lodge (Communications Manager) and Katie Sullivan (Committee Services Officer)

**117. APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors J A Brown and Skeels Snr.

**118. MINUTES OF THE LAST MEETING OF THE COUNCIL**

**RESOLVED**, that the minutes of the ordinary meeting of the Council, held on Tuesday 22 January 2019, be approved as a correct record and signed by the Chairman.

**119. DECLARATIONS OF INTEREST**

With regard to the Council's consideration of the budget and Council Tax proposals and the statutory provisions in respect of Members' declarations of interest thereon, the Chief Executive reminded Members that advice had been recently circulated to them by email on 31 January 2019 by the Council's Monitoring Officer.

**120. ANNOUNCEMENTS BY THE CHAIRMAN OF THE COUNCIL**

There were no such announcements on this occasion.

**121. ANNOUNCEMENTS BY THE CHIEF EXECUTIVE**

There were no such announcements on this occasion.

**122. STATEMENTS BY THE LEADER OF THE COUNCIL**

There were no such statements on this occasion.

**123. STATEMENTS BY MEMBERS OF THE CABINET**

There were no statements by members of the Cabinet on this occasion.

**124. REPORT OF THE CABINET - A.1 - EXECUTIVE'S PROPOSALS - GENERAL FUND BUDGET AND COUNCIL TAX 2019/20**

The Council gave consideration to the Cabinet's General Fund budget proposals for 2019/20 and the amount of Council Tax for District and Town and Parish Council services for the financial year 2019/20, for each category of dwellings within the District of Tendring, to support the proposed level of expenditure.

Members were aware from Minute 100 (A.2) of the meeting of the Cabinet held on 18 January 2019, that the Deputy Chief Executive, in consultation with the Leader of the Council and the Finance and Corporate Resources Portfolio Holder, had been authorised to submit a report to this meeting in respect of the formal draft resolutions necessary to implement the Cabinet's budget proposals, together with any late information, or notifications received from the Ministry for Housing, Communities and Local Government, as may necessarily affect the budget.

The Council was advised of all the resolutions made by the Cabinet on 18 January 2019, together with the additional recommendations necessary to set the Council Tax levy. Those resolutions and recommendations were before the Council, as contained within item A.1 of the Report of the Cabinet.

The Council was aware that the Cabinet's proposed budget had been subject to the Council's Budget and Policy Framework Procedure Rules, which had included scrutiny by the Council's Resources and Services Overview and Scrutiny Committee.

Members were also aware that the Town and Parish Councils within the District had met to set their precepts and those precepts were contained within Appendix G to the Report of the Cabinet, which detailed the Precepts on the Collection Fund. The Council was also aware from Appendix H that the average District and Parish Council Tax for a Band D property would increase to £207.13.

The Leader of the Council (Councillor Stock) made the following budget statement -

*"In introducing the budget report tonight, I will repeat the words I used when the budget was considered by Cabinet on 18<sup>th</sup> January – that this is a good, honest budget.*

*There are no frills; this is simply a budget crafted to enable us to carry on being the outstanding local authority that we have become over the past few years; leading our communities, delivering high-quality services for our residents and helping our businesses to prosper and our visitor numbers to soar.*

*But then again that was always the ambition at the heart of our long-term approach to the budget that we were brave enough to adopt last year.*

*We talked about the need to keep delivering against the new long-term approach to build confidence in it – 2018/19 was delivered and we are presented tonight with a budget that delivers again for 2019/20.*

*It is important to highlight that we have already set aside significant amounts of money to keep moving our priorities forward. These are not reserves; this is money we have allocated and are about to spend on major projects that will greatly enhance and benefit this District, for example:*

- *Over £2 million for business, investment and growth,*
- *Over £1 million for office transformation,*
- *£1 million for public realm projects in Harwich,*
- *Two and a half million pounds for homes in Jaywick Sands including support from within the Housing Revenue Account,*
- *£4.6 million for cliff stabilisation work,*
- *Over £1million for digital transformation.*

*These are bold and ambitious projects because we are a bold and ambitious Council.*

*I notice that the argument about the size of Local Authority Reserves appears to have resurfaced again, at least in the emails of one Member. Now, banks and building societies are required by legislation to hold reserves as a prudent measure to protect them from future 'shocks', any large business will do the same, but when Councils take the same prudent approach, there will always be someone trying to suggest we should be spending the cash and leave nothing to fall back on.*

*To give just one example, and there must be thousands of others, we have the longest coastline of any District in the country and I don't need to remind Members of the sometimes-tragic events that have befallen this area due to our proximity to the sea. As the housing authority it is our legal duty to provide emergency housing for people displaced from their homes due to a calamity such as a catastrophic flooding event. That could be thousands of people made homeless and it could be for months or even years that they need alternative accommodation. Without adequate reserves we would simply not be able to meet those legal obligations and our residents would be left abandoned and homeless. Our reserves would play an absolutely vital role in supporting us through any such scenario.*

*The balance we are trying to find is to spend the one-off money we do have on things that either raise money, save money, or protect us from increased costs. This seems both logical and pragmatic.*

*These are not just warm words. Examples to demonstrate our genuine commitment to this approach are the office transformation project and the changes we have made to the waste and recycling contract, which together will save the Council in excess of £500 thousand pounds per year – half a million pounds that will support front line services next year, the year after and for the future.*

*This has surely got to be good news for the users of our front-line services.*

*I do appreciate the various comments on the waste service but what I cannot accept is that the changes to the contract are a cut in service. If we carried on with the existing contract, the additional cost to this Council would be close to half a million pounds per*

*year. Instead we have invested in a redesigned service that provides a revised collection methodology, with residents still having access to the same quality service where recyclables are collected from their doorsteps along with residual waste in a safer and more efficient way. This is good management of the Council's available resources and one that protects front line services; we are keeping weekly collections, we are moving to wheelie bins – which many residents have been demanding for years now, and we are saving shed loads of cash!*

*I have also heard people voice concerns about the proposed £5 increase to Council Tax.*

*Let me take this opportunity to set out the context to this proposal. The Government has reduced funding to this Council by over £7million pounds over the last few years. Their delayed response to this was to allow Councils the opportunity to increase Council Tax by £5, thereby recognising the pressure in the system. So, we are faced with a simple choice, and it's a choice we do have to face; we can increase Council Tax by £5 or we make some pretty savage cuts to frontline services to make up for the loss of £300 thousand per year from our budget. It's a simple choice, it's just not a very nice one.*

*When we set out our long-term approach to the forecast, we stated that we wanted to protect front line services as far as possible. The £5 increase is only one ingredient to the overall budget, and it is a compromise we have to make to help deliver on this promise – let's not forget we still have one of the lowest levels of council tax in Essex and we are in the bottom quartile nationally.*

*This leads me onto another point, and I will try to not get too technical here, but the Government has suggested that when they agree a fair funding settlement for Councils from next year, they will take into account the level of income raised locally from Council Tax. However, they will not make a deduction based on the level of income actually raised locally but it will be a deduction based on a notional council tax level determined on a national level. If our level of council tax is lower than this notional amount, then we will perversely lose out as the amount deducted from our funding settlement will be more than the figure we actually raise locally.*

*I am not saying the tail should wag the dog but perversely, having a lower level of Council Tax going forward will probably have an adverse impact in future years which could require more savings to be found in future than would otherwise be the case.*

*Who says public sector funding is boring? – We all have to stay alert to such subtleties in the system as they could have an impact on our overall financial position in future years.*

*It is also a truth universally acknowledged that local authorities who do not take advantage of the flexibilities to increase Council Tax but then complain to Government about the financial pressures on local services will simply be told "well you should have increased council tax, you only have yourselves to blame."*

*And I say that with no joy whatsoever; I am instinctively a Conservative, I believe in low-taxation and minimal state-interference. I believe that people know how to spend their money better than governments do. But I also realise and accept that as a local authority we have a job to do, services to deliver, communities to lead and businesses to support. We play a vital role in the lives of the residents of this District and we are a*

*force for good. And the simple fact is that running a large local authority like this one does cost money.*

*However, based on all that I have just said, I think the £5 increase is the right balance and the most financially prudent thing to do in the long term – let's not forget we will be protecting front line services by doing so.*

*As I said last year, the evidence is there to show that as a Council we will always find new ways and different approaches to deliver our services, a challenge we have lived up to in the past and one we will continue to do going forward.*

*We constantly punch above our weight and I can see no reason why this should change.*

*We continue to work closely with Government on a number of issues such as supporting the Jaywick Sands project. It is great to see the various strands of that work finally coming together and it genuinely feels that we are as close as we have ever been to making the long-lasting changes so desperately needed to lift the area out of the difficulties it has faced over so many generations.*

*I think the Government are now getting the same feeling and they have asked us what they can do to support our plans. We need to be honest but pragmatic and put our points forward, most of which do not need necessarily need the Government to put their hand in their pocket – they are more about technical and legalistic issues such as the time limit placed on right to buy capital receipts retained locally, which do not help us formulate a longer term plan.*

*We are being listened to and one reason why is that the Government see us as a "can do" council. That's a reputation we want to keep delivering against, not just in words, but in what happens on the ground, as that is where we will be judged by our residents, our businesses and our visitors.*

*I will quickly return to the purpose of the long-term approach to the forecast we have adopted before I finish with some comments about the Members and Officers here at the Council.*

*One of the major successes that the long-term approach could deliver, when we do finally emerge from one of the toughest financial environments that Local Authorities have ever been faced with, is that the level of services we currently provide have been protected as far as possible. Sometimes success is dressed up in different clothing and some people may not see this as overly ambitious within a long-term plan.*

*Success is relative and such a judgement will be made by comparing this Council with how other Local Authorities have fared across the same period – when this day arrives I genuinely believe that we would be up there with the best and continue to be there for our residents – we are here to provide an extensive range of public services and I hope that that range will be as extensive as possible and of the quality expected of us.*

*Members and Officers will continue to work hand in hand to make this possible.*

*Whatever happens we must keep up the enthusiasm that is clearly there amongst us all to carry on making a difference. Let's carry on with good and honest debates and make*

*well-informed decisions that are supported by our excellent Officers that we are fortunate enough to have behind us on this Council.*

*I have really enjoyed Cabinet meetings over the last year as people have really engaged and made useful and helpful contributions – this can only be a good thing for the Council as a whole and an approach that would be expected of us by the people we serve. I sincerely hope that this carries on after the elections in May and we can look forward to constructive and pragmatic discussions during Cabinet meetings long into the future.*

*I call all Members to support the 2019/20 budget that is being proposed and vote in favour of it tonight.”*

It was moved by Councillor Stock and seconded by Councillor G V Guglielmi that the recommendations set out on pages 11 and 12 of the Council Book be approved.

Councillor I J Henderson spoke to Councillor Stock’s motion.

The Chief Executive reminded Members that The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 required local authorities to hold a named vote on the Budget motion and any and all amendments thereto.

In respect of Councillor Stock’s motion the vote resulted as follows:

Councillors For

Alexander  
Amos  
Baker  
Bennison  
Bray  
Broderick  
B E Brown  
M Brown  
Callender  
Calver  
Cawthron  
Chapman  
Chittock  
Coley  
Cossens  
Davis  
Everett  
Fairley  
Ferguson  
Fowler  
Griffiths  
G V Guglielmi  
V E Guglielmi  
Heaney  
I J Henderson  
J Henderson

P B Honeywood  
S A Honeywood  
Khan  
King  
Land  
McWilliams  
Miles  
Newton  
Nicholls  
Platt  
Poonian  
Raby  
Scott  
M J Skeels  
Steady  
Stephenson  
Stock OBE  
Talbot  
Turner  
Watson  
White  
Whitmore  
Winfield  
Yallop

Councillors Against

Bush  
Gray  
Pemberton

Councillors Abstaining

Bucke

Councillors Not Present

J A Brown  
Hones  
Massey  
Porter  
M J D Skeels  
Watling MP

Councillor Stock's motion was declared **CARRIED** and it was therefore:-

**RESOLVED** that, having had regard to the Chief Finance Officer's (Section 151 Officer) report on the Robustness of Estimates and Adequacy of Reserves, in accordance with the requirements under Section 25 of the Local Government Act 2003, and having taken account of the responses to the budget consultation process, the Council approves the budget proposals (based on a £5 Band D council tax increase for district services) and agrees:

- i) that the total General Fund net revenue budget for 2019/20 be set at £13.557m (a council tax requirement of £7.955m excluding parish precepts);
- ii) that the General Fund capital programme be approved totalling £2.637m in 2019/20;
- iii) that the detailed General Fund budgets be as per the Cabinet's budget proposals of 18 January 2019, as set out in Appendix D to item A.1 of the Report of the Cabinet;
- iv) the calculation of the Council's Council Tax requirement, Special Expenses and Parish/Town Council precepts, as set out at Appendix F to item A.1 of the Report of the Cabinet;
- v) the Council Tax for District and Parish/Town Councils' services, as set out at Appendix I to item A.1 of the Report of the Cabinet and that these are the amounts to be taken into account for the year in respect of the categories of dwellings listed in different valuation bands; and
- vi) that if budget adjustments are required following the late notification of external / grant funding, then in consultation with the Finance and Corporate Resources Portfolio Holder, budgets be adjusted accordingly with no net impact on the overall budget or capital programme set out above.

**125. URGENT MATTERS FOR DEBATE**

There were none on this occasion.

The meeting was declared closed at 7.57 pm

**Chairman**



**MINUTES OF THE MEETING OF THE STANDARDS COMMITTEE,  
HELD ON WEDNESDAY, 16TH JANUARY, 2019 AT 10.00 AM  
IN THE COUNCIL CHAMBER - COUNCIL CHAMBER**

<b>Present:</b>	Councillors Heaney (Chairman), Bray (Vice-Chair), Bucke, S Honeywood, Nicholls, Steady and Whitmore
<b>In Attendance:</b>	Lisa Hastings (Head of Governance and Legal Services & Monitoring Officer), Linda Trembath (Senior Solicitor (Litigation and Governance) & Deputy Monitoring Officer), Martin Klaassen (Senior Governance Officer) and Debbie Bunce (Legal and Governance Administration Officer)
<b>Also in Attendance:</b>	Clarissa Gosling (Independent Person), John Wolton (Independent Person), David Irvine (Independent Person), Jane Watt (Independence Person).

**40. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were none.

**41. MINUTES OF THE LAST MEETING**

The minutes of the meeting of the Standards Committee, held on 3 October 2018, were approved as a correct record and signed by the Chairman.

**42. DECLARATIONS OF INTEREST**

There were none on this occasion.

**43. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 37**

There were none on this occasion.

**44. CASE REVIEW**

The Monitoring Officer gave a presentation to the Committee for its information and in particular drew the Committee's attention to seven national cases relating to:

1. Notice of Censure
2. Overinflated Mileage Claims
3. Is the Council's MO a "Qualified Person"
4. Localism Act v Grievance Procedures
5. Ex-Leader exceeding authority in dispute
6. Ex-Planning Committee Chair resigns following acceptance of gifts and hospitality
7. Councillor's Use of Social Media.

The Monitoring Officer agreed to let the Committee know of the final outcomes on these cases.

The Monitoring Officer also informed the Committee that the National Audit Office Study of local governance and accountability had recently been received and it focussed primarily on financial considerations. There would be no impact on the Standards Committee's Terms of Reference.

The Ethical Standards Review outcome was due on 30<sup>th</sup> January 2019 and the Monitoring Officer said that she would circulate this when it was received and it would be discussed at the next meeting of the Committee.

**45. DISCUSSION TOPICS AND/OR UPDATES FROM THE MONITORING OFFICER**

Quarterly Complaints Update

The Monitoring Officer circulated to the Committee the quarterly schedule, which gave general details of complaints received, without providing any names, and went through them with the Committee.

Updates from the Monitoring Officer

The new Independent Persons had now been appointed and approved by full Council in November. The Chairman welcomed them to their first meeting. They would receive their training following today's meeting.

The meeting was declared closed at 10.52 am

**Chairman**

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,  
HELD ON THURSDAY, 24TH JANUARY, 2019 AT 7.30 PM  
IN THE COUNCIL CHAMBER - COUNCIL CHAMBER**

<b>Present:</b>	Councillors Coley (Chairman), Poonian (Vice-Chair), Alexander, Hones, Scott and Yallop
<b>Also Present:</b>	Clare Lewis (Fraud and Risk Manager), Martin Klaassen (Senior Governance Officer), Richard Barrett (Head of Finance, Revenues and Benefits Services), Craig Clawson (Principal Auditor), Charlotte Cooper (Leadership Support Officer)
<b>In Attendance:</b>	Keith Simmons (Head of Democratic Services and Elections)

**54. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Bray (with no substitute).

**55. MINUTES OF THE LAST MEETING**

The minutes of the previous meeting of the Committee, held on 27 September 2018, were approved as a correct record and signed by the Chairman.

**56. DECLARATIONS OF INTEREST**

There were no declarations of interest made on this occasion.

**57. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 37**

There were none.

**58. REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.2 EXTERNAL AUDIT REPORT - CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2017/18**

At the request of the Committee Chairman Agenda item 6, report A.2 was the first to be discussed by the Committee,

The Committee had before it a report (A.2) which presented the External Auditor's certification of claims and returns annual report 2017/18. Chris Hewitt, Audit Manager for Ernst and Young attended the meeting to explain the report further to the Committee. In summary, the key outcomes from the annual report were set out as below;

- The Housing Benefit Subsidy claim was subject to audit certification by the Councils External Auditor in 2017/18.
- The External Auditor's detailed report was attached to this report. A qualification letter has been issued although there has been only a marginal effect on the subsidy receivable.
- To date no response has been received from the Department for Works and Pensions in response to the External Auditor's qualification letter. Although they have not done so in previous years, the DWP may require the Council to undertake further work or claw back subsidy that has been paid. As there have only been a limited number of relatively minor issues identified this risk is low.

Having considered the External Auditors report it was **RESOLVED** that;

- a) the contents of the External Auditor's certification of claims and returns annual report 2015/16 be noted.

**59. REPORT OF THE AUDIT AND GOVERNANCE MANAGER - A.1 - REPORT ON INTERNAL AUDIT**

**PERIODIC REPORT ON INTERNAL AUDIT – SEPTEMBER - DECEMBER 2018**

The Councils Acting Audit and Governance Manager (Craig Clawson) provided a periodic report on the Internal Audit Function for the period of September to December 2018.

The Acting Audit and Governance manager informed the Committee a total of nine audits had been completed in the period in question, of which four had been given Substantial Assurance, four have been rated Adequate Assurance and one had been rated improvement required. No audits had been raised Significant Improvement Required.

The Committee was informed that the audit completed in the period under review which had received an 'Improvement Required' opinion and which therefore required reporting to members was-

*Facilities Management (FM)*

It was reported that the scope of this review was to cover all facilities across the council and ensure that all were compliant with mandatory maintenance including periodic Health and Safety requirements. A number of significant issues along with associated actions have been identified, some of which have already been addressed.;

It was also reported that, with regards to the *Bank Account* audit, although this did not receive an 'Improvement Required' opinion overall, there was one significant issue identified in respect of the paperwork required to support credit card payments which required further attention. It has been agreed that the Head of Finance, Revenues and Benefits Services will distribute an email reminding staff of the correct process to follow when submitting credit card payment details and if the lack of supporting documentation continues, their use of the Corporate Credit Card will be withdrawn.

The Committee was reminded, that at its previous meeting there had been one significant issue reported –“*Development Management. Retention of Funds by Third Party Company (Income Management)*” which had been addressed within this report.

The Committee was made aware that with regards to the Transformation Board Project currently taking place no significant issues have been highlighted in terms of audit. There have been some changes in delivery with the 'digital transformation', however the expected outcomes remain the same. The IT and Corporate Resilience Manager has ensured that key stages are to be signed off throughout the project. It has been reported that 95% of the Network Re-Design budget has been used however, the IT and Corporate Resilience Manager has advised that the additional budget required is not significant and can be managed through existing service budgets.

**60. REPORT OF THE CORPORATE DIRECTOR (CORPORATE SERVICES) - A.3 - TABLE OF OUTSTANDING ISSUES**

The Committee had before it a report (A.3) of the Deputy Chief Executive presenting to Members the progress on outstanding actions identified by the Committee.

It was reported that the table of outstanding issues had been reviewed and updated since it was last considered by the Committee at its meeting held 27 September 2018. A detailed update was provided following a risk review undertaken by the Council's insurers that was requested by the Committee. A number of points were raised by the Committee that will be reflected going forward.

It was further reported that there were no significant issues to bring to the attention of the Committee, with updates provided against individual items, as set out in Appendix A to item A.3 of the Report of the Deputy Chief Executive, or elsewhere on the agenda where appropriate.

Having considered the report (A.3) of the Deputy Chief Executive, it was **RESOLVED** that the progress on the outstanding issues be noted.

#### **61. REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.4 CORPORATE RISK REGISTER - JANUARY 2019**

The Committee had before them a Report of the Deputy Chief Executive (A.4) which presented to Members the updated Corporate Risk Register, last presented to the Committee July 2018

It was reported that, within the period under review, no new risks had been added to the register, no risks had been removed, one risk score had been amended, no items are currently under review and no items have been amended.

Risk scores have been amended in respect of;

- (1) 2a Coastal Defence.

It was reported that during the year a review had been carried out by the Council's Internal Audit Team relating to Risk Management. The following table sets out the recommendations identified and the current position against each of those actions;

Agreed Action	Current Position
Management Team to promote the importance of operational risk management within the organisation and ensure that Senior Managers implement a process for identifying and mitigating risks in coordination with the Corporate Fraud and Risk Manager.	Management Team are currently working with the Fraud and Risk Manager to effectively promote the importance of operational risk management within the Council. The Corporate Fraud and Risk Manager attends Management Team meetings on a quarterly basis and provides monthly updates.
One to one meetings will continue to take place between Senior Managers and the Corporate Fraud and Risk Manager to identify and record key operational risks within their service areas. Support to be provided by Internal Audit if required	One to one meetings have now concluded and feedback received. A deadline has been set for Heads of Service to finalise their departmental risk assessments to conclude this action.  Once concluded any required changes to the corporate risk register will be made.

<p>Once all departmental risk registers are implemented, the Corporate Fraud and Risk Manager is to embed a quality control process for monitoring business risks and verifying the recorded mitigating controls. This should involve process walkthrough's, reviews of supporting documentation and assessments of target dates / resources required to implement controls</p>	<p>Following on from the comments above, a quality control process will be implemented once departmental risk registers have been finalised.</p>
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Members recalled that at its meeting on 26 July 2018 the Committee requested that Officers review a number of risks to explore whether they should be treated as separate risks within the register given their potential impact on the Council. It was updated that this review has been completed with the outcomes set out below;

<b>Issue Raised</b>	<b>Outcome from Review</b>
<p>The delivery of the Waste and Recycling Service given recent events elsewhere in the country and the failure of large contractors nationally.</p>	<p>The contractor is considered to be a stable contractor and there are no issues relating to their financial performance. A 7 year extension to the existing contract has recently been negotiated.</p> <p>Item 9b of the corporate risk register addresses the associated general business continuity risk without itemising specific contractual areas.</p>
<p>The delivery of the Planning Service as loss of key staff could contribute towards the failure to comply with legislative requirements</p>	<p>Entry 4a on the risk register specifically relates to loss of key staff; whilst in Planning the existing margin is slight, efforts are in place that over the next three years through the grow your own programme will significantly reduce this risk in planning.</p> <p>It is not proposed to include a separate item on the corporate risk register over and above the item 4a mentioned above.</p>
<p>Emergency Planning arrangements, in</p>	<p>It is recognised that should the impact</p>

<p>respect of flooding or some other major incident, could result in the Council providing a significant number of alternative residences for a protracted period. This could seriously divert Council Officers from various departments and significantly deplete the financial reserves of the Council in the medium term.</p> <p>The Council should also be mindful that, in these circumstances, experience shows that the Council will potentially be the target of financial fraud. This would also divert Officers from their normal responsibilities and deplete Council funds.</p>	<p>occur it would be significant but the likelihood based on previous years, and the counter measures already in place such as insurance teams as well as our own housing teams being familiar with the existing client base, and having access to a wealth of client data, means vulnerability to fraud on the scale of Grenfell is remote and does not need specific entry on the register.</p> <p>Emergency planning under entry 9a will form part of existing plans for specifically rehousing existing clients; whilst entry 3d addresses fraud and corruption risk.</p>
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After consideration of this item it was **RESOLVED** that the contents of the updates provided to the current Risk Register be noted.

## 62. **REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.5 FRAUD AND CORRUPTION STRATEGY**

The Committee had before it a Report of the Deputy Chief Executive (A.5) which presented to the Committee an updated Anti-Fraud and Corruption Strategy.

The Committee was informed that the Council's Fraud and Corruption Strategy was last updated in 2012. Following various changes, including the recent establishment of a dedicated Corporate Fraud Team within the Council, significant changes to the existing strategy have been required. The Committee considered an updated Anti-Fraud Corruption Strategy at its 26 July 2018 meeting for consultation. The updated strategy incorporated the various elements of CIPFA's code of practice on managing the risk of fraud and corruption which was adopted by the Committee at its 22 March 2018 meeting.

An updated Anti-Fraud and Corruption Strategy was before the Committee (as an appendix to item A.5 of the Report of the Deputy Chief Executive) which reflects a number of amendments emerging as part of the consultation process.

Having considered the Report (A.5) of the Deputy Chief Executive, it was **RESOLVED** that the Committee approved the amended Anti-Fraud and Corruption Strategy.

The meeting was declared closed at 8.34 pm

**Chairman**

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# Public Document Pack

Community Leadership Overview and  
Scrutiny Committee

28 January 2019

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**MINUTES OF THE MEETING OF THE COMMUNITY LEADERSHIP OVERVIEW AND  
SCRUTINY COMMITTEE,  
HELD ON MONDAY, 28TH JANUARY, 2019 AT 7.30 PM  
IN THE COUNCIL CHAMBER - COUNCIL CHAMBER**

<b>Present:</b>	Councillors Land (Chairman), V Guglielmi (Vice-Chair), Bush, Coley, Griffiths, I Henderson, Newton, Raby, Skeels Jnr and Yallop
<b>Also Present:</b>	Councillor Gary Scott, Councillor Robert Bucke and Councillor Lynda McWilliams
<b>In Attendance:</b>	Karen Neath (Head of Leadership Support and Community) and Charlotte Cooper (Leadership Support Officer)

**32. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Chittock (with no substitute).

**33. MINUTES OF THE LAST MEETING**

The minutes of the last meeting of the Community Leadership Overview and Scrutiny Committee, held on 3 December 2018, were approved as a correct record and signed by the Chairman.

**34. DECLARATIONS OF INTEREST**

Councillor Newton declared an interest in agenda item 6 – Reference Report from Council – A.2 Clacton Town Council, as this motion was proposed by herself. She did therefore not participate whilst the Committee deliberated and reached its decision.

Councillor Pemberton declared an interest in agenda item 4 – Free Swimming Lessons for Children, as he proposed this motion.

Councillor Henderson declared an interest for agenda items 4 and 5 as he is an Essex County Councillor.

**35. FREE SWIMMING LESSONS FOR CHILDREN**

Clare Kershaw (Director of Education, Essex County Council) and Dawn Emberson (Relationship Manager, Active Essex), attended the meeting to discuss with Members how all schools can meet their statutory duty and move towards 100 per-cent of the Districts children learning to swim before they leave primary school education.

Members recalled that at the meeting of the Council held on 27 November 2018, it was agreed “That this Council takes the following necessary steps in order to see that every child in the District of Tendring can be taught to swim, before they leave primary school education;

- (a) The Community Leadership Overview and Scrutiny Committee invite the Director for Education from Essex County Council to attend a future meeting of that

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Committee in order to discuss how all schools can meet their statutory duty and move towards 100 per-cent of the Districts children learning to swim before they leave primary school education; and

- (b) That officers continue to work with partners to develop a cohesive plan to further improve safety measures across the Districts coastline and report back with findings and any recommendations to Cabinet in February 2019, for implementation prior to the 2019 season.

(c)

Clare and Dawn set out for the Committee the statutory requirement under the National Curriculum for swimming which is as follows:-

*All schools must provide swimming instruction either in key stage 1 or key stage 2.*

*In particular, pupils should be taught to:*

- *swim competently, confidently and proficiently over a distance of at least 25 metres*
- *use a range of strokes effectively [for example, front crawl, backstroke and breaststroke]*
- *perform safe self-rescue in different water-based situations.*

After discussion by the Committee, it was **RESOLVED** that;

Essex County Council / Active Essex will lead on the following actions:-

- (a) To undertake a review to determine how many pupils do not reach the required level of proficiency by the end of year 6. A piece of work will then be undertaken to work with schools to target those children that are not reaching the required proficiency;
- (b) to investigate how it was decided that the swim safe programme is centred on Clacton, Walton and Dovercourt and whether there would be any funding available to extend the programme more widely across Tendring;
- (c) to look at whether the swimming pools available at local caravan parks could be used to provide swimming lessons to school children;
- (d) to investigate whether local bus providers could assist with taking pupils from schools to pools as the cost of transport is cited as one of the biggest barriers for schools in providing swimming lessons;
- (e) to review the affordability of providing swimming lessons for schools and the capacity to provide enough lessons. Although it was commented that the latter point is not thought to be an issue;

Tendring District Council will lead on the following actions:-

- (f) To look into whether Tendring District Council's beach patrol staff could provide swimming lessons in the sea for young people as swimming in the sea is different from swimming in a pool;
- (g) to consider whether the ONE card or something similar could be re-introduced for use at local Leisure Centres;

- (h) to look at extending the promotion of water safety advice around the coastline during the summer including liaising with partners such as Clacton Pier and voluntary and community groups such as the scouts.

**36. REPORT OF HEAD OF LEADERSHIP SUPPORT AND COMMUNITY - A.1. ESSEX FUTURE LIBRARY SERVICES STRATEGY 2019 - 2024**

The Committee had before it a report of the Head of Leadership Support and Community (A.1) which enabled the Committee to put forward comments in response to the consultation being undertaken by Essex County Council (ECC) on their draft strategy for the future of library services up to 2024.

It was reported that Essex County Council has published a draft strategy on the future of library services over the next five years. Consultation is now being undertaken to enable views to be submitted on the strategy. The strategy is based on views gathered from the public in 2018; the consultation closes on 20 February 2019. Essex Libraries currently serve a population of 1.5 million through 74 library buildings, eLibrary services, 2 mobile libraries and home library service volunteers. It also supports 8 volunteer run community libraries. Over the last 6 years the use of libraries has declined.

The strategy is about library services, both physical and online, and how and where these can be provided in the future. The strategy is not about library buildings and it could be, for example, that library shelves could be in community centres or other public buildings. The strategy anticipates that in the future, community groups and volunteers are more likely to be involved in delivering library services. The strategy sets out the overriding ambition for library services and the key points that the strategy will focus on. These focus on keeping books and reading at the heart of the library service, embracing digitalisation and technology and working with communities to deliver services locally. Each of the existing 74 libraries has been placed in one of four tiers based on assessment against the criteria of; location, usage, population, deprivation and social isolation. The four tiers are;

- Tier 1 – Main or hub libraries which will part of the statutory provision
- Tier 2 – library services in areas where there is a need for them to be managed by ECC in partnership with community or other partner;
- Tier 3 – locations where no library service is needed as part of the statutory provision but where ECC could support the provision of the service run locally. If no suitable offer is received within six months of Cabinet approval of the strategy then ECC intend to re-consult on the future of these libraries;
- Tier 4 – these libraries are proposed for closure but ECC would consider proposals for community libraries in these locations.

The libraries in Tendring are in the following tiers;

Library	Tier
Clacton	Tier 1
Harwich	Tier 2
Brightlingsea	Tier 3
Frinton	Tier 3
Manningtree	Tier 3
Walton	Tier 3
West Clacton	Tier 3
Holland	Tier 4

The full strategy and consultation questionnaire were attached to the report (A.1) as appendices A and B respectively.

The comments of the Committee will be submitted to the Cabinet meeting on 15 February to agree the final response of Tendring District Council.

After discussion, focussing to a large extent on the five criteria underpinning the rationale for proposals included in the Strategy (Location, Usage, Population, Deprivation and Social Isolation) it was **RESOLVED** that the Head of Leadership Support and Community would incorporate the views of the Committee into the consultation response form and agree this with the Chairman of the Community Leadership Overview and Scrutiny Committee. The completed consultation would also be circulated to all members of the Committee.

### **37. REFERENCE REPORT FROM COUNCIL - A.2. CLACTON TOWN COUNCIL**

The Committee had before it a reference report from Council (A.2), which reported to the Committee a motion submitted at the meeting of the Council held on 27 November 2018. Relating to a proposed town council for Clacton-on-Sea and which was referred to the Committee by the Chairman of the Council for consideration and report, in accordance with provisions of Council Procedure Rule 12.4.

Councillor Newton further explained this motion to the Committee, she then left the Council Chamber whilst the Committee deliberated and reached its decision.

Members recalled that, at the meeting of the Council held on 27 November 2018, the following motion was moved by Councillor Newton and Seconded by Councillor Bucke and, in accordance with Council Procedure Rule 12.4, stood referred to the Committee for consideration and report:

“This Council, in accordance with the Local Government and Public Involvement in Health Act 2007 (as amended) and the statutory guidance issued by DCLG in 2010, conducts a Community Governance Review with a view to creating a Clacton Town Council to come into effect in 2023.

The Council will consult with members of the public and other stake holders as to the creation of a Clacton Town Council which will be intended to serve the areas of Clacton-on-Sea that are not currently being represented by a Town or Parish Council. This will be inclusive of the following District Council Wards (as effective from May 2019) –

Bluehouse

Burrsville

Cann Hall

Coppins

Eastcliff

Pier

St Bartholomews

St James

St Johns

St Pauls

West Clacton and Jaywick Sands”

After much discussion from the Committee, it was **RESOLVED** that it be **RECOMMENDED TO COUNCIL** that the motion be amended to read;

“This Council, seeks to ascertain the views of the people of Jaywick, Clacton and Holland as to the possible creation of a Town Council or Councils for the currently unparished area of the district and that this be done by way of a question included with the Council tax leaflet.”

**38. CONSIDERATION OF ITEMS FOR MARCH MEETING**

With regards to the next meeting of the Committee, it was **RESOLVED** that;

1. The March Meeting be moved to the 25<sup>th</sup> February, to allow the Five Year Business Plan for North Essex Garden Communities to be scrutinised.
2. A Reference from Council, forwarded by Councillor Honeywood, regarding enforcement will be scrutinised.

Performance Reports for Quarter 3 will be scrutinised

The meeting was declared closed at 10.00 pm

**Chairman**

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# Public Document Pack

Local Plan Committee - (Ceased on 22  
January 2019)

29 January 2019

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## MINUTES OF THE INAUGURAL MEETING OF THE PLANNING POLICY AND LOCAL PLAN COMMITTEE, HELD ON TUESDAY 29 JANUARY 2019 AT 6.00 PM IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY

<b>Present:</b>	Councillors Stock OBE (Chairman), Turner (Vice-Chairman), Bush, Chapman, Coley, Ferguson, I Henderson, Land, Newton, Poonian and Skeels Jnr
<b>Also Present:</b>	Councillors Nicholls and White
<b>In Attendance:</b>	Ewan Green (Corporate Director (Planning and Regeneration)), Lisa Hastings (Head of Governance and Legal Services & Monitoring Officer), Gary Guiver (Planning Manager) and Katie Sullivan (Committee Services Officer)

### 9. **WELCOME**

The Chairman (Councillor Stock OBE) welcomed everyone to this first meeting of the Planning Policy and Local Plan Committee meeting.

He reminded Members that following approval at the full Council meeting held on 22 January 2019, the name of the former Local Plan Committee and its terms of reference had now been amended.

### 10. **APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were submitted on behalf of Councillors Bray (with no substitute), Platt (with no substitute) and G V Guglielmi (with Councillor Coley as his substitute).

### 11. **MINUTES OF THE LAST MEETING**

It was **RESOLVED** that the minutes of the last meeting of the Local Plan Committee, held on 30 October 2018, be approved as a correct record and signed by the Chairman.

### 12. **DECLARATIONS OF INTEREST**

There were no declarations of interest made at this time.

Later on in the meeting, during agenda item 5, Councillor Stock OBE declared a Personal Interest, insofar as he was a Director of North Essex Garden Communities Limited.

### 13. **QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 37**

There were none on this occasion.

### 14. **PUBLIC SPEAKING**

The Chairman invited the following person to address the Committee:

Bill Marshall, a resident of the District, made a statement relating to item A.1 of the Report of the Corporate Director (Planning and Regeneration Services) in which he

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expressed concerns about the lack of community involvement with the Local Development Scheme and the timescales mentioned within Appendix 1 for sections 1 and 2 adoptions. Mr Marshall asked the Committee to carefully consider what was before them and to dig deep into figures and dates.

Councillor Stock OBE declared a Personal Interest, insofar as he was a Director of North Essex Garden Communities Limited.

**15. REPORT OF THE CORPORATE DIRECTOR (PLANNING AND REGENERATION SERVICES) - A.1 - LOCAL DEVELOPMENT SCHEME**

The Committee had before it a report of the Corporate Director (Planning and Regeneration Services) (A.1) which sought its agreement to publish a new Local Development Scheme (LDS) which had included a revised timetable for completing the examination of the Local Plan, taking into account the Planning Inspector's latest advice.

It was reported that the LDS was designed to set out the process for producing the Local Plan and other planning documents, including the anticipated timetable of consultation periods, examinations and expected dates of adoption.

It was further reported that the LDS document was an essential tool that would help to ensure the Council stuck, as best as it could, to a set timetable and therefore made the most efficient use of its resources. Publishing the LDS also ensured that stakeholders, including members of the public, Town and Parish Councils, landowners and developers, partner organisations and, critically, the Planning Inspectorate were kept aware of the timetable the Council was working to and could therefore organise their time and resources accordingly.

The Committee was aware that the Council's last LDS, published in 2017, had proposed a timetable of work that had aimed to have the new Local Plan published for two rounds of public consultation, examined by a Planning Inspector and formally adopted by the Council by September 2018, in line with the relevant planning regulations.

The Committee was also aware that the Local Plan had been submitted to the Planning Inspector in October 2017 and Examination in Public of Section 1 of the Plan had commenced in Spring 2018. However, Examination in Public of Section 1 had currently been paused by the Inspector, in order to allow the three North Essex authorities involved (Braintree, Colchester and Tendring) to carry out further work.

The Committee was informed that the Examination in Public of Section 1 was currently anticipated to recommence in Autumn 2019, with the Inspector's Section 1 report expected in Winter 2019/20. Subject to the Inspector finding Section 1 of the Plan 'sound', commencement of Examination in Public of Section 2 of the Plan was expected to commence in Spring/Summer 2020. Adoption of both Section 1 and Section 2 of the Plan was currently anticipated to take place in Winter 2020/21, with the potential to adopt Section 1 in Spring 2020, if adopted independently of Section 2 of the Plan. Should the timetable change as a result of further delays, an updated LDS would be produced.

The revised LDS was attached as Appendix 1.



Having considered and discussed all of the information provided, it was moved by Councillor Turner, seconded by Councillor Land and:

**RESOLVED** that the Committee approves the Local Development Scheme (LDS) 2019-2021 (attached as Appendix 1 to item A.1 of the Report of the Corporate Director (Planning and Regeneration)) and agrees to its publication on the Council's website.

**16. REPORT OF THE CORPORATE DIRECTOR (PLANNING AND REGENERATION SERVICES) - A.2 - PLANNING REFORM: SUPPORTING THE HIGH STREET AND INCREASING THE DELIVERY OF NEW HOMES CONSULTATION RESPONSE**

The Committee had before it a report of the Corporate Director (Planning and Regeneration Services) (A.2) which provided information on the implications of the Government's new Planning Reform paper.

It was reported that the Government had published its 'Planning Reform: Supporting the High Street and Increasing the Delivery of New Homes' consultation between 29 October 2018 and 14 January 2019. The consultation had been open to all public and private bodies and members of the public.

It was further reported that the consultation had included separate proposals in respect of:

- Part 1: new and amended permitted development rights and changes to use classes, including to support the regeneration of the high street and to extend existing buildings upwards to create new homes.
- Part 2: the disposal of surplus local authority land - rationalising and updating the rules which govern disposal of public land at less than best value.
- Part 3: a draft listed building consent order to support the work of the Canal & River Trust.
- Part 4: draft guidance on the compulsory purchase powers of new town development corporations.

Part 1: Permitted development rights and use classes

The Government was seeking views on new permitted development rights to allow greater flexibility for change of use; use the airspace above existing buildings for additional new homes and extensions; remove the right to install new public call boxes and the associated advertising consent; and increase the height threshold for the installation of off-street electric vehicle charging points. They had also proposed to make permanent other existing time-limited rights, and to make an update to the Use Classes Order to reflect changing high streets and make them more resilient.

Part 2: Disposal of local authority land

There were well established consent procedures in place where local authorities sought to dispose of surplus land at less than best consideration. The Government was proposing to extend local authorities' freedoms to do so without seeking consent from the Secretary of State, thereby providing greater flexibility to dispose of surplus land in support of local development objectives.

Part 3: Canal & River Trust: Draft listed building consent order

The Government was proposing to make the first listed building consent order which would allow minor, routine works to the Canal & River Trust's listed waterway structures without the need for individual listed building consent applications. This would remove unnecessary applications from the system whilst ensuring that appropriate protection for listed buildings and their settings is maintained.

Part 4: New town development corporations: Draft compulsory purchase guidance

The Government sought views on draft guidance on the compulsory purchase powers of new town development corporations. It had set out, amongst other things, the factors which Ministers would take into account when deciding whether or not to confirm new town compulsory purchase orders. This was intended to provide additional clarity to those with an interest in proposed new settlements, including promoters, investors, infrastructure providers, landowners and local communities.

The Committee was informed that the deadline to respond to the Government's consultation had fallen between two Committee cycles. In preparing a response Officers had consulted internally and with the North Essex Authorities. Due to the time allowed for those consultees to respond, action had to be taken prior to seeking a decision from this Committee. Given the tight time turnaround, Officers had consulted with Councillor Stock OBE in his capacity as both Leader of the Council and the Chairman of this Committee to agree the draft response for submission, with the matter being reported to the Committee thereafter.

Councillor Ferguson thanked the Chairman and also the Planning Manager (Gary Guiver) for their quick response with this matter.

Having considered and discussed all of the information provided, it was moved by Councillor Stock OBE, seconded by Councillor Ferguson and:

**RESOLVED** that the Committee:-

notes the contents of the report and supports the consultation response, which was previously the subject of consultation with and in agreement by, the Chairman of this Committee; and submitted to the Government as this Council's formal consultation response.

The meeting was declared closed at 6.27 pm

Chairman

# Public Document Pack

Resources and Services Overview and  
Scrutiny Committee

11 February 2019

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**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW  
AND SCRUTINY COMMITTEE,  
HELD ON MONDAY, 11TH FEBRUARY, 2019 AT 7.30 PM  
IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY**

<b>Present:</b>	Councillors Stephenson (Chairman), Alexander (Vice-Chairman), Amos, Baker, Broderick, M Brown, Everett, Miles, Newton, Scott and Steady
<b>In Attendance:</b>	Anastasia Simpson (Head of People, Performance and Projects), Richard Barrett (Head of Finance, Revenues and Benefits Services & Section 151 Officer), Keith Simmons (Head of Democratic Services and Elections), Michael Carran (Head of Sport and Leisure)(except items 60 - 62), John Higgins (Head of IT and Corporate Resilience)(except items 61 and 62), Ian Ford (Committee Services Manager & Deputy Monitoring Officer) and Katie Wilkins (Human Resources and Business Manager)(except items 61 and 62)

**55. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were no apologies for absence submitted on this occasion and there were no substitutions.

**56. MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE HELD ON 17 DECEMBER 2018 AND CONTINUED ON 3 JANUARY 2019**

The Minutes of the meeting of the Committee held on 17 December 2018 and continued on 3 January 2019 were approved as correct records and signed by the Chairman, subject to Councillor Baker's declaration of interest under Minute 53 being amended to read as follows [alteration shown in bold]:-

*"Councillor Baker declared that he has a family member **potentially to be** in receipt of a Disabled Facilities Grant."*

The Committee had had circulated to them (both by email and by paper copy) prior to the commencement of the meeting written responses to Members' questions from those Portfolio Holders who had not been able to attend the Committee's budget scrutiny meeting on 3 January 2019.

**57. DECLARATIONS OF INTEREST**

There were none made at this time.

**58. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 37**

There were no such questions on this occasion.

**59. REVIEW OF BESIDE THE SEASIDE FESTIVALS 2018**

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The Council's Head of Sport and Leisure (Mike Carran) attended the meeting and gave a presentation to the Committee which reviewed the Beside the Seaside Festivals in 2018.

Mr Carran's presentation included the following matters:-

(1) Objectives

- Maximisation of tourist opportunities through events;
- "book-end" the summer season with the Clacton Air Show;
- Raise the profile of the 'Blue Flag' beach in Dovercourt Bay; and
- Work with partners.

(2) The Event

- Traditional seaside entertainment;
- Live music/entertainment;
- 'Have a Go' activities; and
- Engagement with community groups.

(3) The 'Big Issues'

- An additional community event in Frinton-on-Sea;
- Recycling money;
- Attendance;
- Cost of the event;
- Economic impact on the local economy; and
- The weather.

(4) Learning points for 2019

- Revert to an earlier month for Clacton (i.e. June rather than July);
- Work closely with local businesses;
- Dovercourt event was too 'spaced out';
- Work towards financial sustainability; and
- Investigate possibilities of linking with other events.

Mr Carran then responded to Members' questions on his presentation.

The Chairman then thanked Mr Carran for his attendance and the information that he had provided to the Committee.

**60. REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.1 - PERFORMANCE REPORT 2018/19 THIRD QUARTER**

The Committee had before it a report of the Deputy Chief Executive which presented the Performance Report for Quarter Three (October to December 2018), including the Corporate Plan and Priorities and Projects 2018/19.

Appendix A to that report contained details of the 18 indicators and projects where performance was measured. Of those, 12 (67%) were on, or above, their expected target and 6 (33%) were not currently in line with the expected performance.

Members were informed that the Performance Report for Quarter Three would be presented to Cabinet on 15 February 2019 and that in that report the Local Plan and Garden Community indicators would be shown as “On Target” (rather than “Behind Target”) following the recent approval of the Council’s revised Local Development Scheme by the Planning Policy and Local Plan Committee. Any feedback from the Committee would be presented to a future meeting of the Cabinet as a separate reference report.

The Council’s Human Resources & Business Manager (Katie Wilkins) gave the Committee an update in respect of the indicators and projects with particular focus on those indicators that were currently listed as “Behind Target”.

Officers responded to questions raised by Members on various topics and where an answer was not immediately available, the Human Resources and Business Manager and the Head of IT and Corporate Resilience, as appropriate, undertook to respond to Members as soon as possible after the meeting.

**RESOLVED** (a) that this Committee recommends to Cabinet that –

- (1) in relation to the removal of Fly Tipping target future performance reports should also include details of the number of incidents requiring a specialist response and the response times provided. The Committee would also like the recycling service to confirm if there is an SLA requiring specific response times for specialist removals;
  - (2) any and all action be undertaken to ensure that, in future, the Head of IT and Corporate Resilience ‘signs off’ on all IT related procurements before any purchase of IT related equipment/software etc. is made.
- (b) that this Committee comments to Cabinet that –
- (1) it is very disappointed that it has still not yet seen the proposed Recycling Booklet for the public and requires that the booklet be sent digitally to the members of the Committee before it is printed in order that Members can comment on its contents;
  - (2) an All Member briefing be arranged to give a further update to Members on the progress of the Local Plan and the NEGC following the recent approval of the Council’s Local Development Scheme by the Planning Policy and Local Plan Committee; and
  - (3) in relation to the Recycling Rate target this target should not be listed as being “On Target” if the latest quarterly performance data has not yet been received as it is misleading.

**61. REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.2 - ANNUAL TREASURY STRATEGY 2019/20 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)**

The Committee's comments were sought on the Annual Treasury Strategy for 2019/20 (including the Prudential and Treasury indicators).

It was reported that on 5 February 2019, the Finance and Corporate Resources Portfolio Holder had agreed the Annual Treasury Strategy for 2019/20 (including the Prudential and Treasury Indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.

Members were aware that the Local Government Act 2003 and supporting regulations required the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both those documents had been issued in December 2017.

The Committee was informed that the revised guidance issued in 2017 also required the Council to update its Capital Strategy annually. Rather than produce two separate documents and as they were closely linked the Capital Strategy had been combined with the Treasury Strategy in one document.

It was reported that the Capital Strategy element of the combined document covered the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.

Similarly, the Treasury Strategy element of the combined document covered the various elements that satisfied the requirements of the various codes that governed the borrowing and investment activities of the Council and had been prepared in the light of advice received from the Council's Treasury advisors and reflected the latest codes and guidance.

Members were advised that under the Prudential Code the Council had freedom over capital expenditure as long as it was prudent, affordable and sustainable. The Prudential Indicators either measured the expected activity or introduced limits upon the activity, and reflected the underlying capital appraisal systems and enabled the Council to demonstrate that it was complying with the requirements of the Prudential Code.

The Committee was reminded that the Council's investments would be undertaken in accordance with its Treasury Management Practices. Those had been expanded to include use of non-specified investment in property to yield both rental income and capital gains from 2016/17. If credit ratings remained at their current low levels it was likely that a significant proportion of the Council's investments would continue to be in Government securities such as Treasury Bills or with other Local Authorities. However, other 'quality' investment opportunities would be explored in consultation with the Council's external advisors in order to maximise returns on investments within a continuing and overall risk-averse approach.

A copy of the report submitted to the Portfolio Holder together with the proposed Annual Capital and Treasury Strategy for 2019/20 (including the Prudential and Treasury

Indicators) was attached as an appendix to item A.2 of the Report of the Deputy Chief Executive.

The Head of Finance, Revenues & Benefits Services informed the Committee that as the 2018/19 Annual Treasury Strategy had already reflected many of the new requirements only minor updates had been necessary for the 2019/20 Strategy, namely the inclusion of the Capital Strategy within the combined document. No other significant changes were proposed in the Annual Capital and Treasury Strategy for 2019/20 with limited amendments in areas such as the general economic outlook and interest rate forecasts, with the Council maintaining a very low risk appetite approach to its treasury activities.

**RESOLVED** that the Committee both notes the contents of the Annual Capital and Treasury Strategy for 2019/20 and agrees that it does not need to submit any comments for the Cabinet's consideration.

## **62. SCRUTINY OF PROPOSED DECISIONS**

Pursuant to the provisions of Overview and Scrutiny Procedure Rule 13, the Committee reviewed any new and/or amended published forthcoming decisions relevant to its terms of reference with a view to deciding whether it wished to enquire into any such decision before it was taken. The relevant forthcoming decisions were before the Committee.

The Committee noted the submitted list of published forthcoming decisions.

**RESOLVED** (a) that, pursuant to the provisions of Overview and Scrutiny Procedure Rule 13, the Committee wishes to enquire into the following forthcoming decision before the Finance and Corporate Resources Portfolio Holder and Housing Portfolio Holder take their final joint decision on the matter:-

“Replacement of Careline Computer and Call Handling System”

(b) that Officers add to the Committee's draft work programme for 2019/2020 the scrutiny of the expenditure of the Council's £350,000 funding of the NEGC Business Plan 2019-2022.

In respect of the Committee's work programme for the next municipal year (2019/2020) the Chairman asked Members of the Committee their opinions on whether he should contact all Members of the Council for their input and suggestions for the work programme bearing in mind the Council elections on 2 May 2019 and the likelihood of a significant turnover in membership.

Following discussion it was agreed by the Committee that the Chairman should proceed with his approach.

The meeting was declared closed at 9.45 pm

**Chairman**





# Public Document Pack

Human Resources and Council Tax  
Committee

20 February 2019

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**MINUTES OF THE MEETING OF THE HUMAN RESOURCES AND COUNCIL TAX  
COMMITTEE,  
HELD ON WEDNESDAY, 20TH FEBRUARY, 2019 AT 7.30 PM  
IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY**

<b>Present:</b>	Councillors Callender (Chairman), Chapman (Vice-Chair), Alexander, Broderick, Ferguson, Griffiths and S A Honeywood
<b>Also Present:</b>	Councillors Amos and P B Honeywood
<b>In Attendance:</b>	Martyn Knappett (Deputy Chief Executive (Corporate Services)), Anastasia Simpson (Head of People, Performance and Projects), Richard Bull (Corporate Finance Manager & Deputy Section 151 Officer)(except items 20 - 24), Ian Ford (Committee Services Manager & Deputy Monitoring Officer), Katie Wilkins (Human Resources and Business Manager) and Debiante Messenger (Work Based Learning Manager)

**14. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were submitted on behalf of Councillors Calver (with no substitute), Chittock (with no substitute), King (with Councillor Broderick substituting) and Raby (with Councillor Alexander substituting).

**15. MINUTES OF THE LAST MEETING OF THE HUMAN RESOURCES & COUNCIL TAX COMMITTEE HELD ON 24 SEPTEMBER 2018**

It was moved by Councillor Chapman, seconded by Councillor S A Honeywood and:-

**RESOLVED** that the minutes of the meeting of the Human Resources and Council Tax Committee, held on 24 September 2018, be approved as a correct record and signed by the Chairman.

**16. DECLARATIONS OF INTEREST**

For the record and as a point of information, Councillor Griffiths reminded the Committee that he was a member of the GMB union and a Shop Steward but not at Tendring District Council.

**17. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 37**

There were none on this occasion.

**18. UPDATE ON APPRENTICESHIPS**

The Council's Work Based Learning Manager (Debiante Messenger) provided the Committee with an update on Apprenticeships.

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The main points covered included:

1. What is an Apprenticeship?
  - (a) Frameworks
    - (i) National Vocational Qualification;
    - (ii) Functional skills in English, Maths and ICT.
  - (b) Standards
    - (i) NVQ not required but delivered;
    - (ii) End point Assessment
2. Career Track Numbers
  - (a) 42 apprentices (plus six new starts imminent)
  - (b) 27 apprentices with TDC
  - (c) External employers too including Colchester Borough and Maldon District Councils
  - (d) Work ongoing to expand employer base
3. Apprenticeship Reform
  - (a) April 2017 – changes to funding for apprenticeships including levy on employers
  - (b) Providers applied to become independent (including TDC)
  - (c) New standards were introduced including funding rules and OFSTED inspections
4. Apprenticeship Levy
  - (a) Levy applies to all employers with an annual pay bill of over £3million
  - (b) 0.5% of annual pay bill goes into a digital account
  - (c) For local authorities target of 2.3% of staff as new apprentices by 2020

Members raised questions which were responded to by the Work Based Learning Manager and the Head of People, Performance and Projects, as appropriate.

The Chairman thanked the Work Based Learning Manager for her update.

**19. REPORT OF DEPUTY CHIEF EXECUTIVE - A.1 - FORMAL CONFIRMATION OF COUNCIL TAX AMOUNTS FOR 2019/20 FOLLOWING THE NOTIFICATION OF THE PRECEPTS FROM THE MAJOR PRECEPTING AUTHORITIES**

Before the commencement of this item the Chairman read out the following:-

*“Members are reminded of Section 106 of the Local Government Finance Act 1992, which provides that any Member, who is in arrears by at least 2 months with their Council Tax payments, cannot vote on matters concerning either the level of, or administration of, Council Tax. It is important to note that this also covers Council Tax liabilities outside of the District and property which may not be your main residence. If present at the meeting, a Member to whom this provision applies must disclose the fact*

*and may speak on the item, but cannot vote. Non-compliance with this section is a criminal offence. Therefore, should this provision apply to any Member, this should be disclosed.”*

The Committee’s confirmation was sought in respect of the final Council Tax amounts for 2019/20 including the precepts issued for 2019/20 by Essex County Council and the Essex Police, Fire and Crime Commissioner.

Members were informed that, once the precepts were received from the major precepting authorities, the Human Resources and Council Tax Committee had the delegated responsibility to agree the total Council Tax for 2019/20. The total Council Tax for the year was made up of the District and Parish / Town Council amounts approved by this Council and the corresponding amounts agreed by the major precepting authorities. Legislation required this formal confirmation even though the process was dictated by legislative formulae and there was no actual judgement or choice to be made.

The Committee was aware that the District and Parish/Town Council precepts for 2019/20 had been approved at the meeting of the Council held on 5 February 2019 and were set out in Appendix B to the report. Since that date the precepts from the major precepting authorities for 2019/20 had been received. The table set out below showed the precepts issued for 2019/20 for Essex County Council, Essex Police services and Essex Fire services:-

<b>Precepting Authority</b>	<b>Council Tax Amount (Band D equivalent)</b>	<b>Increase</b>
Essex County Council	£1,270.44	3.99%
Essex Fire Services	£72.45	2.94%
Essex Police Services	£192.96	14.16%

It was reported that when added to the amounts relating to the District and Parish / Town Council Services, as approved by Council on 5 February 2019, the average Band D Tax totalled £1,742.98 for 2019/20. Appendix A to the report set out the full precept details and Appendix C set out for confirmation the 2019/20 Council Tax amounts including the precepts from the major precepting authorities by property band for the unparished and parished areas of the District.

It was moved by Councillor Ferguson, seconded by Councillor S A Honeywood and unanimously:-

**RESOLVED** that -

- (a) the precepts issued by Essex County Council, Essex Police and Essex Fire for 2018/19, as set out in Appendix A to the report, be noted; and
- (b) the amounts of Council Tax for 2019/20 for each of the categories of dwellings, as shown in Appendix C to the report, be confirmed.

**20. REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.2 - STAFF STATISTICS REPORT**

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There was submitted a report by the Deputy Chief Executive (Corporate Services) (A.2) presented by Human Resources and Business Manager (Katie Wilkins), which provided the Committee with updated and current staffing statistics including:

- (1) Number of Staff Employed – Full-Time and Part-Time;
- (2) Gender Profile;
- (3) Age Profile;
- (4) Disability Profile;
- (5) Ethnicity Profile; and
- (6) Sickness Absence (information was included on the management procedures and preventative action taken together with the sources of support available for staff).

The Committee had circulated to them at the meeting further updated gender pay gap figures which demonstrated that the Council's gender pay gap (which was already minimal) had reduced even further.

Officers responded to questions raised by Members on various topics and where an answer was not immediately available, the Human Resources and Business Manager undertook to respond to Members as soon as possible after the meeting.

Following discussion it was **RESOLVED** that the contents of the report be noted.

**21. REPORT OF DEPUTY CHIEF EXECUTIVE - A.3 - PAY POLICY STATEMENT 2019/20 AND PAY ASSIMILATION**

There was submitted a report by the Deputy Chief Executive (Corporate Services) (A.3) presented to the Committee by the Head of People, Performance and Projects (Anastasia Simpson) on the proposed Pay Policy Statement for 2019/2020 and pay assimilation.

The Committee was reminded that Section 38(1) of the Localism Act 2011 required local authorities to produce a Pay Policy Statement and that those matters which were required to be included in the statutory Pay Policy Statement were as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer;
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers; and
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

It was reported that the Pay Policy Statement 2019/20 had been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. The framework was based on the principle of fairness and that rewards should

be proportional to the weight of each role and each individual's performance. The framework aimed to ensure the ability of the Council to recruit talented individuals whilst reassuring the citizens of Tendring that their money was being used efficiently.

It was further reported that a pay assimilation exercise had been carried out by the Council, in order to move across to the new nationally agreed pay bands for 2019/20, which had resulted in multiple inflationary variations across the pay scale. The new spine would replace entirely the current spine and accordingly employees would assimilate across from their current Spinal Column Point (SCP) to the new corresponding SCP in April 2019. Changes included:-

#### New Pay Spine 1 April 2019

- A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP) 1 (equivalent to old SCP's 6 & 7).
- 'Pairing off' old SCP's 6-17 incl. to create new SCP's 1-6 inclusive.
- Equal steps of 2.0% between each new SCP's 1 to 22 inclusive (equivalent to old SCP's 6-28 inclusive.)
- By creating equal steps between those pay points, new SCP's 10, 13, 16, 18 and 21 were generated to which no old SCP's would assimilate.
- On new SCP's 23 and above (equivalent to old SCP's 29 and above), 2.0% increase on 2018 rate.

Members were informed that by adopting the new National Joint Council (NJC) pay spine locally, two issues had been identified by officers (other authorities had reported similar issues):

- The current Grade 3 would lose all potential for progression and become a spot salary.
- The current Grade 5 would be made up of 7 SCP's. This was above the NJC recommendation of a maximum of 6 SCP's in one grade.

The NJC had therefore recommended that local employers considered various options and presented formal proposals around which there would be local negotiations with a view to reaching agreement. Officers had completed work on the assimilation to the new pay spine in October 2018 and had submitted proposals to both the Regional Unison Branch and Regional Employers for consideration. Following a series of meetings those proposals had been agreed by Tendring District Council, as the 'employer' and UNISON.

It was reported that the proposals recognised the principle of fairness and that rewards should be proportional to the required skill and expertise of each role. The Regional Employers had determined that this Council's proposals were sound and fair and UNISON fully supported the approach being taken by the Council.

#### The model for Tendring

The Committee was made aware that the revised grade structure adopted all new SCPs in order to prevent deviation from the full NJC pay spine, with the adjusted grade boundaries including an additional increment for employees currently at the top of the

adjusted grades 3, 4 and 5. This allowed for a % increase that was comparable to the NJC proposal throughout.

The proposed model therefore:

- Recognised the NJC proposal and fulfilled our obligation to adopt the new pay spine.
- Where possible, pay progression had been built into the revised grade structure.\*
- Minimised disruption to the existing grading structure.

\*Grade 1c was the only exception having 1 SCP in the new model however the midpoint for this grade had increased by 7.01%.

The Committee was advised that the original salaries budget for 2018/19 had been £15.233m, rising to an estimate of £16.421m in 2019/20, an increase of £1.188m. Of this increase, £648,000 could be attributed to the cost of assimilating to the new pay spine (gross pay only). This figure included both the permanent staffing establishment and casual workforce. An element of the £648k pay award increase related to the estimated cost of adjusting grade boundaries for grades 3, 4 and 5. However, it was proposed to withhold awarding the new SCP's at the top of those grades until 2020/21, resulting in an anticipated underspend against the base salaries budget of £51,000 in 2019/20.

Members raised questions which were responded to by Officers.

It was moved by Councillor Broderick, seconded by Councillor Ferguson and unanimously:-

**RESOLVED** that this Committee recommends to Council that -

- (a) the Pay Policy Statement 2019/20, as set out at Appendix A, be adopted;
- (b) the new Pay Spine that will come into effect from 1 April 2019, as set out in Appendix B, be noted.

**22. REPORT OF DEPUTY CHIEF EXECUTIVE - A.4 - DEFENCE EMPLOYER RECOGNITION SCHEME UPDATE REPORT**

There was submitted a report by the Deputy Chief Executive (Corporate Resources) (A.4) presented by the Human Resources and Business Manager (Katie Wilkins) that updated Human Resources Committee on the work that had been undertaken to date, and future activities planned, to support the armed forces/veteran community, including Tendring District Council's participation in the Defence Employer Recognition Scheme (ERS).

The Committee was aware that the ERS encouraged employers to support the Armed Forces/veteran community and inspire others to do the same. The scheme encompassed bronze, silver and gold awards for employer organisations that pledged, demonstrated or advocated support to the armed forces/ veteran community, and aligned their values with the [Armed Forces Covenant](#) (*the Armed Forces Covenant was*

*a promise by the nation ensuring that those who served or who had served in the armed forces, and their families, were treated with fairness and respect in the communities, economy and society they served with their lives).*

It was reported that the covenant focussed on helping members of the armed forces community to have the same access to government and commercial services and products as any other citizen. This support was provided in a number of areas including:-

- Education and family well-being;
- Having a home;
- Starting a new career;
- Access to healthcare;
- Financial assistance;
- Discounted services.

Members were informed that this Council currently held ERS bronze award status, in achieving this, the Council had demonstrated its commitment to being '*armed forces-friendly*' and that it was open to employing reservists, armed forces veterans (*including the wounded, injured and sick*), cadet instructors and military spouses/partners.

The Committee was advised that Officers were keen to develop this work, not only to support the priorities outlined in the Armed Forces Covenant; but also to support the Council's recruitment priorities. Colchester Barracks discharged around 400 military personnel each year, a number of which decided to remain in the Colchester and Tendring area. Those personnel were highly trained and skilled and as such the Council was keen to tap into this talent pipeline.

Members were made aware that Officers were now working in partnership with Samantha Goodman (*Armed Forces Development Officer, at Colchester Borough Council (CBC)*), towards the attainment of silver accreditation. Samantha had led CBC's submission and achievement of silver status in 2018. Tendring District Council also has an Elected Member Lead for work relating to support for the Armed Forces (Councillor Christopher Amos).

It was reported that Employers could self-nominate for the ERS. Once the nomination had been validated it would be considered by a selection board at national level for gold awards and regional level for silver awards. The selection boards would be a panel chaired by a senior military officer and they would consider each nomination against the award criteria. Organisations selected for gold and silver awards would be formally notified in writing and invited to the relevant award event.

Appendix 1 to the report detailed both the activity undertaken to date, and the proposed future activity to support the armed forces/veteran community and the achievement of silver award status.

With the permission of the Chairman, Councillor Amos addressed the Committee on the subject matter of this item.

It was moved by Councillor Ferguson, seconded by Councillor Broderick and:-

**RESOLVED** that the contents of the report be noted.

**23. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Item 11 on the grounds that it involves the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 12A, as amended, of the Act.

**24. EXEMPT MINUTE OF THE LAST MEETING OF THE HUMAN RESOURCES & COUNCIL TAX COMMITTEE HELD ON 24 SEPTEMBER 2018**

The exempt minute of the meeting of the Human Resources and Council Tax Committee held on 24 September 2018 was approved as a correct record and signed by the Chairman.

The meeting was declared closed at 8.13 pm

**Chairman**



# Public Document Pack

Community Leadership Overview and  
Scrutiny Committee

25 February 2019

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**MINUTES OF THE MEETING OF THE COMMUNITY LEADERSHIP OVERVIEW AND  
SCRUTINY COMMITTEE,  
HELD ON MONDAY, 25TH FEBRUARY, 2019 AT 7.30 PM  
IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY**

<b>Present:</b>	Councillors Land (Chairman), V E Guglielmi (Vice-Chairman), Bush, Chittock, Coley, Griffiths, Newton, Raby, Skeels Jnr and Yallop
<b>Also Present:</b>	Councillors Davis, Everett (except items 45 – 47), P B Honeywood (except items 45 – 47) and McWilliams (Health and Education Portfolio Holder)
<b>In Attendance:</b>	Karen Neath (Head of Leadership Support and Community), Keith Simmons (Head of Democratic Services and Elections) and Ian Ford (Committee Services Manager & Deputy Monitoring Officer)

**39. CHAIRMAN'S REMARKS**

As this was the last meeting of the Committee before the forthcoming District Council elections the Chairman thanked Members for the way in which they had conducted themselves during meetings of the Committee and for the work which they had undertaken.

The Chairman also paid tribute to the advice and assistance that Karen Neath, Head of Leadership Support and Community had given to him, the Vice-Chairman and to the Committee in general. The Chairman informed Members that this was the last meeting of the Committee that Karen would be attending before leaving the Council.

Members showed their appreciation of Karen with a round of applause.

**40. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were received from Councillor I J Henderson (with no substitute).

**41. MINUTES OF THE LAST MEETING**

The minutes of the last meeting of the Committee held on 28 January 2019 were approved as a correct record and signed by the Chairman, subject to the inclusion of Councillor Pemberton in the list of Members who were "Also Present".

**42. DECLARATIONS OF INTEREST**

There were none on this occasion.

**43. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 37**

There were none on this occasion.

**44. REFERENCE FROM COUNCIL - A.1 - UTILISATION OF AVAILABLE ENFORCEMENT POWERS TO COMBAT STREET DRINKING AND ANTI-SOCIAL BEHAVIOUR IN CLACTON TOWN CENTRE**

The Committee was aware that, at the meeting of the Council held on 22 January 2019, the following motion had been moved by Councillor P B Honeywood and seconded by Councillor Everett and, in accordance with Council Procedure Rule 12.4, had stood referred to the Committee for consideration and report:

*“That this Council looks forward to the new Anti-Social Patrol Officer being appointed and asks that that person works closely with the Police and the dedicated PCSO for Clacton to ensure that all available enforcement powers are utilised to combat street drinking and anti-social behaviour in Clacton Town Centre to the fullest of their ability.”*

In accordance with Council Procedure Rule 12.5 Councillor Honeywood attended the meeting and explained the motion. He then responded to Members’ questions thereon.

With the permission of the Chairman, Councillors Everett and McWilliams also addressed the Committee on the subject matter of this item.

Having discussed the motion:-

It was moved by Councillor Coley and seconded by Councillor Yallop that this Committee advised Council that, in its opinion, Councillor Honeywood’s motion should not be supported in its original format and that, instead, the following amended motion should be approved:-

*“That this Council looks forward to the new Anti-Social Patrol Officer being appointed and asks that that person works closely with the Police and the dedicated PCSO for Clacton to ensure that all available enforcement powers are utilised robustly and effectively (but with appropriate discretion) to combat street drinking and anti-social behaviour in Clacton Town Centre.”*

Councillor Coley’s motion on being put to the vote was declared LOST.

It was then moved by Councillor Raby, seconded by Councillor Skeels Jnr. and:-

**RECOMMENDED TO COUNCIL** that Councillor Honeywood’s motion be approved in its original format.

**45. REPORT OF DEPUTY CHIEF EXECUTIVE - A.2 - PERFORMANCE REPORT OCTOBER - DECEMBER 2019 QUARTER 3**

The Committee had before it a report of the Deputy Chief Executive which presented the Performance Report for Quarter Three (October to December 2018), including the Corporate Plan and Priorities and Projects 2018/19.

Appendix A to that report contained details of the indicators and projects relevant to the terms of reference of this Committee. Those indicators and projects were deemed ‘non measurable’ as this Council’s role was that of ‘influence only’.

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Members were informed that the Performance Report for Quarter Three had been presented to Cabinet on 15 February 2019. Any feedback from this Committee would be presented to a future meeting of the Cabinet as a separate reference report.

**RESOLVED** that –

- (a) this Committee recommends to Cabinet that this Council should maximise every opportunity to promote and market the Tendring District Council ‘brand’ at sports and leisure events and activities held within the District; and
- (b) the contents of the report be noted.

**46. REPORT OF HEAD OF LEADERSHIP SUPPORT AND COMMUNITY - A.3 - REVIEW OF THE YEAR 2018/19 AND WORK PROGRAMME 2019/20 FOR THE COMMUNITY LEADERSHIP OVERVIEW AND SCRUTINY COMMITTEE**

There was submitted a report by the Head of Leadership Support and Community, which provided the Committee with a review of the work it had carried out in the current municipal year and sought Members’ approval to a draft Work Programme for the coming 2019/2020 municipal year for recommendation to the annual meeting of the Council to be held on 21 May 2019.

The Council’s Head of Leadership Support and Community reported that Appendix A to the report was a summary of what had been discussed and agreed by the Committee in the municipal year thus far. In addition, Appendix B was a suggested work programme for the new municipal year to which the Committee could add any items it felt were required.

Following discussion, it was moved by Councillor Bush, seconded by Councillor Raby and:-

**RESOLVED** that -

- (a) the report on the review of the year 2018/19, as detailed in Appendix A to item A.3 of the Report of the Head of Leadership Support and Community be noted; and
- (b) the draft 2019/20 Work Programme for the Community Leadership Overview and Scrutiny Committee, as set out in Appendix B to the aforementioned report, be agreed and submitted to the Annual Meeting of the Council for approval, subject to:-
  - (1) a discussion on a potential Task and Finish review of Alcohol Abuse being added to the list of items for the 3 June 2019 meeting; and
  - (2) a further update on the North Essex Garden Communities Five Year Business Plan being added to the list of items for the 2 December 2019 meeting of the Committee.

**47. SCRUTINY OF PROPOSED DECISIONS**

Pursuant to the provisions of Overview and Scrutiny Procedure Rule 13, the Committee reviewed any new and/or amended published forthcoming decisions relevant to its terms of reference with a view to deciding whether it wished to enquire into any such decision before it was taken. The relevant forthcoming decisions were before the Committee.

The Committee noted the submitted list of published forthcoming decisions.

The meeting was declared closed at 8.29 pm

**Chairman**

## COUNCIL

26 MARCH 2019

### REFERENCE FROM THE COMMUNITY LEADERSHIP OVERVIEW AND SCRUTINY COMMITTEE

#### A.5 PROPOSED TOWN COUNCIL FOR CLACTON-ON-SEA

(Report prepared by Ian Ford and Karen Neath)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

The Council will further consider a motion, which was moved by Councillor Newton and seconded by Councillor Bucke at the meeting of the Council held on 27 November 2018 and which had stood referred to the Community Leadership Overview and Scrutiny Committee for consideration and report.

##### EXECUTIVE SUMMARY

This report sets out a motion submitted by Councillor Newton to the meeting of the Council held on 27 November 2018 relating to a proposed town council for Clacton-on-Sea and which was referred to the Community Leadership Overview and Scrutiny Committee by the Chairman of the Council for consideration and report, in accordance with the provisions of Council Procedure Rule 12.4. The report also sets out the Committee's recommendation to Council in relation to the motion.

##### RECOMMENDATION

**That Council decides whether to adopt the recommendation of the Community Leadership Overview and Scrutiny Committee or if not, that the Council decide whether it should support the motion in its original format or amend the motion.**

#### PART 2 – SUPPORTING INFORMATION

##### BACKGROUND

At a meeting of the Council held on 27 November 2018, the following motion was moved by Councillor Newton and seconded by Councillor Bucke and, in accordance with Council Procedure Rule 12.4, stood referred to the Community Leadership Overview and Scrutiny Committee for consideration and report:

*"This Council, in accordance with the Local Government and Public Involvement in Health Act 2007 (as amended) and the statutory guidance issued by DCLG in 2010, conducts a Community Governance Review with a view to creating a Clacton Town Council to come into effect in 2023.*

*The Council will consult with members of the public and other stakeholders as to the creation of a Clacton Town Council which will be intended to serve the areas of Clacton-*

*on-Sea that are not currently being represented by a Town or Parish Council.*

*This will be inclusive of the following District Council Wards (as effective from May 2019) -*

*Bluehouse*

*Burrsville*

*Cann Hall*

*Coppins*

*Eastcliff*

*Pier*

*St Bartholomews*

*St James*

*St Johns*

*St Pauls*

*West Clacton and Jaywick Sands"*

## **CURRENT POSITION AND FURTHER INFORMATION**

The Community Leadership Overview and Scrutiny Committee, at its meeting held on 28 January 2019, considered Councillor Newton's motion and, after much discussion, the Committee decided that it be RECOMMENDED TO COUNCIL that the motion be amended to read:-

**"This Council, seeks to ascertain the views of the people of Jaywick, Clacton and Holland as to the possible creation of a Town Council or Councils for the currently unparished area of the District and that this be done by way of a question included with the Council Tax leaflet."**

To assist Members in considering this motion the following information is provided:-

### **What is a Community Governance Review**

A Community Governance Review is a legal process whereby Principal Councils (district or London Borough) can undertake reviews of community governance in their area. This is usually done by way of a review of Town and Parish Councils and the Local Government and Public Involvement in Health Act 2007 allows for a Principal Council to make recommendations on one or more of the following:-

- The creating, aggregating, amalgamating, separation, grouping or abolition of town and parish councils;
- the name and style of a new town or parish council;
- the electoral arrangements of town and parish councils (e.g. number of councillors, wards, election frequency etc.)

A key component of a community governance review is consultation. The principal council must consult the following—

(a) the local government electors for the area under review;

(b) any other person or body (including a local authority) which appears to the principal council to have an interest in the review.

As far as local government electors are concerned, in the 11 District Wards mentioned in the original motion, the number of electors as at 1 March 2019 was as follows:

Ward	Electors
Bluehouse	4016
Burrsville	4294
Cann Hall	4610
Coppins	5136
Eastcliff	2512
Pier	1895
St Bartholomew's	4707
St James	5081
St John's	4955
St Paul's	2228
West Clacton and Jaywick Sands	4063
	TOTAL <u>43497</u>

Other bodies to be consulted would include Essex County Council, tenant and resident groups, community safety groups and other bodies that current contribute to governance arrangements in the whole review area.

The options available to Members in relation to this motion are:-

#### **Option 1**

Members could resolve to reject both the amendment from the Committee and the original motion in which case no further work would be undertaken on taking forward a Community Governance Review for the currently unparished area of the District of Tendring. (But see the Alternative Mechanism for assessing public opinion below)

#### **Option 2**

Members could agree with the proposal from the Community Leadership Committee to seek the views of those who reside in the unparished area on the possible creation of a Town Council or Councils in this area. The amended motion suggests that these views be sought by way of a question included with the Council Tax Leaflet. The Council Tax billing for 2019/20 has already taken place. However, there are other planned district wide circulations that could include a question on this subject. For example, the Electoral registration Officer's Household Enquiry Form will be distributed to all households in the District of Tendring in Summer 2019.

A suitable question and the amount of background information to be provided would need to be agreed if Members were minded to follow this route together with the practical arrangements and costings for the survey and the mechanisms for people to respond. The outcome of such a process could only be to provide some indication of the desire or otherwise for a Town Council or Councils in the Clacton, Jaywick Sands and Holland areas and assist in determining whether a full Community Governance Review consultation process should be undertaken.

This would effectively be a consultation on whether to carry out a Community Governance Review which is itself a consultation exercise.

#### **Option 3**

Members could agree that a full Community Governance Review be undertaken. This would be to effectively agree Councillor Newton's original motion. If this was the case then full Terms of Reference, practical arrangements and estimated costings for the review would need to be prepared for agreement at a full Council meeting.

### **Alternative Mechanism to Assess Public Opinion**

If Tendring District Council did not agree to undertake a Community Governance Review of this unparished area voluntarily then such a review could be forced by the submission of a Community Governance Petition or Community Governance Application.

A Community Governance Petition must include a requisite number of signatures by local electors. For the unparished area of the District of Tendring the figure would be 7.5% of the electorate which equates to just under 3,300 signatures. A petition must also define the area to which the review relates, whether on a map or otherwise, and refer to identifiable fixed boundaries. The petition must specify one or more proposed recommendations for review.

Under The Legislative Reform (Community Governance Reviews) Order 2015, an organisation or body designated as a neighbourhood forum under section 61F of the Town and Country Planning Act 1990(1) can make a Community Governance Application. The application must relate to the whole or any part of an area specified in a neighbourhood development plan made under section 38A of the Planning and Compulsory Purchase Act 2004. The application must define the area which the review relates to and specify one or more recommendations which the applicant wishes a Community Governance Review to consider making.

If a Community Governance Review was to be carried out in response to either a Community Governance Petition or Application then, again, full Terms of , practical arrangements and estimated costings would need to be brought back to a full Council meeting for agreement.

### **Financial Implications**

If Members are minded to support either Option 2 or Option 3 above there would be a cost to the Council which would be assessed and reported to the Council before any further action would be taken.

In the case of Option 2 the cost would be that of the initial survey and then, potentially the cost of the Community Governance Review itself. The extent of the cost would depend on the nature of the consultation exercises agreed and, for example, whether a Business Reply provision would be made for responses. In the case of option 3 the cost would be that of the Community Governance Review itself.

### **BACKGROUND PAPERS FOR THE DECISION**

None

### **APPENDICES**

None



**133. ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2019/20 (INCLUDING THE PRUDENTIAL AND TREASURY INDICATORS)**

The Cabinet gave consideration to a detailed report of the Finance and Corporate Resources Portfolio Holder (A.4), which sought Cabinet's agreement for the Annual Capital and Treasury Strategy for 2019/2020 (including the Prudential and Treasury Indicators) to be submitted to Council.

Cabinet recalled that the Finance and Corporate Resources Portfolio Holder had approved the Annual Capital and Treasury Strategy for 2019/2020, including Prudential and Treasury Indicators, on 5 February 2019 for consultation with the Resources and Services Overview and Scrutiny Committee.

It was reported that the Resources and Services Overview and Scrutiny Committee had considered the Strategy at its meeting held on 11 February 2019 (Minute 61 referred) and had resolved:-

*"That the Committee both notes the contents of the Annual Capital and Treasury Strategy for 2019/2020 and agrees that it does not need to submit any comments for the Cabinet's consideration."*

Having considered the Strategy and the proposals contained therein:-

It was moved by Councillor G V Guglielmi, seconded by Councillor Skeels Snr. and:-

RESOLVED that the resolution of the Resources and Services Overview and Scrutiny Committee be noted.

**RECOMMENDED TO COUNCIL that the Annual Capital and Treasury Strategy for 2019/2020 (including Prudential and Treasury Indicators) be approved and implemented.**

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Key Decision Required:	Yes	In the Forward Plan:	Yes
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## CABINET

8 MARCH 2019

### REPORT OF FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER

#### A.4 ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2019/20 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

(Report prepared by Richard Barrett and Wendy Borgartz)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To agree the Annual Capital and Treasury Strategy for 2019/20 (including Prudential And Treasury Indicators) for submission to Council on 26 March 2019.

##### **EXECUTIVE SUMMARY**

- The Annual Capital and Treasury Strategy for 2019/20, including Prudential and Treasury Indicators, was approved by the Finance and Corporate Resources Portfolio Holder on 5 February 2019 for consultation with the Resources and Services Overview and Scrutiny Committee.
- The Resources and Services Overview and Scrutiny Committee considered the Strategy at its meeting on 11 February 2019 and resolved:
 

*That the Committee both notes the contents of the Annual Capital and Treasury Strategy for 2019/20 and agrees that it does not need to submit any comments for the Cabinet's consideration.*
- The Local Government Act 2003 and supporting regulations require the Council to set out its treasury strategy for borrowing, and to prepare an annual Investment strategy (as required by Investment Guidance subsequent to the Act) that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both documents were issued in December 2017.
- Although the Council has always maintained a Capital Strategy, the revised guidance issued in December 2017 now requires the Council to update it annually.
- Rather than produce two separate documents, as they are closely linked, the Capital Strategy has been combined with the Treasury Strategy which is set out in **Appendix A**, with only minor amendments required in 2019/20 to reflect the latest financial position of the Council. ***(For completeness, Appendix A also includes the report considered by the Finance and Corporate Resources Portfolio Holder that was considered when approving the strategy on 5 February 2019 for consultation with the Resources and Services Overview and Scrutiny Committee).***

- The Capital Strategy element of the combined document covers the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.
- The Treasury Strategy element of the combined document covers the various elements that satisfy the requirements of the various codes that govern the borrowing and investment activities of the Council and has been prepared in the light of advice received from the Council's Treasury advisors and reflects the latest codes and guidance.
- Prudential and Treasury indicators are included as an Annex to the combined strategy and are therefore included within **Appendix A**.
- Under the Prudential Code the Council has freedom over capital expenditure as long as it is prudent, affordable and sustainable. The Prudential Indicators either measure the expected activity or introduce limits upon the activity, and reflect the underlying capital appraisal systems and enable the Council to demonstrate that it is complying with the requirements of the Prudential Code.
- After noting the resolution of the Resources and Services Overview and Scrutiny Committee, Cabinet are required to consider and agree the Annual Capital and Treasury Strategy for 2019/20 (including Prudential and Treasury Indicators) that is attached as **Appendix A** for recommending to Council in March 2019.

## RECOMMENDATIONS

**That Cabinet notes the resolution of the Resources and Services Overview and Scrutiny Committee and agrees that the Annual Capital and Treasury Strategy for 2019/20 (including Prudential And Treasury Indicators) attached within Appendix A be submitted to Council for approval.**

## APPENDICES

**Appendix A** – Annual Capital and Treasury Strategy for 2019/20 (*including Prudential and Treasury Indicators and the covering report considered by the Finance and Corporate Resources Portfolio Holder on 5 February 2019*)

Key Decision Required:	Yes	In the Forward Plan:	Yes
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**FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER  
5 FEBRUARY 2019**

**A.1 ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2019/20 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)**

(Report prepared by Richard Barrett and Wendy Borgartz)

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

To seek the agreement of the Portfolio Holder for Finance and Corporate Resources to the Annual Capital and Treasury Strategy for 2019/20 (including the Prudential and Treasury indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.

**EXECUTIVE SUMMARY**

- The Local Government Act 2003 and supporting regulations require the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both documents were issued in December 2017.
- Although the Council has always maintained a Capital Strategy, the revised guidance issued in December 2017 now requires the Council to update it annually.
- Rather than produce two separate documents, as they are closely linked the Capital Strategy has been combined with the Treasury Strategy which is set out in **Appendix A**.
- The Capital Strategy element of the combined document covers the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.
- The Treasury Strategy element of the combined document covers the various elements that satisfy the requirements of the various codes that govern the borrowing and investment activities of the Council and has been prepared in the light of advice received from the Council's Treasury advisors and reflects the latest codes and guidance.
- Prudential and Treasury indicators are included as an Annexe to the combined strategy and are therefore included within **Appendix A**.
- Under the Prudential Code the Council has freedom over capital expenditure as long as it is prudent, affordable and sustainable. The Prudential Indicators either measure the expected activity or introduce limits upon the activity, and reflect the underlying capital appraisal systems and enable the Council to demonstrate that it is complying with the requirements of the Prudential Code.

- The Council's investments will be undertaken in accordance with its Treasury Management Practices. These were expanded to include use of non-specified investment in property to yield both rental income and capital gains from 2016/17. If credit ratings remain at their current low levels it is likely that a significant proportion of the Council's investments will continue to be in government securities such as Treasury Bills or with other Local Authorities. However other 'quality' investment opportunities will be explored in consultation with the Council's external advisors to maximise returns on investments within a continuing and overall risk-averse approach.

## RECOMMENDATIONS

**That the Portfolio Holder for Finance and Corporate Resources approves the Annual Capital and Treasury Strategy for 2019/20 (including Prudential and Treasury Indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.**

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

The adoption of the Capital and Annual Treasury Strategy for 2019/20 will ensure that the Council's Investment and Treasury Management activities are carried out and managed in accordance with best practice, thereby safeguarding money held by the Council and making an appropriate contribution to the Council's overall financial position.

### FINANCE, OTHER RESOURCES AND RISK

#### Finance and other resources

Treasury and Capital Management Strategies and procedures will ensure that the Council's investments and borrowing will be undertaken in such a way as to minimise the Council's exposure to risk. At the same time they will seek to maximise income from investments and minimise the costs of borrowing within the Council's accepted level of risk.

#### Risk

The placing of investments involves a number of risks. These risks and how the Council will manage them are set out in the Council's Treasury Management Practices.

### LEGAL

The Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 include the requirement for local authorities to have regard to CIPFA guidance. By adopting / approving an Annual Treasury Strategy and a Capital Strategy based on the requirements of the relevant and updated codes, the Council is complying with the regulations.

At its meeting on 18 January 2019, Cabinet agreed a delegation to the Portfolio Holder for Finance and Corporate Resources to approve the Capital and Treasury Strategy 2019/20 for consultation with the Resources and Services Overview and Scrutiny Committee.

### OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following

and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no other implications.

### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND AND CURRENT POSITION**

The Annual Capital and Treasury Strategy for 2019/20 is set out in **Appendix A** and is based on the most up to date Treasury Management Code of Practice and the revised Prudential Code, both of which were published by CIPFA in December 2017.

The 2018/19 Annual Treasury Strategy already reflected many of the new requirements with only minor updates therefore necessary for the 2019/20 Strategy, namely the inclusion of the Capital Strategy, which is included within the combined document set out in **Appendix A**.

No other significant changes are proposed in the Annual Capital and Treasury Strategy for 2019/20 with limited amendments in areas such as the general economic outlook and interest rate forecasts, with the Council maintaining a very low risk appetite approach to its treasury activities. Given the low interest rate environment, even if the Council were to increase the level of risk it would be willing to accept, the increased returns would only be marginal and therefore would not provide a credible / alternative option at the present time.

In respect of CIPFA's Treasury Management Code of practice, the most recent and fundamental revision to the code was in 2017 which has been incorporated within this Annual Treasury Strategies where relevant. By approving the Annual Treasury Strategy for 2018/19, the Council is in effect adopting the latest CIPFA Code of Practice for Treasury Management in the Public Services. (the '2017 code').

Although not specified within the Treasury Strategy, the need to borrow money may arise in future years to reflect the Council's current commitment to the Garden Communities project. This project will be subject to separate decision making processes as necessary and any borrowing requirements will need to be considered within the overall Treasury Strategy framework.

Draft Prudential Indicators are set out in Annex 1 to Part 2 of the Capital and Treasury Strategy. Annex 2 to Part 2 of the Treasury Strategy sets out the specified and Non-Specified investments the Council may use in 2019/20.

In accordance with the relevant codes, the Capital and Treasury Strategy is subject to consultation with the Resources and Services Overview and Scrutiny Committee before being recommended to Council for approval before the start of each financial year.

#### **BACKGROUND PAPERS FOR THE DECISION**

None

#### **APPENDICES**

Appendix A - Annual Capital and Treasury Strategy 2019/20

*Tendring*  
District Council



**ANNUAL CAPITAL AND  
TREASURY STRATEGY  
2019/20**



**PART 1 – CAPITAL STRATEGY 2019/20 to 2021/22**

## 1. Introduction

**SECTION A - Achieving Outcomes / Delivering Against Priorities**

2. Corporate Priorities and Links to Other Key Strategies
3. Roles and Responsibilities in Respect of the Capital Strategy and the Formulation and Monitoring of the Capital Programme

**SECTION B - Capital Investment and Sources of Funding**

4. Capital Investment Considerations
5. Sources of Funding

*Annex 1 – Quick Reference Guide – Information Expected to be Included in Capital Investment Decisions Where Relevant*

*Annex 2 – General Fund and Housing Revenue Account Capital Programmes 2019/20 to 2022/23*

**PART 2 – TREASURY STRATEGY FOR 2019/20**

1. Introduction
2. Treasury Limits for 2019/20 to 2021/22
3. Prudential and Treasury Indicators for 2019/20 to 2021/22
4. Current Portfolio Position
5. Borrowing Requirement
6. Economic Position
7. Interest Rates
8. Borrowing strategy
  - 8.1 External v internal borrowing
  - 8.2 Gross and Net Debt Positions
  - 8.3 Policy on borrowing in advance of need
9. Debt Rescheduling
10. Annual Investment Strategy
  - 10.1 Investment Policy
  - 10.2 Creditworthiness Policy
  - 10.3 Credit Limits
  - 10.4 Country Limits
  - 10.5 Investment Strategy
  - 10.6 Allocation of Investment returns between GF and HRA.
  - 10.7 End of year investment report

## PART 1 – CAPITAL STRATEGY

### INTRODUCTION

The Capital Strategy is an overarching document that sets out the Council's approach to Capital Investment and how it seeks to deliver value for money against the following underlying key principle, which is subject to review by the Council's External Auditor each year:

*The Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources which comprises of:*

1. *Taking informed decisions;*
2. *Deploying resources in a sustainable manner; and*
3. *Working with partners and other third parties.*

Against this backdrop, the Capital Strategy is divided into two sections:

**Section A** provides an introduction and sets out the context for the Capital Strategy. It sets out how the plan links to corporate priorities and shows how they link to other key resource strategies and the related roles and responsibilities of members and officers.

**Section B** covers the framework within which capital financing decisions are considered and provides background to the funding sources available to meet the costs of capital projects that are included within the Capital Programme.

*The Capital Programme is the term used for the Council's rolling plan of investment in assets. The programme spans a number of years and contains a mix of individual schemes.*

*Investment can include expenditure on:*

- *Infrastructure such as open spaces, coast protection*
- *New build*
- *Enhancement of buildings through renovation or remodelling;*
- *Major plant, equipment and vehicles;*
- *Capital contributions to other organisations enabling them to invest in assets that contributes to the delivery of the Council's priorities.*

*The Capital Programme is distinct from the Council's revenue budget which funds day-to-day services, but they are both linked and are managed together.*

*There is a strong link with the Treasury Management Strategy set out in PART 2 that provides a framework for the borrowing and lending activity of the Council.*

*The Council has set a de-minimus level of £10,000, below which expenditure is not classed as capital expenditure, but is charged instead to the revenue account.*

## SECTION A - ACHIEVING OUTCOMES/DELIVERING AGAINST PRIORITIES

### CORPORATE PRIORITIES

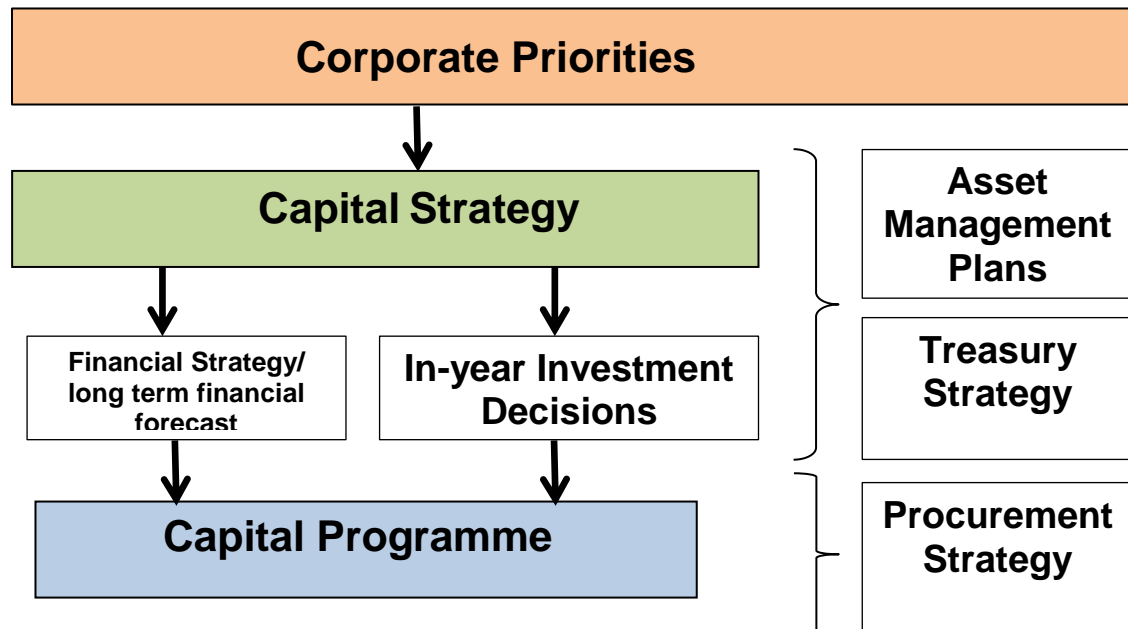
The Capital Strategy is subject to ongoing review and has a key role in supporting the delivery of the Council's Corporate Priorities

The Capital Strategy aims to set out the arrangements and processes in place to manage capital resources, the relationship with the Council's other key resource strategies and the practical/sustainable outcomes of those arrangements and processes by:

1. Setting out how schemes are evaluated and prioritised within the resources available.
2. Ensuring that any investment decision is prudent, sustainable and affordable in accordance with the prudential code and therefore represents value for money.
3. Setting out the performance processes in place to ensure that projects are delivered on time and within budget.
4. Ensuring that expected outcomes are delivered and lessons learnt from previous investment decisions.

### LINKS TO OTHER KEY STRATEGIES

The ability of the Council to undertake capital investment to deliver its corporate objectives will be influenced or have direct links to a number of strategies, with the key 'links' set out below:



The above sets out the strategies/processes that are more closely aligned to the capital investment decision but are by no means exhaustive. Although subject to changes over the life of this Strategy, other key strategies and

policies may also need to be reflected in the investment decision such as those associated with workforce/staff capacity and ICT delivery. Decision making must therefore reflect these requirements where relevant/necessary.

**In respect of ICT within the Council, associated strategies or requirements set out how the Council** intends to use technology to support service delivery and transform the way it delivers its services. ICT is therefore recognised as a key enabler in supporting capital investment and delivering sustainable outcomes.

The **Financial Strategy/long term financial forecast** plays a pivotal role in developing and delivering capital investment. The Financial Strategy/long term financial forecast not only determines the financial resources available to fund capital investment, both in terms of the initial investment and any revenue consequences of the capital investment itself, it also provides a framework for the consideration and prioritisation of capital projects. It is however recognised that to remain flexible to take advantage of investment opportunities that may arise during the year decisions may be required in line with the Council's Financial Procedure Rules. The long term financial forecast is reported to Cabinet each quarter, which allows this flexibility. To ensure consistency, such decisions should also follow the same requirements set out within the Capital Strategy.

The Treasury Strategy is also highlighted above as a key influence as it sets out the Council's overall approach to debt and borrowing. This approach along with affordability form part of the investment decisions that are brought together via the Financial Strategy/long term financial forecast process on a rolling basis through the year.

Other significant influences include the Local Development Framework (LDF) which sets out the Council's vision for change and new growth in the Tendring District in the long term which could present the Council with investment opportunities for consideration alongside other investment options.

## **ROLES AND RESPONSIBILITIES IN RESPECT OF THE CAPITAL STRATEGY AND THE FORMULATION AND MONITORING OF THE CAPITAL PROGRAMME**

**Management Team** – As the most senior officer team of the Council the Management Team approves the Capital /Treasury Strategy for submission to Cabinet and having regard to the Council's priorities, recommends projects for inclusion in the Capital Programme in consultation with Portfolio Holders/ Cabinet (via the Financial strategy/long term financial forecast process). Management Team also considers all investment decisions prior to formal reporting to Members, especially those associated with in-year investment decisions.

Departments support Management Team in the above process through the development and investigation of investments opportunities and submitting reports in support of the associated capital projects.

**Cabinet (including Portfolio Holders acting within approved delegations)**

– The Cabinet recommends the 5 year capital programme to Council. The Cabinet and the Finance and Corporate Resources Portfolio Holder can, within the limits set by the Council's Financial Procedure Rules, approve supplementary estimates or approve virements between schemes during the year as part of separate investment decisions. The Cabinet is required to approve the Capital / Treasury Strategy each year.

**Council** – Approves the 5 year Capital Programme as part of the budget setting process in February each year and approves the Capital / Treasury Strategy in March each year.

Subject to the limits set out in the Council's Financial Procedure rules, Council may be required to approve supplementary estimates to increase the costs of approved schemes or add new schemes over and above amounts that individually or on aggregation are over and above those amounts ordinarily agreed by Cabinet as part of in-year investment decisions.

**CONSULTATION**

The views of the local community and stakeholders are an important element in developing the priorities for the Council and identifying capital investment opportunities. This can be achieved in a number of ways depending on the specific investment that is considered, which may include a budget consultation exercise as part of the Financial Strategy process.

Departments are expected to review the need to undertake consultation and the scale of that consultation, as appropriate, as part of the investment decision making process.

**MONITORING OF THE CAPITAL INVESTMENT/CAPITAL PROGRAMME**

In terms of performance and monitoring the delivery of capital investment, this is primarily achieved through the existing and comprehensive financial processes such as the Financial Strategy/long term financial forecast and budget setting process, outturn review and the quarterly financial performance reporting. In respect of the quarterly financial performance reports, an update on the delivery of projects and the position against the budget is included, which is reported to both Cabinet and the relevant Overview and Scrutiny Committee during the year. Some capital projects may also form part of the Council's separate Performance Monitoring process that is also reported to Members on a quarterly basis. The decision to include items in the performance report will be based on risk, materiality, scale and associated governance arrangements and will be determined as part of the annual performance plan process that involves Departments, Management Team and Members.

Where capital investment is material, the scheme or project may be subject to review by internal audit which would be at the discretion of the Internal Audit and Governance Manager as part of the annual Internal Audit Plan or if required by other key stakeholders.

## **SECTION B – CAPITAL INVESTMENT AND SOURCES OF FUNDING**

### **CAPITAL INVESTMENT CONSIDERATIONS**

The Council's capital investments are made in accordance with the Prudential Code, which aims to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, which should also include where necessary a prioritisation and appraisal process. Under the Code the Council is free to determine the amount it borrows to finance capital investment.

All of the Council's capital investment is managed in accordance with the requirements of the Prudential Code. The prioritisation of capital investment is directly linked to the Financial Strategy/long term financial forecast and/or in-year budget amendment processes as previously explained, which are undertaken in an open and transparent manner.

Schemes that are agreed but not funded as part of the Financial Strategy/long term financial forecast process should where relevant/practical be considered a prioritised list which in effect becomes a 'live' schedule of investment opportunities against which further investment opportunities should be considered during the year.

The Council faces ongoing significant financial challenges over the period of this Capital Strategy due to the significant reductions in Government Funding since 2010 and ongoing. The long term financial forecast for 2019/20 to 2026/27 is showing a net budget surplus towards the end of the forecasted period, with the Forecast Risk Fund being used to support the budget position until that time. To deliver the level of efficiencies and transformation that will in turn support the delivery of the long term forecast, the following key principles have been identified which should be a key consideration of capital investment decisions:

Design schemes/projects to limit as far as possible any negative impact on the Council's on-going revenue budget.

Promote capital investment which allows either invest to save outcomes or generates a revenue and/or capital return and/or generates additional external grant (e.g. new homes bonus) or core funding (e.g. Business Rates) whilst clearly setting out how it contributes to the Council's Corporate Priorities

Foster effective working relationships with potential funders/partners.
Carefully consider value for money and efficiency of projects and associated outcomes.
Project risk is fully explored and mitigating actions identified and taken as necessary.
Ensure appropriate project management tools are used where necessary and the Council has the capacity to deliver the project.
Responsibility for the delivery of the project is clearly defined and understood.

Although not always necessarily subject to formal reporting, Departments are expected to evidence the outcome from any investment undertaken against the key criteria set out within this Capital Strategy to inform future investment decisions with high level information being available within the usual performance/budget monitoring reports.

To promote consistency, a quick reference guide for detailed information that is expected to form part of any investment decisions is set out as **Annex 1**.

### **Impact Assessments**

Impact assessments may be required depending on the specific capital investment decisions being considered. Therefore Departments are expected to consider whether it is necessary to complete an impact assessment based on the Council's usual processes and documentation at the time a decision is made.

### **SOURCES OF FUNDING**

Capital investment will have to be undertaken within the Council's limited resources and challenging financial environment.

In limited cases the cost of capital investment is supported by external grants/contributions. Any other capital investment the Council wishes to make has to be funded from its own resources or by borrowing (the revenue cost being met entirely by the Council). The Council's Financial Strategy/long term financial forecast includes consideration of a ten-year forecast, taking into account the revenue implications of capital investment plans and the resources available to fund capital investment. The level of capital investment will be constrained by the available resources identified via the Financial Strategy/long term financial forecast process including revenue contributions or the ability to attract external funding and the generation of capital receipts. Any decision to invest in capital projects will need to match the available resources against criteria set out above, including how it meets corporate priorities.

In planning any capital investment to contribute towards the achievement of the Council's priorities, the following resources are available:

- a) **Revenue Funding (Including Reserves)** – This continues to be limited each year given the challenging financial environment and on-going government grant reductions. This funding stream will need to be considered within the overall financial planning processes each year, including that for the HRA which operates under a self-financing environment where changes in Government Policy have led to limited revenue contributions being available to support capital investment.
- b) **Capital grants/contributions** – These have contributed significantly to past and current capital projects and many aspects of the Council's and its partners' objectives can only be met if this funding source continues to be pursued. Recent community objectives have been met by successful grant applications. Section 106 money flowing from the planning process is also a significant source of external funding.
- c) **General Fund Capital Receipts** – It is acknowledged that the Council's current property/land holdings are not of significant high value or volume. Nevertheless the Council recognises this important funding source and continually reviews its assets as part of the separate asset management plans which provide the context to consider opportunities to dispose of any assets that are surplus to requirements and/or not contributing to the delivery of the Council's priorities or where they provide alternative investment opportunities.
- d) **Borrowing within the Prudential Framework (Prudential Borrowing)** – The Council has the freedom to borrow to finance its capital expenditure provided it can demonstrate the prudence of the investment and its affordability and sustainability.

#### **CAPITAL STRATEGY CONCLUSIONS**

The Capital Strategy sets out the high level arrangements and processes to ensure that capital investment is managed within the Council's overall financial framework. It aims to ensure that its limited resources are applied consistently and effectively towards delivering the priorities of the Council. It links together the capital expenditure implications of various plans and strategies.



**PART 1 - ANNEX 1****QUICK REFERENCE GUIDE – Information Expected to be Included in Capital Investment Decisions Where Relevant**

<b>Formal Investment Considerations/Decisions/Business Cases</b>
Link to priorities and/or 'safeguarding' of a Council Asset and what are the measurable benefits of the planned investment
Return on Investment/Net Present Value
Whole Life Costing/Revenue Consequences
Payback Periods
Key risks and how they will be managed
Alternative Options/Opportunity Costs
Sustainability
Financial Resources Available/Funding Options
Impact assessment where relevant
Capacity/Deliverability
<b>Other considerations/important information to discuss/share with relevant internal department(s) and/or for inclusion in the formal decision making process if significant</b>
Cash Flow Forecasts
VAT Arrangements/Implications
Insurance issues
Risk Management implications
Procurement processes

## PART 1 - ANNEX 2

## General Fund Capital Programme 2019/20 to 2021/22

<b>Capital Expenditure - General Fund £000s</b>	<b>2017/18 Actual</b>	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Forecast</b>	<b>2021/22 Forecast</b>
<b>Total Capital Expenditure</b>	<b>5,811</b>	<b>13,799</b>	<b>2,637</b>	<b>1,024</b>	<b>816</b>
<b>Financing - General Fund</b>					
External contributions	(142)	(282)	-	-	-
Section 106	(80)	(182)	-	-	-
Coast protection grant	(270)	(4,115)	(602)	-	-
Other Government grants	-	(322)	-	-	-
Disabled Facilities Grant	(1,151)	(3,567)	(757)	(757)	(757)
Capital receipts	(850)	(884)	(64)	-	-
Direct revenue contributions	(2,917)	(1,197)	(100)	(55)	(55)
Earmarked reserves	(401)	(3,250)	(1,114)	(212)	(4)
<b>Total Capital Financing</b>	<b>(5,811)</b>	<b>(13,799)</b>	<b>(2,637)</b>	<b>(1,024)</b>	<b>(816)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## HRA Capital Programme 2019/20 to 2022/23

<b>Housing Revenue Account Capital Schemes £000</b>	<b>2017/18 Actual</b>	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Forecast</b>	<b>2021/22 Forecast</b>
<b>Total Capital Expenditure</b>	<b>3,233</b>	<b>8,076</b>	<b>3,176</b>	<b>3,176</b>	<b>3,176</b>
<b>Financing - Housing Revenue Account</b>					
Major repairs reserve	(2,801)	(4,096)	(3,176)	(3,176)	(3,176)
Direct revenue contributions	(85)	(3,233)	-	-	-
Section 106	(92)	-	-	-	-
Capital receipts	(156)	-	-	-	-
Government grant	(99)	(747)	-	-	-
<b>Total Capital Financing</b>	<b>(3,233)</b>	<b>(8,076)</b>	<b>(3,176)</b>	<b>(3,176)</b>	<b>(3,176)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **PART 2 – TREASURY STRATEGY**

### **1. Introduction**

The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. Both CIPFA Codes were revised in December 2017 and this treasury strategy has been drawn up with regard to the revised Codes.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Council's risk appetite is low and it takes a risk-averse approach to Treasury Management, with the security and liquidity of the investment the prime concern, and the budget for income from investments being formulated on this basis. The Annual Strategy for 2019/20 is based on this risk-averse approach continuing.

For a number of years the Council has engaged the services of treasury advisors to provide its officers with advice on treasury management issues. The current advisors are Link Asset Services, Treasury solutions. However the final decision and responsibility for the actions taken sits with the Council's own officers after considering that advice.

The details of the delegations and responsibilities for treasury management are contained within the Council's Constitution as follows:-

- Part 3 – delegated powers – The Executive / Finance and Corporate Services Portfolio Holder
- Part 5 – Financial Procedure Rules

### **2. Treasury Limits for 2019/20 to 2021/22**

It is a statutory duty under Section 3 of the Act and supporting regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the Authorised Limit represents the legislative limit specified in the Act.

The Council must have regard to the Prudential Code when setting the Authorised Limit of external debt, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'. Capital investment must be considered in the light of the overall strategy and

resources available, with decisions made with sufficient regard to the long term financing implications and potential risks.

Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for funding must include both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. Details of the Authorised Limit can be found in Annex 1 of this part of the report.

The authorised limit reflects the additional borrowing requirement as part of the Housing Revenue Account (HRA) self-financing reforms. The Housing self-financing reforms also set an overall ‘debt cap’ for the HRA which in itself reflects an affordability level based on the Government’s model of how much debt can be supported by the HRA after considering the forecast of income from rents and management and maintenance costs over a 30 year period. The HRA debt cap for Tendring was £60,285,000, but the Government announced the abolition of the HRA debt cap from 29 October 2018.

### **3. Prudential and Treasury Indicators for 2019/20 to 2021/22**

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated Treasury Management Strategy. The latest revisions to the CIPFA Code of Practice on Treasury Management and to the CIPFA Prudential Code are effectively adopted via the approval of this Strategy which reflects the most up to date codes and guidance.

### **4. Current Portfolio Position**

The Council’s treasury position at the end of December 2018 comprised:

- GF borrowing from The Public Works Loan Board (PWLB) of £0.353 million at fixed rates at an average rate of interest of 7.95%
- HRA borrowing from the PWLB of £42.062 million at fixed rates at an average rate of 3.38%
- Investments of cash flow surpluses, which include reserves and capital receipts, on a short-term basis (less than 1 year) totalling £64.399 million at an average rate of interest of 0.64%.

### **5. Borrowing Requirement**

No new, alternative or replacement borrowing is currently reflected in the budgets for both the General Fund and HRA for the period 2018/19 to 2021/22. This position therefore excludes any assumptions on additional borrowing, which would be subject to further consideration as necessary set against the underlying principle of the Council’s borrowing requirement being kept under on-going review to respond to any new / future burdens or priorities and overall financial position.

## 6. Economic Position

The Council's Treasury Advisors provide economic updates during the year with the latest position set out as follows:

### World economy

World growth has been doing reasonably well, aided by strong growth in the major economies, although this is likely to fall back in 2019.

Inflation has been weak during 2018 but very low unemployment in some major economies has led to an acceleration of wage inflation. However, current forward indicators for economic growth and inflation have now been on a downward trend for a significant period.

### UK economy

Inflation has been falling from a peak of 3.1% in November 2017 to 2.1% in December 2018 and the November 2018 Bank of England quarterly inflation report expected inflation to still be marginally above the 2% target in 2020, although the changes announced in the budget means this may be amended upwards in February 2019. The Bank of England is still stating that future Bank Rate increases would be gradual and they have given a figure for the Bank Rate of around 2.5% in ten year's time.

Investment returns are therefore likely to remain low during 2019/20 and beyond, although the increase in the Bank Rate to 0.75% in August 2018 has led to an increase of £100,000 in the income budget for investments for 2019/20 to £336,420 and of £80,000 in 2018/19 to £316,420 from the original 2018/19 budget of £236,420. This is based on a general assumption of no change in the Base Rate from the current 0.75%. The policy of avoiding new borrowing by using cash balances has served well over the last few years. However, this needs to be carefully balanced to avoid incurring higher borrowing costs in later times, when authorities may not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt.

## 7. Interest Rates

The following table gives the Council's External Treasury Advisor's view on Bank Rate movements and their forecast for the PWLB new borrowing rate based on that view. The PWLB rates are based on the 'Certainty Rate' introduced by the Government for local authorities providing improved information and transparency on their locally-determined long-term borrowing and associated capital spending plans. Investment returns are likely to remain low during 2019/20 and beyond.

	Bank Rate	LIBID (London Interbank Bid Rate)*			PWLB Borrowing Rate			
		3 month	6 month	12 month	5 yr.	10 yr.	25 yr.	50 yr.
Dec 2018	0.75	0.80	0.90	1.10	2.00	2.50	2.90	2.70
Mar 2019	0.75	0.90	1.00	1.20	2.10	2.50	2.90	2.70
Jun 2019	1.00	1.00	1.20	1.30	2.20	2.60	3.00	2.80
Sep 2019	1.00	1.10	1.30	1.40	2.20	2.60	3.10	2.90
Dec 2019	1.00	1.20	1.40	1.50	2.30	2.70	3.10	2.90
Mar 2020	1.25	1.30	1.50	1.60	2.30	2.80	3.20	3.00
Jun 2020	1.25	1.40	1.60	1.70	2.40	2.90	3.30	3.10
Sep 2020	1.25	1.50	1.70	1.80	2.50	2.90	3.30	3.10
Dec 2020	1.50	1.50	1.70	1.90	2.50	3.00	3.40	3.20
Mar 2021	1.50	1.60	1.80	2.00	2.60	3.00	3.40	3.20

\* LIBID – the rate at which a bank is willing to borrow from other banks

## 8. Borrowing Strategy

### 8.1 External v Internal Borrowing

The main Prudential Indicator relevant to capital investment is the Capital Financing Requirement (CFR). This is the total outstanding capital expenditure that has not yet been funded from either revenue or capital resources and is therefore a measure of the Council's underlying borrowing need after taking into account the provision included in the revenue budgets for the repayment of outstanding debt.

The borrowing to finance the capital expenditure can be either from external sources or the Council can use its own internal resources.

The planned external debt compared to the CFR over 5 years is shown in the following table, the difference between the two being the amount the Council has funded from internal resources. This is also set out separately for the GF and the HRA. This excludes other long term liabilities such as long term creditors and pensions which form part of the separate Financial Strategy process of the Council from a prudential perspective.

**Total External Debt**

	Actual 2017/18	Revised 2018/19	Estimate 2019/20	Forecast 2020/21	Forecast 2021/22
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	45,870	43,898	42,076	40,312	38,592
Estimated change in debt	(1,972)	(1,822)	(1,764)	(1,720)	(1,671)
Estimated debt as at 31 March	43,898	42,076	40,312	38,592	36,921
<b>CFR as at 31 March</b>	<b>49,346</b>	<b>47,446</b>	<b>45,554</b>	<b>43,672</b>	<b>41,799</b>
Difference - internally financed	5,448	5,370	5,242	5,080	4,878

**General Fund External Debt**

	Actual 2017/18	Revised 2018/19	Estimate 2019/20	Forecast 2020/21	Forecast 2021/22
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	771	464	306	207	151
Estimated repayment of debt	(307)	(158)	(99)	(56)	(7)
Estimated debt as at 31 March	464	306	207	151	144
<b>CFR as at 31 March</b>	<b>5,912</b>	<b>5,676</b>	<b>5,449</b>	<b>5,231</b>	<b>5,022</b>
Forecast of internal financing	5,448	5,370	5,242	5,080	4,878

**HRA External Debt**

	Actual 2017/18	Revised 2018/19	Estimate 2019/20	Forecast 2020/21	Forecast 2021/22
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	45,099	43,434	41,770	40,105	38,441
Estimated repayment of debt	(1,665)	(1,664)	(1,665)	(1,664)	(1,664)
Estimated debt as at 31 March	43,434	41,770	40,105	38,441	36,777

<b>CFR as at 31 March</b>	<b>43,434</b>	<b>41,770</b>	<b>40,105</b>	<b>38,441</b>	<b>36,777</b>
Forecast of internal financing	0	0	0	0	0

In respect of the General Fund, the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external loans, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains prudent, as investment returns are low and counterparty risk is high, and will be continued.

The Council's officers have made an assessment, based on advice from treasury advisors, of the amount of internal resources that it is prudent to use to finance capital expenditure and it is felt, taking into account the Council's financial position, that approximately £4m-£5m would at the present time and over the medium term be an appropriate level of internal borrowing. A maturity loan of £1m fell due for repayment in 2014 but this was not replaced which has led to the current internal borrowing position running just ahead of the £5m level. However given the continuing low return on investments and no significant increases in PWLB interest rates in the immediate future, it is felt prudent to maintain this position in the short term although this will be kept under review in consultation with the Council's external advisors.

The use of internal resources is only a temporary solution as, in time, these reserves and capital receipts will be utilised to finance service initiatives and capital investment and at that point will not be available. This will need to be balanced against the replacement external borrowing which will be required at some point in the future which may attract higher rates of interest, so timing of such borrowing will need to consider forecasted rates of interest against the various types of borrowing structure to determine the most advantageous approach. Against this approach consideration may be required to borrow in advance of need, as set out in section 8.3 below, so as to reduce the need to borrow when interest rates may be higher.

## **8.2 Gross Debt v Investments**

A comparison between the Council's gross and net borrowing position helps to assess the credit risk that would apply if the Council has surplus resources invested at a low interest rate which could be used to repay existing debt or to negate the need for additional new debt if at higher interest rates than that being achieved on the investments.

The table below sets out the Council's probable position taking account of both the individual GF and HRA debt figures.



Comparison of gross and net debt positions at year end	2017/18	2018/19	2019/20	2020/21	2021/22
	actual	Probable out-turn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
General Fund external debt (gross)	464	306	207	151	144
HRA external debt (gross)	43,434	41,770	40,105	38,441	36,777
Investments	55,440	49,800	15,200	15,000	15,000
<b>Net debt</b>	<b>(11,542)</b>	<b>(7,724)</b>	<b>25,112</b>	<b>23,592</b>	<b>21,921</b>

*The net debt positions show that the Council does not have excess resources which could be used to repay long term debt – the surpluses and high current investment figures represent carry forwards and the current level of reserves / one-of budgets.*

If opportunity arises, external debt will be repaid early, although this is difficult under current arrangements as set out in section 9. If borrowing is required then any requirement will be considered whilst balancing internal resources and forecasted interest rates within the parameters previously set out.

Against this background caution will be adopted within the 2019/20 treasury operations. Interest rates will be monitored and a pragmatic approach adopted to changing circumstances with appropriate action taken in accordance with the Council's Financial Procedure Rules.

### **8.3 Policy on borrowing in advance of need**

The Council cannot 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 considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits and demerits of alternative forms of funding;

- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

## **9. Debt Rescheduling**

Officers together with the treasury advisors examine on a regular basis the potential for undertaking early repayment of some external debt to the PWLB in order to maximise any potential financial advantages to the Council. However, the continuing and significant difference between new borrowing and repayment rates has meant that large premiums would be incurred by such action and cannot be justified on value for money grounds. This situation will be monitored in case the differential is narrowed by the PWLB or repayment rates change substantially.

As short term borrowing rates will usually be cheaper than longer term rates there may be some potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature, and the likely cost of refinancing these short term loans once they mature compared to the current rates of longer term debt in the existing portfolio.

Any opportunities for debt rescheduling will be considered if such action would be advantageous to the Council. The reasons for any rescheduling to take place will include:

- the generation of cash savings and/or discounted cash flow savings
- helping to fulfil the strategy outlined above
- enhance the balance of the portfolio

Consideration will also be given to identifying if there is any residual potential left for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

## **10. Investment Strategy**

### **10.1 Investment Policy**

The Council will have regard to the Department of Communities and Local Government's (CLG) Guidance on Local Government Investments, the latest CIPFA Treasury Management in Public Services Code of Practice and Guidance Notes (the Code) along with any relevant revisions or updates. The Council's investment priorities when investing are: -

- The security of capital and
- The liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with these main priorities. It is important to note that the borrowing of monies purely to invest or on-lend and make a return is unlawful.

Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

The majority of the Council's investments will be in Specified Investments although the Council has limited investments in Non- Specified investments.

During 2017/18 the Council purchased an investment property in Clacton, which is a Non-Specified investment. The historic cost (including stamp duty) of this asset was £3.245 million and it is financed from revenue. The property was purchased with the aim of yielding rental income and with the potential for capital gains. This investment does not have a defined maturity date and it is an illiquid investment as the Council would need to sell the underlying asset to redeem the investment.

The property will be subject to annual revaluation to reflect current value under the requirements of the Accounting Code of Practice and this will be reported in the Statement of Accounts. At 31 March 2018 the carrying value of the property was reduced by the Council's external Valuer to £3.100 million, which equates to the purchase price less stamp duty. The anticipated return on the property through rental income compared to the historic cost is forecast to remain in line with the figures included in the report to Cabinet where the decision to purchase was made. Although the property is currently not being used for trading the terms of the lease require payment of the rent until the end of the lease term.

The Council has adopted a Commercial Property Investment Policy which will be maintained as a separate document within the wider Treasury Strategy framework.

The Council does not intend to use derivative instruments as part of its treasury activities during the year.

## **10.2 Creditworthiness Policy and changes to the credit rating methodology**

This Council uses credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors. In determining the appropriate credit rating the Council will use the lowest rating available to determine the investment limits

both in terms of amount and period for a particular counterparty. This is in accordance with the recommendations of The Code. Counterparties rated by only one agency will not be used.

One of the credit rating agencies may be more aggressive in giving lower ratings than the other two agencies and this could result in the Council's counterparty list becoming too restrictive. If this happens the position will be discussed with the Council's treasury advisors and the Treasury Management Practices may need to be revised in accordance with delegated powers set out in the Council's Constitution.

- All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Creditworthiness Service provided by the Council's external advisors which is downloaded from Link Asset Services website each morning and uploaded to the Treasury Management system.
- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use for a new investment will be withdrawn immediately.

The Code also recommends that credit ratings are not the sole determinant of creditworthiness and therefore the Council will also use available market information from a variety of sources including

1. The Creditworthiness Service utilises movements in Credit Default Swaps against the iTraxx benchmark and other market data on a weekly basis. This creditworthiness service information will be used to confirm the assessed creditworthiness derived from the three ratings agencies. Where the information from this service indicates a lower standing for a particular counterparty than that derived via the credit ratings then the investment limits and length of investments applicable to that counterparty will be adjusted accordingly or the counterparty removed from the list.
2. Market data and information,
3. Information on government support for banks and the credit ratings of that government support

### **10.3 Credit Limits**

Through its approved Treasury Management Practices the Council will set maximum limits for the amount that can be invested with any counterparty. This limit will be determined by reference to the counterparty's credit rating and other criteria. In addition the amount invested in building societies and Certificates of Deposit is also limited to 50% of the total investment portfolio.

100% of the Council's investments may be in Treasury Bills or Gilts or invested with the Government's Debt Management Office (DMO). Although these sums are very secure the rate of interest is usually lower than the market rate, however Treasury Bills are a valuable tool in providing security and liquidity whilst the DMO offers a variety of investment terms and is a

valuable source of investment should credit ratings of other financial institutions result in a reduction in the number of counterparties that meet the Council's minimum credit rating criteria. There is no limit on the amount that can be invested with other local authorities in total, although there is a limit of £6 million with each individual local authority.

#### **10.4 Country Limits**

The Council has determined that it will only use approved counterparties from the UK and additionally those countries with a minimum sovereign credit rating of AA or equivalent from the relevant rating agencies.

In a similar way that individual counterparties have a maximum investment limit, countries other than the UK will also have a limit.

#### **10.5 Investment Strategy**

The Council's funds are managed in-house and are mainly cash flow based but there is a core balance that could be available for investment for longer periods (2-3 years). Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months) and in respect of commercial property investment, this will be limited to the amount included in the Capital Programme.

The bank rate rose in August 2018 but no further increases are forecast until the middle of 2019 (although this is dependent on the Brexit outcome) and then to rise steadily from thereon (see Section 7). The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile without compromising the Council's priority of security of the investments.

For 2019/20 the Council has budgeted for investment returns based on the principles set out in this strategy including the forecast position on interest rates.

For its cash flow generated balances the Council will seek to utilise its business reserve accounts and short dated deposits (overnight to three months) in order to benefit from the compounding of interest. At the present time these short dated deposits are paying interest rates below base rate but they provide a good level of liquidity to help manage the Council's cash flow.

#### **10.6 Allocation of Investment returns between GF and HRA**

As part of the introduction of HRA Self Financing a policy on the allocation of investments returns across the GF and HRA now forms part of the Annual Treasury Strategy.

The HRA holds balances and would benefit from cash flow advantages, which are amalgamated for the purposes of the overall investment activity of the Council. At the end of each year the transfer to the HRA of its share of the authority's overall investment returns will be agreed by the S151 Officer in consultation with the relevant officers based on the following principles:

- Equity
- Risk Sharing
- Minimising volatility between years

Returns from investing in commercial property will be allocated to the relevant fund where the Capital Programme / investment were made from.

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

At the end of the financial year the Cabinet will receive a report on its investment activity.

## GLOSSARY OF TERMS

**Affordable borrowing limit** – limit that the Council has to set under the CIPFA Prudential Code that shows how much the Council considers it can afford to borrow taking all its outgoings into consideration and how much income it considers it can generate.

**Alternative financing arrangements** – how the Council intends to finance its capital expenditure by other means besides borrowing.

**Authorised limit** – the amount the Council determines is the maximum that can be borrowed that is affordable and has been calculated in accordance with the legislation behind the CIPFA Prudential Code.

**Borrowing requirement** – how much the Council considers it needs to borrow to fund its spending plans.

**CFR – Capital Financing Requirement** – this calculation shows how much the Council needs to borrow or finance by some other measure to meet its planned capital spend.

**Counterparty** – the other party that participates when a loan or investment is placed.

**CPI – Consumer Price Index** – the Government's preferred measure of inflation, based on a set basket of goods and services. It excludes housing costs such as mortgage interest payments and council tax.

**Credit arrangement** – any quasi-loan, to ensure the legislation and Code pick up any unusual arrangements to provide funding other than from a straightforward loan

**Credit default swap** - A swap designed to transfer the credit exposure of fixed income products between parties. A credit default swap is also referred to as a credit derivative contract, where the purchaser of the swap makes payments up until the maturity date of a contract. Payments are made to the seller of the swap. In return, the seller agrees to pay off a third party debt if this party defaults on the loan. A CDS is considered insurance against non-payment. A buyer of a CDS might be speculating on the possibility that the third party will indeed default.

**Credit limit** – the maximum amount that can be lent to an individual organisation or group of organisations.

**Credit rating** – provided by one of the three credit rating agencies, an assessment of how likely the organisation is to repay any monies lent to it.

**Creditworthiness** - An assessment of the likelihood that a borrower will default on their debt obligations. It is based upon factors, such as their history of repayment and their credit score. Lending institutions also consider the availability of assets and extent of liabilities to determine the probability of default.

**Debt cap (HRA)** – the limit on the amount that can be borrowed by the HRA, set by central government.

**Earmarked reserves** – reserves that have been set aside for a specified purpose.

**GDP – Gross Domestic Product** – measures the output from the economy, if it rises then the economy is growing, if it falls the economy is in recession.

**iTraxx** - A group of international credit derivative indexes that are monitored by the International Index Company (IIC). The credit derivatives market that iTraxx provides allows parties to transfer the risk and return of underlying assets from one party to another without actually transferring the assets. iTraxx indexes cover credit derivatives markets in Europe, Asia and Australia.

**Illiquid investment** – An investment that cannot easily be sold or exchanged for cash without a substantial loss in value.

**Non-specified investment** – as defined in Annex 2.

**Prudential indicators** – a series of calculated figures specified in the CIPFA Prudential Code which are used to assess how affordable and realistic the Council's spending and financing plans are.

**PWLB – Public Works Loans Board** – central government lending to other public sector bodies, specifically local government.

**PWLB Certainty Rate** – The PWLB sets various rates for borrowing. From 1 November 2012 the Government reduced the interest rates on loans from PWLB to Councils who provide information as required on their planned long-term borrowing and capital spending by 0.20%. This reduced rate is called the Certainty Rate.

**Replacement borrowing** – borrowing taken out to replace other borrowing or other forms of credit that have been repaid.

**RPI – Retail Price Index** – another inflation index, this one includes the cost of housing.

**Specified investments** – as defined in Annex 2.



## Proposed Prudential Indicators 2018/19 revised, 2019/20 and forecasts for 2020/21 to 2021/22

## Indicators for Prudence

## CAPITAL EXPENDITURE

This is an estimate of the amount of investment planned over the period. As can be seen, not all investment necessarily has an impact on the Council Tax, schemes funded by grants, capital receipts or external contributions mean that the effect on the Council Tax is greatly reduced.

<b>Capital Expenditure - General Fund</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>£000s</b>	<b>Actual</b>	<b>Revised</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Total Capital Expenditure</b>	<b>5,811</b>	<b>13,799</b>	<b>2,637</b>	<b>1,024</b>	<b>816</b>
<b>Financing - General Fund</b>					
External contributions	(142)	(282)	-	-	-
Section 106	(80)	(182)	-	-	-
Coast protection grant	(270)	(4,115)	(602)	-	-
Other Government grants	-	(322)	-	-	-
Disabled Facilities Grant	(1,151)	(3,567)	(757)	(757)	(757)
Capital receipts	(850)	(884)	(64)	-	-
Direct revenue contributions	(2,917)	(1,197)	(100)	(55)	(55)
Earmarked reserves	(401)	(3,250)	(1,114)	(212)	(4)
<b>Total Capital Financing</b>	<b>(5,811)</b>	<b>(13,799)</b>	<b>(2,637)</b>	<b>(1,024)</b>	<b>(816)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Housing Revenue Account Capital Schemes</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>£000</b>	<b>Actual</b>	<b>Revised</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Total Capital Expenditure</b>	<b>3,233</b>	<b>8,076</b>	<b>3,176</b>	<b>3,176</b>	<b>3,176</b>
<b>Financing - Housing Revenue Account</b>					
Major repairs reserve	(2,801)	(4,096)	(3,176)	(3,176)	(3,176)
Direct revenue contributions	(85)	(3,233)	-	-	-
Section 106	(92)	-	-	-	-
Capital receipts	(156)	-	-	-	-
Government grant	(99)	(747)	-	-	-
<b>Total Capital Financing</b>	<b>(3,233)</b>	<b>(8,076)</b>	<b>(3,176)</b>	<b>(3,176)</b>	<b>(3,176)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CAPITAL FINANCING REQUIREMENT

Each year, the Council finances the capital programme by a number of means, one of which could be borrowing. The Capital Financing Requirement (CFR) represents the cumulative amount of borrowing that has been incurred to pay for the Council's capital assets, less amounts that have been set aside for the repayment of debt over the years. The Council is only allowed to borrow long term to support its capital programme. It is not allowed to borrow long term to support its revenue budget.

<b>CAPITAL FINANCING REQUIREMENT</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>Actual</b>	<b>Revised</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund	5,912	5,676	5,449	5,231	5,022
Housing Revenue Account	43,435	41,770	40,106	38,442	36,777
<b>Total</b>	<b>49,347</b>	<b>47,446</b>	<b>45,555</b>	<b>43,673</b>	<b>41,799</b>

**GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT**

This indicator compares the Capital Financing Requirement to the level of external debt and shows how much of the capital programme is financed from internal resources. The capital programme is partially funded in the short to medium term by internal resources when investment interest rates are significantly lower than long term borrowing rates. Net interest payments are, therefore, optimised.

PRUDENTIAL INDICATOR	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Capital Financing Requirement	49,347	47,446	45,555	43,673	41,799
External debt	43,898	42,076	40,312	38,592	36,921
Internal borrowing	5,449	5,370	5,243	5,081	4,878

**OPERATIONAL BOUNDARY AND AUTHORISED LIMIT**

The Council must set an operational boundary and authorised limit for external debt. The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It reflects the decision on the amount of debt needed for the Capital Programme for the relevant year. It also takes account of other long term liabilities, which comprise finance leases, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt. The Council has none of these at present.

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

PRUDENTIAL INDICATOR	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Operational boundary - borrowing	72,934	67,861	67,704	67,604	67,548
Authorised limit - borrowing	81,038	80,505	76,455	76,022	76,058

**Indicators for Affordability / Credit Risks****RATIO OF FINANCING COSTS TO NET REVENUE STREAM**

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Revised	Estimate	Forecast	Forecast
	%	%	%	%	%
General Fund	0.33	-0.37	-0.64	-0.78	-0.86
Housing Revenue Account	45.16	75.22	46.23	46.38	46.52

**INTEREST RATE EXPOSURE**

Tendring District Council currently has all its borrowings at fixed rate and usually has a mixture of fixed and variable rate investments. This indicator is set to control the Council's exposure to interest rate risk.

PRUDENTIAL INDICATOR	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Upper limit for Fixed Interest Rates on debt	49,347	47,446	45,555	43,673	41,799
Upper limit for Variable Interest Rates on debt (based on 30% of the fixed rate limit)	14,804	14,234	13,667	13,102	12,540

**TOTAL PRINCIPAL SUMS INVESTED FOR PERIODS LONGER THAN 364 DAYS (excluding property)**

Interest rate risk is also affected by the proportion of the investments invested at fixed rates for longer periods, especially in a period when rates are expected to rise.

PRUDENTIAL INDICATOR	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Limits on the total principal sum invested to final maturities longer than 364 days	3,500	3,500	3,500	3,500	3,500

**MATURITY STRUCTURE OF FIXED RATE BORROWING**

This indicator is set to control the Council's exposure to refinancing risk. The limits are set for each age range to ensure that the Council avoids too many fixed rate loans being matured at one time and spreads the maturity across several periods. The percentages for the upper and lower limits do not add up to 100% as they do not represent an actual allocation.

PRUDENTIAL INDICATOR	Upper limit	Lower limit	Estimated outstanding debt maturity % at			
	%	%	31/03/2019	31/03/2020	31/03/2021	31/03/2022
Under 12 months	25	0	4.19%	4.27%	4.33%	6.02%
12 months and within 24 months	30	0	4.09%	4.15%	5.76%	3.85%
24 months and within 5 years	60	0	12.63%	15.55%	16.76%	20.22%
5 years and within 10 years	75	0	22.92%	20.13%	17.57%	14.76%
10 years and above	95	25				
10-20 years			17.90%	16.89%	15.76%	14.52%
20-30 years			2.61%	1.82%	0.95%	18.96%
>30 years			35.65%	37.21%	38.87%	21.67%

**TREASURY INDICATOR - EXPOSURE TO CREDIT RISK**

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) using the rating applicable when it is taken out and taking the arithmetic average, weighted by the size of each investment. Investments in government instruments such as DMO, treasury bills and in local authorities are scored as 1.

TREASURY INDICATOR	2017/18 Actual	2018/19 to 31 Dec	2019/20 Upper limit
Average credit score for investments	1.39	1.46	2.00

## SPECIFIED AND NON-SPECIFIED INVESTMENTS

This schedule sets out the specified and Non-Specified investments the Council may use in 2019/20.

Investments may be in the form of direct deposits, Certificates of Deposits (CDs), property or the purchase of financial instruments such as Treasury Bills, Bonds and Gilts.

### SPECIFIED INVESTMENTS:

An investment is a Specified Investment if all of the following apply

1. The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling
2. The investment is not a long term investment which is one that is due to be repaid within 12 months of the date on which the investment is made or one which the local authority may require to be repaid within that period.
3. The investment is not defined as capital expenditure by regulations
4. The investment is made with a body or in an investment scheme of high credit quality or the investment is made with the following public sector bodies.
  - a. UK Government
  - b. Local authority
  - c. Parish council or community council

Where an investment is being made with a UK nationalised or part nationalised bank this will be treated for the purposes of classification as a Specified or Non-specified investment as being invested with the UK Government.

### High credit quality

For a counterparty to meet the high credit quality criteria for specified investments, that counterparty must meet as a minimum the ratings of the three credit rating agencies listed below, and not be the subject of any adverse indications from the following sources.

- Credit Default Swap index
- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

Ratings	Fitch	Moody's	Standard & Poors
Short term	F1	P-1	A-1
Long term	A-	A3	A

## NON SPECIFIED INVESTMENTS

A maximum of £3.5m may be held, in aggregate, in Non-Specified Investments

The only Non-Specified investments that the Council will use in 2019/20 are investments for periods of longer than 12 months with any institution or investment instrument that would have been classed as a Specified Investment if the investment had been for less than 12 months or property. *The Council currently holds an investment property in Clacton. The historic cost of this property (including stamp duty) is £3.245 million, but this was revalued at 31 March 2018 at £3.100 million by the Council's external valuer. The reduction in value equates to the stamp duty paid on the property. The purchase of the property was financed from revenue resources.*

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## COUNCIL

26 MARCH 2019

### REPORT OF CHIEF EXECUTIVE

#### A.1 **MEMBERSHIP OF COMMITTEES**

(Report prepared by Ian Ford)

I formally report that Councillor Bucke has tendered his resignation as a member of the Standards Committee.

I also formally report that, in accordance with the wishes of the Leader of the Liberal Democrats / Tendring First Group and the authority delegated to me, the following appointment has been duly made -

#### Standards Committee

Councillor Scott has been appointed to serve in place of Councillor Bucke.

This item is submitted for **INFORMATION ONLY**.

**IAN DAVIDSON**  
**CHIEF EXECUTIVE**

**COUNCIL**

**26 MARCH 2019**

**BACKGROUND PAPERS LIST FOR  
REPORTS OF CHIEF EXECUTIVE**

**A.1 MEMBERSHIP OF COMMITTEES ETC.**

Resignation letter received from Councillor Bucke.

Formal appointment dated 18 February 2019.



## COUNCIL

26 MARCH 2019

### REPORT OF CHIEF EXECUTIVE

#### A.2 **CHANGE IN MEMBERSHIP OF POLITICAL GROUPS**

(Report prepared by Ian Ford)

I formally report that, on 25 and 26 February 2019, Councillors Cawthron, Hones, Newton and Porter, pursuant to Regulation 10(d) of the Local Government (Committees and Political Groups) Regulations 1990, served formal notice on the Council that they no longer wished Councillor Davis to be treated as a member of the UKIP political group on Tendring District Council.

I further formally report that, on 26 February 2019, Councillor Davis, pursuant to Regulation 9(b) of the Local Government (Committees and Political Groups) Regulations 1990, served formal notice on the Council that she wished to be treated as a member of the Independent political group. That notice was duly counter-signed by the Leader of the Independent Group (Councillor Talbot).

Councillor Talbot informed Officers that he did not wish to exercise his right under Section 15(1)(e) of the Local Government and Housing Act 1989 and Regulation 17(c) of the Local Government (Committees and Political Groups) Regulations 1990 to have a review of the allocation of seats to political groups carried out.

This item is submitted for **INFORMATION ONLY**.

**IAN DAVIDSON**  
**CHIEF EXECUTIVE**

## **COUNCIL**

**26 MARCH 2019**

### **BACKGROUND PAPERS LIST FOR REPORT OF CHIEF EXECUTIVE**

#### **A.2 CHANGE IN MEMBERSHIP OF POLITICAL GROUPS**

Notice of a Wish for a Member (Councillor Davis) to no longer be treated as a Member of a Political Group (UKIP), signed by Councillors Cawthron, Hones and Newton dated 25 February 2019.

Email from Councillor Porter dated 26 February 2019 indicating the same wish.

Notice of Wish to be treated as a Member of a Political Group (Independent) signed by Councillor Davis and dated 26 February 2019.

## COUNCIL

26 MARCH 2019

### REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE SERVICES)

#### A.3 PAY POLICY STATEMENT 2019/20 AND PAY ASSIMILATION

(Report prepared by Anastasia Simpson)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To present a Pay Policy Statement for 2019/20.

##### **EXECUTIVE SUMMARY**

The Localism Act 2011 Section 38 (1) requires the District Council to prepare a pay policy statement each year. The pay policy statement must articulate the Council's approach to a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees.

The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer.
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

This statement will be published on the Council's website following each review and approval by Full Council.

The Human Resources and Council Tax Committee reviewed the Pay Policy Statement and report at its meeting held on 20 February 2019. The Committee recommended that Full Council adopted the Pay Policy Statement set out in Appendix A, and that the new Pay Spine that will come into effect on 1 April 2019, be noted.

The Pay Policy Statement 2019/20 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. This framework is based on the principle of fairness and that rewards should be proportional to the weight of each role and each individual's performance. The framework aims to ensure the ability of the Council to recruit talented individuals whilst reassuring the citizens of Tendring that their money is being used efficiently.

A pay assimilation exercise has been carried out by the Council, to move across to the new nationally agreed pay bands for 2019/20, which has resulted in multiple inflationary variations across the pay scale.

**RECOMMENDATION(S)****IT IS RECOMMENDED TO FULL COUNCIL THAT:-**

- (a) the Pay Policy Statement 2019/20, as set out at Appendix A be adopted; and
- (b) the new Pay Spine that will come into effect from 1 April 2019, as set out in Appendix B, be noted.

**PART 2 – IMPLICATIONS OF THE DECISION****DELIVERING PRIORITIES**

The Council's annual consideration and formal approval of a Pay Policy Statement is part of the Council's governance arrangements and provides transparency for the citizens of Tendring.

**FINANCE, OTHER RESOURCES AND RISK**

The Council has an statutory and contractual obligation to adopt the new NJC pay spine from 1 April 2019. This has been costed and reviewed in line with the existing Tendring District Council grading structure. The original salaries budget for 2018/19 was £15.233m, rising to an estimated £16.421m in 2019/20, an increase of £1,188m. Of this increase £648k can be attributed to the cost of assimilating to the new pay spine (gross pay only). This inflationary change has created implications for the Council's ten year financial plan and full provision to meet these costs has been built into the 2019/20 budget and the ongoing financial forecast.

**LEGAL**

The Council has an obligation to implement the NJC pay spine alongside the approval and publication of an annual Pay Policy Statement in accordance with the provisions of the Localism Act 2011 (Section 38).

**OTHER IMPLICATIONS**

**Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.**

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation / Public Engagement.**

The new pay spine for 2019/20 gives all employees a minimum inflationary pay rise of 2%. Employees on the lower pay bands will receive inflationary pay rises of between 3%-7% as they move across to the new pay spine. The changes this year have been a result of the changes nationally in relation to the minimum wage and the National Living Wage. With effect from 1<sup>st</sup> April 2019 the National Living Wage will be £8.21 for employees aged over 25 and in the public sector pay, the lowest NJC salary will be £9.00 per hour. Employees that benefit from this increased inflationary rise, include cleaners, theatre staff and leisure attendants. A gender analysis has been undertaken as part of the assimilation exercise.

**PART 3 – SUPPORTING INFORMATION****BACKGROUND – PAY ASSIMILATION 2019/20**

In April 2018, a two year pay agreement was reached between the National Employers and the National NJC Trade Unions on rates of pay applicable from 1 April 2018 and 1 April 2019. The second year of the NJC offer involves moving all employees on to a new pay spine (*which will ensure compliance with the anticipated increase in the legal national minimum wage by 2020*).

Agreements reached by the NJC are 'collective agreements' and if they are incorporated into employees' contracts of employment, then the changes will take effect automatically (*the Conditions of Employment with Tendring District Council in the main, conform to those established for local government generally by the NJC, commonly known as the 'Green Book'*). The new spine will replace entirely the current spine and accordingly employees should assimilate across from their current SCP to the new corresponding SCP in April 2019.

### **New Pay Spine 1 April 2019**

- A bottom rate of £9.00 per hour (£17,364) on new Spinal Column Point (SCP) 1 (equivalent to old SCP's 6 & 7).
- 'Pairing off' old SCP's 6-17 incl. to create new SCP's 1-6 incl.
- Equal steps of 2.0% between each new SCP's 1 to 22 incl. (equivalent to old SCP's 6-28 incl.)
- By creating equal steps between these pay points, new SCP's 10, 13, 16, 18 and 21 are generated to which no old SCP's will assimilate.
- On new SCP's 23 and above (equivalent to old SCP's 29 and above), 2.0% increase on 2018 rate.

By adopting the new NJC pay spine locally, two issues were identified by officers (*other authorities have reported similar issues*):

- The current Grade 3 would lose all potential for progression and become a spot salary.
- The current Grade 5 would be made up of 7 SCP's. This is above the NJC recommendation of a maximum of 6 SCP's in one grade.

The NJC therefore recommended that local employers consider various options and present formal proposals around which there would be local negotiations with a view to reaching agreement. Officers completed work on the assimilation to the new pay spine in October 2018 and submitted proposals to both the Regional Unison Branch and Regional Employers for consideration. Following a series of meetings these proposals were agreed by Tendring District Council, as the 'employer' and UNISON.

The proposals recognise the principle of fairness and that rewards should be proportional to the required skill and expertise of each role. The Regional Employers have determined that officer proposals are sound and fair and UNISON fully support the approach being taken by the Council.

### **The model for Tendring**

The revised grade structure adopts all new SCPs to prevent deviation from the full NJC pay spine, with the adjusted grade boundaries including an additional increment for employees currently at the top of the adjusted grades 3, 4 and 5. This allows for a % increase that is comparable to the NJC proposal throughout.

The proposed model:

- Recognises the NJC proposal and fulfils our obligation to adopt the new pay spine.
- Where possible, pay progression has been built into the revised grade structure.\*

- Minimises disruption to the existing grading structure.

*\* Grade 1c is the only exception having 1 SCP in the new model however the midpoint for this grade has increased by 7.01%.*

The original salaries budget for 2018/19 was £15.233m, rising to an estimate of £16.421m in 2019/20, an increase of £1.188m. Of this increase, £648k can be attributed the cost of assimilating to the new pay spine (*gross pay only*). This figure includes both the permanent staffing establishment and casual workforce. An element of the £648k pay award increase relates to the estimated cost of adjusting grade boundaries for grades 3, 4 and 5. However it is proposed to withhold awarding the new SCP's at the top of these grades until 2020/21, resulting in an anticipated underspend against the base salaries budget of £51k in 2019/20.

## **PAY POLICY STATEMENT 2019/20 - BACKGROUND**

### Introduction

Following pay assimilation the Pay Policy Statement 2019/20 contains details of the Council's new pay structure with effect from 1 April 2019.

During 2018, there have been other changes to pay including the introduction of the mandatory gender pay reporting, following the introduction of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and the implementation of the new allowances scheme for standby, callout and overtime. The new Allowances scheme was introduced in April 2018 and is now fully operational, ensuring that allowances are applied consistently and fairly across the organisation.

The Off-Payroll changes to working in the public sector (IR35) which were fully implemented in 2017 continue to have little impact on the Council in relation to resourcing specialist skills.

### Equality Act 2010 (Specific Duties and Public Authorities ) Regulations 2017

To meet the requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, before 30 March 2018, the Council published the first snapshot of data including the following:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment
- The proportion of males and females in each quartile band

This information was published on the Council's website as well as a designated government website. Three of the above questions, were not applicable, as the Council does not operate bonus schemes for any Officers. The challenge within Tendring District Council and across Great Britain is to eliminate any gender pay gap. If any gaps are determined, as the Council interprets data, an action plan will be prepared.

Early data collation for 2019, indicates the following across the Council:

### Mean Difference Across Gender

*The difference between the male and female mean hourly rate is £0.28. The male mean hourly rate is 2.3% higher than the female mean hourly rate.*

### Median Difference Across Gender

The difference between the male and female median hourly rate is. £0.87 The female median hourly rate is 8.9% higher than the male median hourly rate.

### Allowances Review

Following a review it was determined that the majority of allowances would remain and a revised Allowances Policy was introduced in April 2018. The principles of the review included the following:

- Tendring wants to ensure that staff are paid in a consistent way throughout the organisation.
- The organisation wants to compensate staff that provide a contractual out of hour's standby service to meet the Council's statutory duties.
- Tendring wants to ensure that payment structures are fair and sustainable for the future.
- The Council will meet increased financial on-costs associated with overtime and call out payments. This includes an employer pension contribution and payment of accrued holiday pay for regular overtime worked.
- The Council wants to be a responsible employer to meet the health, safety and well-being needs of staff by encouraging the use of TOIL for recovery from working additional hours through the night.

UNISON fully supported the introduction of the new Allowances Policy and the new scheme and payment structure has been introduced across the organisation.

### Statutory Roles Across Tendring District Council

Research was undertaken during 2018 regarding payments for statutory roles. This piece of work involved EELGA asking other employers across the region information regarding payments for statutory Officers. The majority of authorities responded that allowance payments were only made to the Section 151 Officer and the Council's Monitoring Officer. Within Tendring allowance payments are made to the Section 151 Officer and the Council's Monitoring Officer, alongside their deputies.

No other Council's reported payments to other statutory roles, including Safeguarding, Data Protection or the Designated Transport/Fleet Manager. The Council proposes to continue with current payments to existing statutory roles (Monitoring Officer, Section 151 Officer and deputy roles) but allowance payments will not be extended to other statutory duties. Duties will be incorporated into current job descriptions and evaluated in accordance with the NJC Job Evaluation Scheme.

The Council is currently working with EELGA to identify all statutory roles and duties within a District Council and hopes to provide this information over the next few months as Councils across the region update Epaycheck information.

### **BACKGROUND PAPERS FOR THE DECISION**

None

### **APPENDICES**

**APPENDIX A - PAY POLICY STATEMENT 2019/20**

**APPENDIX B – NEW PAY SPINE EFFECTIVE 1 APRIL 2019**

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# Tendring District Council Pay and Reward Policy

2019/20



## Introduction

Section 38(1) of the Localism Act 2011 requires local authorities to produce an annual pay policy statement. The provisions within the Act do not seek to change the right of each local authority to have autonomy on pay decisions, however it emphasises the need to deliver value for money for local taxpayers.

This statement is approved by Full Council and *published on the Council's website at the earliest opportunity.*

Tendring District Council recognises, in the context of managing public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees, dedicated to the service of the public; but at the same time needs to avoid being unnecessarily excessive. The Council's vision includes the provision to adopt a reward strategy that is modern, sustainable, fair and transparent and rewards people appropriately for their contribution to the Council.

The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015, published by the Department for Communities and Local Government in February 2015, and the Local Transparency Guidance issued on 30 November 2015 by the Local Government Association.

Part of the Code includes publishing information relating to senior salaries within a local authority. A full list of senior salaries and also monthly expenditure on pay across all pay bands is available and published on the Council's website [www.tendringdc.gov.uk](http://www.tendringdc.gov.uk).

The Council's Statement of Accounts includes details of all Chief Officers pay.

The HR Committee has responsibility for the terms and conditions of service for all staff and ensures that remuneration is set within the wider pay context giving due consideration to the relationship between the highest and lowest paid in the organisation.

The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer (for Tendring District Council this includes the Chief Executive, Corporate Directors/Head of Department, Monitoring Officer and the Section 151 Officer).
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest- paid employees" and its reasons for adopting that definition).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of

performance related pay and bonuses, termination payments and transparency.

### **Purpose of the Statement**

The Pay Policy Statement 2019/20 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. The framework aims to ensure the ability of the Council to recruit talented individuals whilst reassuring the citizens of Tendring that their money is being used efficiently.

Tendring District Council needs to have high calibre leaders within the organisation to deliver high quality public services, especially in difficult fiscal conditions. At the same time taxpayers are right to demand value for money from public resources and an assurance that their money is not being wasted on excessive senior salaries. The primary aim of the Pay Policy is to set a framework to attract, retain and motivate staff so that the organisation can perform at its best. Research shows that individuals are attracted, retained and engaged by a range of both financial and non-financial rewards so a coherent link between reward and the overall approach to people management leads to the best possible outcome.

### **Managing Remuneration**

Tendring District Council has a fair, equitable and transparent approach to remuneration, following equal pay legislation. This includes incremental progression based on length of service and more proactively on:

- Achieving annual performance levels
- Development progression against defined frameworks (Career Progression for many posts)

The Council also benchmarks and reviews salary profiles within the job market and has access to the Epaycheck system provided by the East of England Employer's Organisation.

The Council has adopted the National Pay Grades as set by the National Joint Council (NJC) and is subject to the national negotiations regarding pay and conditions of service (commonly known as the 'Green Book'). The Council currently has a Pay Spine that commences on SCP (Spinal Column Point) 1, which is the pay for the "lowest paid employee" and ends at SCP 77. Within the pay structure there are 20 Pay Bands.

Apprentices, however, are not included as they have a contract for learning and training with the Council, rather than an employment contract.

The values of the SCPs are updated by the national pay awards and the Council is notified of any changes by the National Joint Council for Local Government.

Employees who are new to the Council and Local Government are usually appointed at the first point of the salary banding, apart from in exceptional circumstances.

National Single Status and the NJC Job Evaluation Scheme have been adopted by the Council with locally agreed conventions, which at the time of adoption were negotiated and agreed with local union officials. Training has been provided by the Regional Employers (EELGA) to ensure that there are a sufficient number of managers and union officials within the organisation who have the skills to implement and apply job evaluation within the Council. This job evaluation scheme is recognised by employers and trade unions nationally and the scheme allows for robust measurement against set criteria resulting in fair and objective evaluations.

Chief Officers are not subject to the NJC Job Evaluation Scheme. Chief Officers within the organisation have their pay set following benchmarking and pay rates which are set to attract and retain key employees. The agreement of pay is subject to Equal Pay legislation.

The highest paid employee is the Chief Executive who is on a salary scale of £112,000 to £131,461.00 per annum.

Car mileage payments for all employees are paid at the Inland Revenue Rate. This is currently 45p per mile (for the first 10,000 miles). Use of the Inland Revenue rate enables the Council to have a fair and consistent rate of reimbursement for business mileage across the Council.

There are local rates in force for individuals who use their motorcycles or bicycles on official business and to encourage Officers to car share on business journeys the Council has also adopted the additional 5p per passenger per mile, in accordance with Inland Revenue guidance.

Other allowances payable within the Council included the following:

- Committee Attendance
- Overtime Payments
- Standby Payments
- Callout Payments
- First Aider Payments

The Council introduced a new Allowances Policy in April 2018 to recognise that the Council provides services to residents that sometimes require a response outside of standard working hours.

The new policy has been designed on the basis of the following:

- That staff are paid in a consistent way throughout the organisation.
- To compensate staff that provide a contractual out of hour's standby service to meet the Council's statutory duties.
- To ensure that payment structures are fair and sustainable for the future.
- The Council recognises increased financial on-costs associated with overtime and call out payments. This includes an employer pension contribution of 16.6% and payment of accrued holiday pay for regular overtime worked.

- The Council wants to be a responsible employer to meet the health, safety and well-being needs of staff by encouraging the use of TOIL for recovery from working additional hours through the night.

*Within Tendring District Council there are three distinct categories of service provision:*

- 1) *Services that have 24 hour, 7 day a week scheduled provision.*
- 2) *Services that are delivered predominantly during standard office hours, that also provide a standby service outside of these hours. Standby is used to address calls that require attention which cannot wait until standard opening hours.*
- 3) *Services that are delivered during standard office hours, that may very occasionally, need to provide an extra response on an ad hoc basis.*

*In addition that Council has a statutory requirement to maintain an Emergency Response service for the district. Officers who support this service are called First Call Officers.*

*Following consultation with UNISON, managers and employees, the following overtime arrangements were introduced from 1 April 2018:*

- *Staff up to SCP49 (the top of Grade 11) will be able to be paid overtime. Overtime will only be paid if the time off is not an option for operational service delivery. Overtime must be authorised in advance by the relevant Corporate Director.*
- *Overtime will be paid at plain rate only for Category 2 and 3 services.*
- *Category 1 services will be able to be paid enhanced rates of overtime for evenings, weekends and bank holidays for those staff who have worked 37 hours any one week.*

*Other allowance payments for Officers, with effect from 1 April 2018 are as follows:*

- 1) *Standby/On-call, Category 2 services - £20 between the hours of 6pm to 8am Monday to Friday, £40 Saturday, Sunday and Bank Holidays*
- 2) *First Call Officer Standby - £20 between the hours of 6pm to 8am, £40 Saturday, Sunday and Bank Holidays*
- 3) *Disturbance payment, Category 3 services - £20 for responding out of core hours*
- 4) *Major Local Emergency response, more than 6 hours outside core hours - up to £200*

The Council does not currently operate any performance related pay or bonus schemes.

The Council has a Subsistence Policy, adopted by HR Committee. Any payment is made on production of actual receipts and payments adhere to the rates provided by the East of England, Local Government Association.

*The Chief Executive also receives a (Deputy/Local/Acting) Returning Officer fee in respect of Parliamentary, European Parliamentary, Referendums, County, Police and Crime Commissioner and District and Parish Council Elections. The fee for undertaking this role within the Tendring District is calculated in respect of District and Parish Council Elections by reference to the Scale of Fees and Expenses payable to the Returning Officer at elections of District and Parish Councillors. In respect of acting as Deputy Returning Officer at elections of County Councillors, reference is made to the Scale of Fees and Expenses payable at Elections of County Councillors supplied by Essex County Council. Fees for conducting Parliamentary, European Parliamentary Elections, Police and Crime Commissioner Elections and National Referendum are determined by way of a Statutory Instrument.*

*The fees received by the Chief Executive in 2018/19, in respect of these duties was nil as no elections were called.*

The Council is an admitted body of the Local Government Pension Scheme and the Pension Scheme for the Council is administered by Essex County Council.

### **Transparency within Tendring District Council**

Existing legislation already requires the Council to publish statements regarding remuneration and each year in the Council's Statement of Accounts includes a detailed analysis of the pay, benefits and pension entitlements for all Chief Officers within the Council. The Council will continue to publish this information on an annual basis and it is readily available to view on the Council's website [www.tendringdc.gov.uk](http://www.tendringdc.gov.uk). This information also includes a structure of the Council's Senior Officers.

*In 2019/20 the remuneration for the lowest paid member of staff within the Council will be £17,364 (based on £9.00 per hour) per annum and the most senior officer within the Council will be paid £131,461 per annum. This is a multiple of 7.58, which is lower than half of the pay multiple detailed as the cap for Local Government pay as detailed in the Hutton Review of Fair Pay in the Public Sector. It should be noted that this multiple has reduced by 3 points in comparison to the Pay Statement 2014/15. The Council aims to keep this multiple under review to ensure that it is kept at an appropriate level. The median pay for Chief Officers is £71,170 (this is based on full time equivalent annual salary, excluding election fees). The median pay for other staff other than Chief Officers is £30,939 per annum.*

The Council publishes on the Tendring District Council website a monthly report of salaries paid, by pay band and the number of staff within each pay band - [www.tendringdc.gov.uk](http://www.tendringdc.gov.uk).

## **Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017**

Since 2018 the Council has been obliged to introduce mandatory gender pay reporting, to meet the requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The Council has to publish data including the following:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment
- The proportion of males and females in each quartile band

This information is published on the Council's website as well as a designated government website. Three of the above questions, will not be applicable, as the Council does not operate bonus schemes for any Officers.

The challenge within Tendring District Council and across Great Britain is to eliminate any gender pay gap. If any gaps are determined, as the Council interprets data, an action plan will be prepared.

In preparation for the publication of the data in March 2019 the Council has been undertaking an analysis of gender pay data during 2018 which includes an analysis by gender across four pay quartiles. Early results indicate the following:

### Mean Difference Across Gender

*The difference between the male and female mean hourly rate is £0.28. The male mean hourly rate is 2.3% higher than the female mean hourly rate.*

### Median Difference Across Gender

*The difference between the male and female median hourly rate is £0.87. The female median hourly rate is 8.9 % higher than the male median hourly rate.*

## **Off- Payroll working in the public sector (IR35)**

From time to time, due to the requirement for particular specialist skills or due to peaks in workloads, the Council uses agency workers or consultants, for short term assignments. With effect from 1<sup>st</sup> April 2017, HMRC has updated the requirements and regulations for off payroll workers within the public sector. From April 2017, individuals working through their own company in the public sector will no longer be responsible for deciding whether the intermediaries' legislation applies and then paying the relevant tax and NICs. This responsibility will instead move to the public sector employer.

The Council has undertaken and reviewed the current status of workers with individual agencies and HMRC.

## **Severance Payments**

The Council has adopted policies regarding severance payments. Full details can be found in the following;

- Organisational Change and Redundancy Policy
- Flexible Retirement Policy

In the case of the Organisational Change and Redundancy Policy the authority has to ensure that the policy is workable, affordable and reasonable having regard to foreseeable costs.

In terms of severance, all policies and payments are the same for the “lowest paid employee” and the Chief Officers of the Council.

Tendring District Council needs to ensure sufficient flexibility to allow for responding to unforeseen circumstances and there may be occasions when the Council has to take a pragmatic approach to severance. Any enhanced severance agreements will not be entered into without the advice of the External Auditor and will adhere to current legislation.

## **Other Rewards**

The Council has both financial and non-financial rewards for staff; these are to reflect the different expectations and priorities of staff.

These other rewards include the following:

- Access to the Local Government Pension Scheme for all staff
- Training Support
- Being tax efficient and at nil cost to the Council - Salary Sacrifice Schemes including Childcare Vouchers, Car Purchase Scheme (Ultra Low emission cars) and a Cycle to Work Scheme
- Health Schemes – the Council has been able to offer a number of Weight Management courses, Quit smoking clubs and Health Checks for employees in partnership with ACE and PROVIDE and at nil cost to the Council
- Occupational health and independent counselling
- Additional career development opportunities – secondments, special projects, flexible working and recognition through awards such as the Celebration of Success and STARS Event
- Free car parking
- Flexi time scheme
- Providing discounts at local shops and cafes for employees
- Additional days annual leave granted after 5 years of continuous service with Tendring District Council



There are no rewards that only benefit Chief Officers within the Council.

### **Review of the Pay Policy Statement**

The Localism Act stipulates that the Council's Pay Policy Statement should be kept under regular review on an annual basis. This includes a publication of the salaries of the most senior employees within the organisation compared to the lowest paid employees. This includes using pay multiples.

The Policy is approved by the Human Resources Committee and presented to Full Council.

The Human Resources Committee will take responsibility for the role of the Council's Remuneration Panel. In fulfilling this role the Committee will ensure that decisions will be based on the following:

- Support the achievement of the Council's aims
- Take account of wider public sector pay policy and good practice
- Are proportionate, fair and equitable and support equal pay principles
- Take account of appropriate pay differentials
- Attract, retain and motivate Officers of the right quality and talent
- Take account of the resources required in transitioning to any revised arrangements

### **Other Policies**

The Council has a number of policies that could have a financial benefit and should be read in conjunction with this Pay Policy Statement including the following:

- Disturbance Allowances Policy
- Organisational Change and Redundancy Policy
- Market Forces Policy
- Flexible Retirement Policy
- Acting Up Policy
- Relocation Policy
- Long Service and Retirement Gifts Policy

All of the above policies apply equally to all employees of Tendring District Council.

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NEW SCP TABLE - NEW GRADE BOUNDARIES

GRADE	SCP	SCP-UQ	ANNUAL	MONTHLY	HOURLY
1B	1	1	17,364	1,447.00	9.00
1B	1		17,364	1,447.00	9.00
1B	2	2	17,711	1,475.92	9.18
1B	2		17,711	1,475.92	9.18
1C	3	3	18,065	1,505.42	9.36
1C	3		18,065	1,505.42	9.36
2	4	4	18,426	1,535.50	9.55
2	4		18,426	1,535.50	9.55
2	5	5	18,795	1,566.25	9.74
2	5		18,795	1,566.25	9.74
3	6	6	19,171	1,597.58	9.94
3	6		19,171	1,597.58	9.94
3	7	7	19,554	1,629.50	10.14
4	8	8	19,945	1,662.08	10.34
4	9	9	20,344	1,695.33	10.54
4	10	10	20,751	1,729.25	10.76
4	11	11	21,166	1,763.83	10.97
4	12	12	21,589	1,799.08	11.19
5	13	13	22,021	1,835.08	11.41
5	14	14	22,462	1,871.83	11.64
5	15	15	22,911	1,909.25	11.88
5	16	16	23,369	1,947.42	12.11
5	17	17	23,836	1,986.33	12.35
5	18	18	24,313	2,026.08	12.60
6	19	19	24,799	2,066.58	12.85
6	20	20	25,295	2,107.92	13.11
6	21	21	25,801	2,150.08	13.37
6	22	22	26,317	2,193.08	13.64
6	23	23	26,999	2,249.92	13.99
7	24	24	27,905	2,325.42	14.46
7	25	25	28,785	2,398.75	14.92
7	26	26	29,636	2,469.67	15.36
7	27	27	30,507	2,542.25	15.81
8	28	28	31,371	2,614.25	16.26
8	29	29	32,029	2,669.08	16.60
8	30	30	32,878	2,739.83	17.04
8	31	31	33,799	2,816.58	17.52
9	32	32	34,788	2,899.00	18.03
9	33	33	35,934	2,994.50	18.63
9	34	34	36,876	3,073.00	19.11
9	35	35	37,849	3,154.08	19.62

10	36	36	38,813	3,234.42	20.12
10	37	37	39,782	3,315.17	20.62
10	38	38	40,760	3,396.67	21.13
10	39	39	41,675	3,472.92	21.60
11	40	40	42,683	3,556.92	22.12
11	41	41	43,662	3,638.50	22.63
11	42	42	44,632	3,719.33	23.13
11	43	43	45,591	3,799.25	23.63
12	44	44	46,606	3,883.83	24.16
12	45	45	47,573	3,964.42	24.66
12	46	46	48,546	4,045.50	25.16
12	47	47	49,508	4,125.67	25.66
13	48	48	50,490	4,207.50	26.17
13	49	49	51,445	4,287.08	26.67
13	50	50	52,409	4,367.42	27.16
13	51	51	53,374	4,447.83	27.67
14	52	52	54,327	4,527.25	28.16
14	53	53	55,289	4,607.42	28.66
14	54	54	56,249	4,687.42	29.16
14	55	55	57,219	4,768.25	29.66
HOS1	56	56	58,437	4,869.75	30.29
HOS1	57	57	59,406	4,950.50	30.79
HOS1	58	58	60,646	5,053.83	31.43
HOS1	59	59	61,884	5,157.00	32.08
HOS2	60	60	63,125	5,260.42	32.72
HOS2	61	61	64,357	5,363.08	33.36
HOS2	62	62	65,592	5,466.00	34.00
HOS2	63	63	66,841	5,570.08	34.65
HOS3	64	64	68,077	5,673.08	35.29
HOS3	65	65	69,311	5,775.92	35.93
HOS3	66	66	70,548	5,879.00	36.57
HOS3	67	67	71,792	5,982.67	37.21
HOS4	68	68	73,037	6,086.42	37.86
HOS4	69	69	74,282	6,190.17	38.50
CD4	70	70	75,925	6,327.08	39.35
CD4	71	71	77,567	6,463.92	40.21
CD4	72	72	79,211	6,600.92	41.06
CD4	73	73	80,853	6,737.75	41.91
CD5	74	74	82,795	6,899.58	42.91
CD5	75	75	84,735	7,061.25	43.92
CD5	76	76	86,678	7,223.17	44.93
CD5	77	77	88,620	7,385.00	45.93

## COUNCIL

26 MARCH 2019

### REPORT OF THE MONITORING OFFICER

#### **A.4 REVIEW OF THE COUNCIL PROCEDURE RULES (PART 4 OF THE COUNCIL'S CONSTITUTION)**

(Report prepared by Lisa Hastings and Ian Ford)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

This report asks Council to approve the changes to the Council Procedure Rules (Sections 1 and 2), as contained within Part 4 of the Council's Constitution, recommended by the Cabinet, following Council's decision taken on 22 January 2019.

The key changes to each of these documents are highlighted within the body of this Report.

##### **EXECUTIVE SUMMARY**

Council will recall that, at its meeting held on 22 January 2019, it had considered Cabinet's recommendations in relation to proposed changes to the Council's Constitution and the sizes of the Council's Committees and decided, inter alia, that:-

- (a) the start time of 7.30pm for Ordinary Full Council meetings remains unchanged recognising that a proportion of elected councillors are employed; and*
- (b) the alternative procedure for changes relating to dealing with Motions on Notice, as set out in the report, is agreed in principle only and that revised Council Procedure Rules be produced for approval to the next practicable meeting of Full Council, so that the same can come into effect on 1<sup>st</sup> May 2019.*

Revised Council Procedure Rules (Sections 1 and 2) which included the alternative procedure for dealing with Motions on Notice were submitted to the meeting of the Cabinet held on 8 March 2019. Group Leaders had been consulted on the contents of the revised Council Procedure Rules and their comments together with the Finance and Corporate Resources Portfolio Holder's comments and recommendations in response thereto were also submitted to that Cabinet meeting.

At that meeting held on 8 March 2019 Cabinet decided that:-

- (a) Cabinet recommends to Council that Part 4 of the Council's Constitution be amended to reflect the proposed changes, as set out in Appendices A1 and A2 attached hereto (subject to Council Procedure Rule 36.1 in Appendix A2 being further amended in accordance with the Portfolio Holder's recommendation in Appendix A3) and that those changes come into effect from 1<sup>st</sup> May 2019; and*
- (b) a mandatory review of the revised arrangements be undertaken, commencing six months from 1st May 2019.*

Appendices A1 and A2 to this report contain, respectively, the Cabinet's recommended

changes to Sections One and Two of the Council Procedure Rules (Part 4 of the Constitution).

A summary of the changes compared to the existing Council Procedure Rules are provided under each heading in the Current Position section of this report and in each case, the content has been revised to provide greater clarity, ensure effectiveness and efficient working practices for Members and Officers and checked to ensure it is in accordance with legislation, where necessary.

## **RECOMMENDATION**

**(a) That Part 4 of the Council's Constitution be amended to reflect the proposed changes, as set out in Appendices A1 and A2 attached hereto and that such changes come into effect from 1<sup>st</sup> May 2019;**

**(b) That Council notes that a review of the revised arrangements will be undertaken, commencing six months from 1st May 2019.**

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

Agreeing the proposed changes will ensure that the Council demonstrates good governance and operates efficiently in pursuit of its priorities.

### **FINANCE, OTHER RESOURCES AND RISK**

#### **Risk**

Providing clarity through clearer and consistent procedure rules contained within the Constitution prevents confusion and different interpretation and enhances the Council's overall governance arrangements.

### **LEGAL**

In accordance with Section 37 of the Local Government Act 2000, as amended, a local authority operating executive arrangements must prepare and keep up to date a document which contains a copy of the authority's standing orders for the time being and such other information as the authority considers appropriate.

Schedule 1 to the Local Authorities (Functions and Responsibilities) Regulations 2000 ("Functions Regulations"), as amended, sets out functions which must not be the responsibility of the Executive and therefore rests with Council or its committees. The power to make amendments to the standing orders and the Constitution rests with full Council.

Article 15 of the Council's Constitution provides that changes to the Constitution are approved by Full Council after receiving a recommendation from Cabinet following consideration of a proposal from the Monitoring Officer and a recommendation via the Portfolio Holder with responsibility for corporate governance.

Article 13 of the Constitution provides the principles of Decision Making ensuring that due consideration is given of all the relevant factors and options, taking account the results of

any consultation undertaken and the professional advice of Officers.

Subject matters of motions may comprise of either Executive or Non-Executive Functions as determined by the Function Regulations.

Article 12 of the Constitution provides that the Council's Monitoring Officer will ensure the Constitution is up to date. This function takes into account legislative requirements and best practice.

#### **OTHER IMPLICATIONS**

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

Equality and Diversity implications were considered when taking into account the outcome of the consultation with Members on the proposed changes to the Council Procedure Rules. One of the matters raised was what consideration had been given to the implications of the Equalities Act with regards to those members who find it difficult to stand at Council meetings?

Council Procedure Rule 23.1 states a Member must stand if possible and traditionally, the Chairman of the Council has readily granted a dispensation from the requirement to stand to those Members who would find this difficult. Research has demonstrated that the approach adopted by the Council is equality compliant and follows best practice; therefore no changes are recommended to the Council procedure Rules in respect of Rule 23.1.

### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND**

Cabinet will recall that the Portfolio Holder presented the outcome of the first phase of CRWP to Cabinet in November 2018. Cabinet subsequently **RECOMMENDED TO COUNCIL** that:

- (a) the Council's Constitution be amended to reflect the proposed changes as set out in Appendices B to N attached to item A.3 of the Report of the Finance and Corporate Resources Portfolio Holder; and*
- (b) all changes to come into effect immediately following approval.*

In respect of the proposed changes to the Council Procedure Rules Cabinet **RESOLVED** that wider consultation be undertaken with all Members of the Council prior to further decisions being taken. That consultation was subsequently carried out and a summary of that feedback, together with other related matters, was reported to Cabinet, via the CRWP, at its meeting held in January 2019.

At the meeting of full Council held on 26 November 2018, the CRWP were requested to:

- *provide further clarity and assurances on the Member Referral Scheme, referred to within the Planning Committee's Terms of Reference; and*
- *look at the terms of reference of the Local Plan Committee (and also its title) with a view to enabling that Committee to produce procedures, protocols and also planning conditions that could be put on every planning application that was granted*

*approval in order to avoid any detriment to local neighbourhoods.*

The six month review previously requested by Full Council on the revised committee structure was also undertaken and the findings and recommendations of that review were submitted to Full Council in January 2019.

At its meeting held in January Cabinet **RECOMMENDED TO COUNCIL** that –

- (a) the Council's Constitution be amended to reflect the proposed changes as set out in Appendices A to E, attached hereto;*
- (b) the changes as set out in appendices A to D to come into effect immediately following approval;*
- (c) the changes as set out in Appendix E to the sizes of committees to come into effect from 1<sup>st</sup> May 2019;*
- (d) the start time of 7.30pm for Ordinary Full Council meetings remains unchanged recognising that a proportion of elected councillors are employed; and*
- (e) the alternative procedure for changes relating to dealing with Motions on Notice, as set out in the report, is agreed in principle only and that revised Council Procedure Rules be produced for approval to the next practicable meeting of Full Council, so that the same can come into effect on 1<sup>st</sup> May 2019.*

At its meeting held in January Council subsequently **RESOLVED** that –

- (c) the Council's Constitution be amended to reflect the proposed changes as set out in Appendices A to E attached hereto, subject to the agreed amendment to Appendix A.2 in relation to the Members' Referral Scheme for Planning Applications;*
- (d) the changes as set out in Appendices A to D to come into effect immediately following approval;*
- (e) the changes as set out in Appendix E to the sizes of committees to come into effect from 1<sup>st</sup> May 2019;*
- (f) the start time of 7.30pm for Ordinary Full Council meetings remains unchanged recognising that a proportion of elected councillors are employed; and*
- (g) the alternative procedure for changes relating to dealing with Motions on Notice, as set out in the report, is agreed in principle only and that revised Council Procedure Rules be produced for approval to the next practicable meeting of Full Council, so that the same can come into effect on 1<sup>st</sup> May 2019.*

#### The Alternative Procedure

At the meeting of the Constitution Review Working Party (CRWP) held on 6 December 2018, when it reviewed the outcome of the consultation with all Members of the Council on the proposed changes to the Council Procedure Rules, the Finance and Corporate Resources Portfolio Holder after consulting the Monitoring Officer, had suggested an alternative approach to dealing with Motions on Notice at Full Council meetings which could be summarised as the following procedure:



- (i) *The Motion is moved and seconded, and thereafter the member who moved the motion would be permitted to explain their motion and give reasons why they felt it would be appropriate for it to be dealt with on the night;*
- (ii) *The Leader, Portfolio Holder or relevant Chairman of the Committee would be permitted to respond either agreeing with the motion being dealt with on the night or setting out reasons why it would be appropriate to stand referred to the appropriate body for further consideration;*
- (iii) *The Chairman after hearing both representations and receiving professional advice makes a ruling on whether the motion should be debated or referred; and*
- (iv) *In making the Ruling the Chairman must give consideration to Article 13 of the Constitution and the Executive Functions Regulations and provide a short explanation of the reasons for their decision.*

Cabinet had then formally endorsed that alternative procedure at its meeting held on 18 January 2019 and had recommended it, in principle, to Full Council. As set out above, Full Council at its meeting held on 22 January 2019 had agreed, in principle, to the alternative procedure for dealing with motions on notice subject to revised Council Procedure Rules being produced for approval to the next practicable meeting of Full Council, so that they could come into effect on 1<sup>st</sup> May 2019.

## **CURRENT POSITION**

The following changes are recommended (note that references to Part numbers relate to the Constitution prior to any amendments):

### **(a) Council Procedure Rules – Section 1 (Full Council)(Part 4.1 to 4.20):**

#### Rule 1 – Annual Meeting of the Council:

To include the appointment of up to four Member Representatives to General Assembly of the Local Government Association at the Annual meeting.

#### Rule 9 – Duration of Meeting:

Propose a later finish time of 10.30pm.

#### Rules 10 and 11– Questions by the Public and Members:

Proposed changes to provide consistency between the scope of questions submitted by the public and Members and reasons for rejection. The same consistency to apply to questions and motions.

#### Rules 10.1 and 11.2 – Time allocated to Questions by the Public and Members:

Overall time for questions to be reduced to allow further time at the meeting for debating motions that are to be dealt with on the night. The allocated time for questions allows up to a maximum of 3 from the public and a further 3 from Members to be dealt with.

#### Rules 11.6 & 7 – Response and Supplementary Questions:

Electronic or written responses given by Members to questions to be provided to the Committee Services Manager on the day of the meeting to allow the response to be circulated to the questioner, Chairman, Leader and relevant officers.

Supplementary Questions must solely relate to the response received. This will enable more control over the permissibility of supplementary questions. The content of supplementary questions will no longer be included minutes to prevent this rule

being abused.

Rules 12 and 14 – Motions on Notice and Not Permitted:

Proposed changes to provide consistency between the scope of motions and those not permitted with the scope of questions and reasons for rejection.

Rule 12 – Motions:

A maximum of 3 motions shall be accepted for inclusion in the agenda for an Ordinary Meeting of the Council. At the meeting the motion once moved and seconded, will be dealt with in accordance with Rule 12.4, that is the mover and seconder of the motion will each have a maximum of three minutes to explain the motion and to put forward a case as to why the motion should be dealt with at the meeting. The Leader/relevant Portfolio Holder or Committee Chairman will then have a maximum of three minutes to either agree with the mover's request or to put forward reasons why the motion should be referred to the appropriate body. The Chairman of the Council will then make a ruling on whether the motion should be dealt with at the meeting or stand referred.

If the motion is dealt with on the night a maximum of 30 minutes debate will be allowed with all speakers being allowed 3 minutes.

Rule 12.5 sets out how referred motions will be dealt with allowing an opportunity for further work to be undertaken prior to decisions being made, if necessary.

Rule 16 – Rules of Debate:

Removal of the reference to an appropriate body or an individual from amendments to motions, as this was not considered appropriate for motions with the Cabinet and relevant Committee remaining, as the suitable decision making bodies.

Any amendments to the Budget proposals must be submitted to the Council's Chief Financial Officer at least two working days before the budget meeting of Council to enable them to consider the implications for the budget.

Remove the requirement to seek the meeting's consent to alter or withdraw (unless an amendment is pending) a motion because this has not been the practice of Full Council for several years.

Closure motions to include referral to Cabinet or a Committee.

Rule 32 – Application to Committees

Rule 23.2 – Chairman standing during debate to apply to Committees and Sub-committees, so that any member speaking at the time must stop and the meeting must be silent. This application to Committee meetings is to demonstrate further respect to the role of Chairman at Committees and Sub-Committees.

*Rule numbers throughout the Council Procedure Rules shown attached in **Appendix A1** have been amended to reflect the proposed changes.*

**(b) Council Procedure Rules – Section 2 (Committees)(Part 4.21 to 4.24):**

Rule 33 – Appointment of Members of Committees and Sub-Committees:

The Rules relating to eligibility requirements for membership of Committees and Sub-Committees be reordered. Additional requirements following good practice and guidance such as:

- Local Plan and Planning Committee membership remaining separate prior to a Local Plan being adopted;
- Membership of the Audit Committee following CIPFA Guidance; and
- How often mandatory training must be undertaken to remain a member of certain committees.

**Rule 36 – Attendance at Meetings:**

Make clear in paragraph 36.1 that Members’ rights to attend meetings do not include the right of attendance at Portfolio Holder Working Parties.

**Rule 38 – Questions on Notice at Committees:**

Remove the ability for members to submit Questions on Notice to Sub-Committees (such as Licensing and HR) due to the terms of reference of the sub-committees it was not considered appropriate to allow questions at sub-committees, which could be directed to the main committees.

*Proposed changes to Section 2 of the Council Procedure Rules are shown attached as **Appendix A2**.*

**BACKGROUND PAPERS**

Related reports and minutes of the meetings of the Cabinet held on 9 November 2018, 18 January 2019 and 8 March 2019 and of the meetings of the Council held on 26 November 2018 and 22 January 2019.

**APPENDICES**

**A.4**

<b>APPENDIX A1</b>	<b>Part 4</b>	<b>Proposed changes to Section One of the Council Procedure Rules</b>
<b>APPENDIX A2</b>	<b>Part 4</b>	<b>Proposed changes to Section Two of the Council Procedure Rules</b>

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**COUNCIL PROCEDURE RULES**

**SECTION 1 – COUNCIL MEETINGS**

**1. ANNUAL MEETING OF THE COUNCIL**

**1.1 Timing and Business**

In a year when there is an ordinary election of councillors, the annual meeting will take place on the third Tuesday after the elections. In any other year, the annual meeting will take place in April or May. No business except that identified below in this Rule and Rule 1.2 will be included on the Agenda of the Annual Council meeting and all other Council Procedure Rules shall be construed accordingly.

The annual meeting will:

- (i) Receive a report from the Returning Officer on the return of Members elected (if it is the annual meeting immediately following the District Council Elections);
- (ii) Receive apologies for absence;
- (iii) Elect a person to preside if the Chairman and Vice-Chairman of the Council are not present;
- (iv) Receive any announcements from the retiring Chairman of the Council;
- (v) Elect the Chairman of the Council for the ensuing year;
- (vi) Elect the Vice-Chairman of the Council for the ensuing year;
- (vii) Receive any announcements from the Chairman and/or the Chief Executive;
- (viii) Receive notification of the memberships of political groups and the names of the Group Leaders and their Deputies (if it is the annual meeting immediately following the District Council Elections);
- (ix) Elect the Leader of the Council (if it is the annual meeting immediately following the District Council Elections);
- (x) Fix the allowances for the Chairman and Vice-Chairman and Members for the municipal year;
- (xi) Selection of Councillors on Committees etc. in accordance with Council Procedure Rule 1.2;
- (xii) Reaffirm the Council's Constitution;

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- (xiii) Approve a programme of ordinary meetings of the Council and Committees for the year;
  - (xiv) Approve the work programmes for the overview and scrutiny committees in accordance with Overview and Scrutiny Procedure Rule 7; and
  - (xv) Appoint up to four Members, with each Member being a Member Authority Representative to serve on/at the General Assembly of the Local Government Association. Two of the Members appointed will always be the Leader and Deputy Leader of the Council. Up to two further names can be put forward to Council by the Leader of the Council, following consultation with Group Leaders; and
- ~~(xiii)~~(xvi) Consider any other business set out in the notice convening the meeting.

## **1.2 Selection of Councillors on Committees**

At the annual meeting, the Council will:

- (i) Appoint the Committees and Sub-Committees it considers appropriate for the municipal year;
- (ii) Decide the size and the terms of reference and delegated powers for any new Committees and Sub-Committees;
- (iii) Decide the allocation of seats for all Committees and Sub-Committees to political groups in accordance with the political balance rules; and
- (iv) Appoint Members to each Committee and Sub-Committee and the Chairman and Vice-Chairman of each Committee and Sub-Committee as appropriate.

## **2. BUDGET AND COUNCIL TAX SETTING**

At the relevant ordinary meeting of the Council, when the Council's Budget and Council Tax is approved and set, no business except that identified below will be included on the Agenda of the Budget and Council Tax Setting Meeting and all other Council Procedure Rules shall be construed accordingly. The Budget and Council Tax Setting Meeting shall:

- (i) Receive apologies for absence;
- (ii) Elect a person to preside if the Chairman and Vice-Chairman of the Council are not present;
- (iii) Deal with any business required by Statute to be dealt with before any other business;
- (iv) Approve the minutes of the last meeting;
- (v) Receive any announcements from the Chairman and/or the Chief Executive and any Statements from the Leader of the Council and/or members of the Cabinet;

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- (vi) Approve and set the Council's Budget and Council Tax;
  - (vii) Deal with any business remaining from the last Council meeting; and
  - (viii) Consider any Urgent Matters for Debate

Matters which are not on the agenda and which a Member considers should be reported urgently to the Council may, with the consent of, and in a form approved by, the Chairman, be brought before the meeting by way of a short written statement which shall be read by the Chief Executive, Section 151 Officer or the Monitoring Officer, as part of his or her reports and communications. The Member concerned may, by leave of the Chairman, speak on the statement and move a motion unless advised otherwise by the Chief Executive, Section 151 Officer or Monitoring Officer.

**Any amendment proposed to be made to the Cabinet's budget proposals must have been submitted to the Council's Section 151 Officer at least two working days before the Budget Full Council meeting(s) to enable them to consider the implications for the budget.**

### **3. ORDINARY MEETING**

Ordinary meetings of the Council will take place in accordance with a programme decided at the Council's annual meeting. Such programmes shall ensure that the first ordinary meeting is held within 15 working days of the annual meeting of the Council except in a year when there is an ordinary election of Councillors. The order of business at every ordinary meeting of the Council be as follows:

- (i) To receive apologies for absence;
- (ii) To elect a person to preside if the Chairman and Vice Chairman are not present;
- (iii) To deal with any business required by Statute to be dealt with before any other business;
- (iv) To approve the minutes of the last meeting (or in the case of the first ordinary meeting of the municipal year, to approve the minutes of the Annual meeting and the preceding meeting);
- (v) To receive any announcements from the Chairman and the Chief Executive and any statements from the Leader and Members of the Cabinet;
- (vi) To deal with any Petitions;
- (vii) In accordance with Rule 10, to receive questions from, and provide answers to the public in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the meeting;
- (viii) To receive questions from Members in accordance with Rule 11.2;

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(Yellow)

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- (ix) To receive a report from the Leader on any Cabinet decisions taken as a matter of urgency in accordance with Access to Information Procedure Rule 16.2, Budget and Policy Framework Procedure Rule 6(b) and Overview and Scrutiny Procedure Rule 18(i);
  - (x) To deal with any business from the last Council meeting;
  - (xi) To receive the minutes of Committees (with the exception of the Licensing and Registration and Planning Committees) and to receive questions and answers from Councillors on any of those items;
  - (xii) To receive reports about and receive questions and answers on the business of joint arrangements and external organisations;
  - (xiii) To consider motions (in the order in which notice has been received);
  - (xiv) To consider any other business specified in the summons to the meeting, including consideration of proposals from the Cabinet in relation to the Council's Budget and Policy Framework, other reports from the Cabinet, reports of the Overview and Scrutiny Committees, or other Committees for debate and reports from Officers for consideration; and
  - (xv) Urgent matters for Debate

Matters which are not on the Agenda and which a Member considers should be reported urgently to the Council may, with the consent of, and in a form approved by, the Chairman, be brought before the meeting by way of a short written statement which shall be read by the Chief Executive, Section 151 Officer or Monitoring Officer, as part of his or her reports and communications. The Member concerned may, by leave of the Chairman, speak on the statement and move a motion unless advised otherwise by the Chief Executive, Section 151 Officer or Monitoring Officer.

With the exception of items (i) (ii) (iii) and (iv), the order of items may be varied at the discretion of the Chairman or by a resolution passed on a motion (which need not be in writing) duly moved and seconded, which shall be put without discussion. At the last ordinary meeting of the Council in the municipal year, following item (v) the meeting will receive the annual State of Tending Statement from the Leader.

#### **4. EXTRAORDINARY MEETINGS**

##### **4.1 Calling Extraordinary Meetings**

Those listed below may request the Chief Executive to call an Extraordinary Council meeting in addition to ordinary meetings, where such a request is received the meeting will be held within 14 days of the request.

- (i) The Chairman of the Council;

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(Yellow)



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- (ii) The Council by resolution;
  - (iii) The Monitoring Officer in circumstances where a Section 5 report is to be presented; and
  - (iv) Any five members of the Council if they have signed a requisition to the Chairman of the Council and he has refused to request a meeting or has failed to call a meeting to be held within seven clear working days of the requisition.

#### **4.2 Order of Business**

- (i) To receive apologies for absence;
- (ii) To elect a person to preside if the Chairman and Vice-Chairman are not present;
- (iii) To deal with any business required by Statute to be dealt with before any other business;
- (iv) To consider any other business specified in the summons to the meeting.

#### **5. TIME AND PLACE OF MEETINGS**

The time and place of Council meetings will be notified in the summons.

Meetings will normally be held at 7.30 p.m. in the Princes Theatre, Town Hall, Clacton-on-Sea and the Council may, from time to time, vary the place, date or hour of a meeting or meetings. Where it is not practicable for the Council to meet to agree a variation, such variation shall be determined by the Chairman (or failing him the Vice-Chairman) of the Council.

#### **6. NOTICE OF AND SUMMONS TO MEETING**

The Committee Services Manager will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. **In addition to sending an electronic notification,** At at least five clear days before a meeting, the Committee Services Manager will send a summons by post to every member of the Council or leave it at their usual place of residence. The summons will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

#### **7. CHAIRING OF MEETINGS**

The person presiding may exercise any power or duty of the Chairman. Where these rules apply to Committee and Sub-Committee meetings, references to the Chairman also include the Chairman of Committees and Sub-Committees.

#### **8. QUORUM**

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The quorum of a meeting will be one quarter of the whole number of Members, subject always to a minimum of three Members. During any meeting if the Chairman counts the number of Members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date to be fixed by the Chairman. If he does not fix a date, the remaining business will be considered at the next ordinary meeting.

## **9. DURATION OF MEETING**

- 9.1** The business of ordinary meetings of the Council shall cease at ~~10.00 p.m.~~ **10.30 p.m.** on the day on which the meeting commenced, or such earlier, or later, time as the Chairman shall consider appropriate.
- 9.2** When the business of a meeting is terminated in accordance with 9.1 above any remaining business shall stand adjourned until a date and time to be fixed by the Chairman.
- 9.3** Where 9.2 applies, given that the agenda and associated reports and papers for the original meeting have been published, the adjourned meeting can be called as soon as practicable and without necessary delay, having regard to the remaining business and venue availability. In the case of Committees and Sub-Committees, where Substitutes have been appointed the same Members should attend (the Substituted Members must not take their seats).
- 9.4** Notice of the adjourned meeting will be published on the Council's website, unless the adjourned meeting is held within 24 hours.

## **10. QUESTIONS BY THE PUBLIC**

### **10.1 ~~General~~ **Scope of Questions and Time Allocated in the Meeting****

Members of the public may ask questions of **the relevant** Members of the Cabinet or the Leader or Committee Chairmen ~~at ordinary meetings of the Council~~ **on any matter in relation to which the Council has powers or duties or which affects the Tendring District.** The time limit for the asking of each question is two minutes and for the reply, five minutes. The Chairman shall determine the number of questions to be tabled at a particular meeting in order to limit the time for questions and answers to ~~half an hour~~ **21 minutes.**

**Questions shall not be submitted to the Annual Meeting of the Council or to an Extraordinary Meeting of the Council or to the Budget and Council Tax setting meeting of the Council.**

### **10.2 Order of Questions**

Questions will be asked in the order in which notice of them was received, except that the Chairman may group together similar questions.

### **10.3 Notice of Questions**

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(Yellow)

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A question may only be asked if notice has been given by delivering it in writing or by personal e-mail to the Committee Services Manager no later than midday 8 working days before the day of the meeting. Each question must give the name and address of the questioner and must name the Member of the Council to whom it is to be put.

#### **10.4 Number of Questions**

At any one meeting no person may submit more than one question and no more than one such question may be asked on behalf of one organisation.

#### **10.5 ~~Scope of~~ Reasons for Rejection of Questions**

The Committee Services Manager and/or Monitoring Officer may reject a question if in their judgement it:

- (a) is not about a matter for which the local authority has a responsibility or which affects the District;
- (b) is defamatory, frivolous or offensive;
- (c) is substantially the same as a question already received to be put to the ordinary meeting of the Council in question;
- (d) is substantially the same as a question which has been put at a meeting of the Council in the past six months; or
- (e) requires the disclosure of confidential or exempt information; or
- (f) **the question is about a matter that is subject to call in or ongoing legal proceedings**

#### **10.6 Record of Questions**

The Committee Services Manager will keep a copy of each question for six years after the meeting at which the question was put and will immediately send a copy of the question to the Member to whom it is to be put. Rejected questions will include reasons for rejection.

#### **10.7 Asking the Question at the Meeting**

All questions will be set out in the agenda and the Chairman will invite the questioner to put the question to the Member named in the notice. There will be no further questions or debate. If the questioner is not present, the Chairman may ask the question on the questioner's behalf, indicate that a written reply will be given or decide, in the absence of the questioner, that the question will not be dealt with.

#### **10.8 Written Answers**

Any question that cannot be dealt with during public question time, either because of lack of time or because of the non-attendance of the Member, to whom it was to be put, will be dealt with by a written answer, with a copy circulated to all Members.

#### **10.9 Reference of Question to the Cabinet or a Committee**

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(Yellow)

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No discussion will take place on any question, but any Member may formally, without discussion, move that a matter raised by a question be referred to the Cabinet or the appropriate Committee ~~or Sub-Committee~~. Once seconded, such a motion will be voted on without discussion.

#### **10.10 Withdrawal of Question**

A member of the public may withdraw their question by giving notice of their wish to do so to the Committee Services Manager prior to the commencement of the meeting at which their question is to be put.

### **11. QUESTIONS BY MEMBERS**

#### **11.1 On Statements made by the Leader or a Member of the Cabinet to the Council, Reports or References from the Cabinet or Minutes of Committees**

A Member of the Council may ask the Leader or a Member of the Cabinet any question without notice about any statement made by the Leader or a Member of the Cabinet to the Council when that item is being received.

A Member of the Council may ask the Leader or a Member of the Cabinet or the Chairman of a Committee any question without notice upon a report or recommendation of the Cabinet or the minutes or reference from a Committee when that item is being received by the Council.

Supplementary Questions will not be permitted under this rule.

#### **11.2 **Scope of Questions on Notice at Full Council and Time Allocated in the Meeting****

Subject to Rules 11.3, 11.4 and 11.5 a Member of the Council may ask ~~at an ordinary meeting of the Council:-~~

- the Chairman;
- a Member of the Cabinet; and
- the Chairman of any Committee ~~or Sub-Committee~~;

a question on any matter, **which is within their area of responsibilities as set out in Part 3 of the Constitution**, in relation to which the Council has powers or duties or which affects the Tendring District.

**Questions from Members will be set out in the agenda in the order in which they were received.**

The time allocated for receiving and disposing of questions shall be a maximum ~~45~~ **30** minutes. Any question not disposed of at the end of this time shall be the subject of a written response, copied to all Members **the following working day** unless withdrawn by the questioner.

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Questions shall not be submitted to the Annual Meeting of the Council or to an Extraordinary Meeting of the Council **or to the Budget and Council Tax setting meeting of the Council.**

### **11.3 Notice of Questions**

A Member may only ask a question under Rule 11.2 if either:

- (a) notice has been given by delivering it in writing (or by personal e-mail) to the Committee Services Manager no later than midday 8 (eight) working days before the day of the meeting; or
- (b) the question relates to urgent matters, he has the consent of the person to whom the question is to be put and the content of the question is given to the Committee Services Manager by noon on the day of the meeting.

### **11.4 Number of Questions**

At any one meeting no Councillor may submit more than two questions.

### **11.5 Reasons for rejection Scope of Questions**

- (a) **the question is not about a matter for which the local authority has a responsibility or which affects the District;**
- (b) the Monitoring Officer will reject a question if in their judgement it could be considered to be defamatory or offensive or requires the disclosure of confidential or exempt information **(as defined in the Access to Information Procedure Rules);**
- (c) the Monitoring Officer will reject a question if in their judgement it is substantially the same as a question already received to be put to the ordinary meeting of the Council in question;
- (d) the Monitoring Officer will reject a question if in their judgement it is substantially the same as a question which has been put at a meeting of the Council in the past six months;
- (e) the Monitoring Officer will reject a question if in their judgement it is likely to lead to a breach of the Members' Code of Conduct; or
- (f) **the question is about a matter that is subject to call in or ongoing legal proceedings**

### **11.6 Response**

An answer may take the form of:

- (a) a direct oral answer;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or

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(Yellow)

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- (c) where a reply cannot conveniently be given orally, a written answer given later to all Members.

The Member giving the response must provide an electronic or written copy of that response to the Committee Services Manager by 10.00 a.m. on the day of the meeting in order to enable the response to be circulated to the Questioner, the Chairman of the Council, the Leader of the Council and relevant Officers.

### 11.7 Supplementary Questions

After the response has been given to a Question on Notice, the Member who asked the question may ask one supplementary question, of which no notice is required. The supplementary question must solely relate to ~~the original question and/or~~ clarifying the response received. No statements will be allowed. The ruling of the Chairman on the admissibility of the supplementary question is final.

The minutes of the meeting will record that a supplementary question and response was asked and given, without detailing the content.

### 11.8 Time Available Limits for Asking/Answering Questions

~~Questions from Members will be set out in the agenda in the order in which they were received.~~ The time limit for asking each question is two minutes and the time limit for each reply is ~~five~~ three minutes.

### 11.9 Withdrawal of Question

A Member may withdraw their question by giving notice of their wish to do so to the Committee Services Manager prior to the commencement of the meeting at which their question is to be put.

## 12. MOTIONS ON NOTICE

### 12.1 Scope

Motions must be about matters for which the Council has a responsibility or which affect the Tendring District.

### 12.2 Notices of Motion

Except for motions which can be moved without notice under Rule 13, written and signed notice (or notice by personal e-mail) of every motion by the Member or Members submitting it, must be delivered to the Committee Services Manager no later than midday eight working days before the day of the meeting. The Monitoring Officer and/or the Committee Services Manager will decide whether to accept the motion as a valid motion having had regard to the provisions of Rule 14.

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No Member shall, under the provisions of this Rule, submit more than one motion for consideration at any ordinary meeting of the Council. ~~Motions shall not be submitted to the annual meeting of the Council or to an extraordinary meeting of the Council or to the Budget and Council Tax setting meeting of the Council.~~

A maximum of three motions shall be accepted for inclusion in an agenda for an Ordinary Meeting of the Council under this Procedure Rule. Motions shall not be submitted to the annual meeting of the Council or to an Extraordinary meeting of the Council or to the Budget and Council Tax setting meeting of the Council.

### **12.3 Motion Set out in Agenda**

Valid ~~M~~otions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the Member giving notice states, in writing, that he proposes to move it to a later meeting or withdraw it.

At the meeting the Chairman will invite the Member who submitted the motion to formally move it. Thereupon the Chairman will then ask for a seconder for the motion. If there is no seconder then the motion will be declared by the Chairman as having failed and the Chairman will immediately move on to the next business on the agenda.

If the motion is seconded then it will be dealt with in accordance with Rule 12.4 (within the maximum 30 minute time limit allocated for each motion).

If a motion thus set out in the agenda is not moved either by a Member who gave notice thereof or by a Member nominated by him ~~of the same political group~~ it shall unless postponed by consent of the Council, be treated as withdrawn and shall not be moved without fresh notice.

### ~~12.3 Scope~~

~~Motions must be about matters for which the Council has a responsibility or which affect the Tendring District.~~

### **12.4 Consideration of Motion**

The mover and seconder of the motion will be permitted to explain the purpose of the motion and, if they so wish, give reasons why they feel it would be appropriate for the motion to be dealt with at the meeting. They will each have a maximum of three minutes to do so.

The Leader of the Council or the relevant Portfolio Holder or the relevant Chairman of a Committee will then be permitted to respond and they will either agree with the motion being dealt with at the meeting or they will put forward reasons why it would be more appropriate for the motion to stand referred to the appropriate body for further consideration. They will have a maximum of three minutes to do so.

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After hearing the representations referred to above together with any necessary professional advice from the Chief Executive and/or the Monitoring Officer and/or the Section 151 Officer, the Chairman will then make a ruling on whether the motion should be dealt with at the meeting or stand referred to the appropriate body.

In making their ruling the Chairman must have regard to the principles of decision making set out in Article 13.02 of the Council's Constitution and the provisions of the Executive Function Regulations. The Chairman must also provide to the meeting a short oral explanation of the reasons for their decision.

If the Chairman decides to refer the motion to the appropriate body then the provisions of Rule 12.5 will apply.

If the Chairman decides to allow the motion to be dealt with at the meeting, then in considering the motion the provisions, as applicable, of Rules 16, 19, 23, 24, 25, 28 and 29 will apply.

All speakers on the motion will be allowed three minutes.

A maximum of 30 minutes for debate will be allowed for each motion dealt with at the meeting.

## **12.5 Referral of Motions**

~~The Chairman may, if the mover has provided reasons with the motion, consider it convenient and conducive to the despatch of business, and allow the motion to be dealt with at the meeting at which it is brought forward or refer it.~~

~~If the subject matter of any motion of which notice has been duly given comes within the province of the Cabinet or any Committee(s) it shall, upon being formally moved and seconded, stand referred without speeches or discussion to the Cabinet or relevant Committee(s) as the Chairman may determine, for consideration and report.~~

~~Where a motion is to be referred then notwithstanding the provisions of Council Procedure Rule 16.1 the mover shall explain the motion to the Cabinet or relevant Committee and not at the meeting of the Council at which it is moved.~~

Where a motion has been referred in accordance with Rule 12.4 ~~‡~~ the Cabinet or any relevant Committee shall (subject to the provisions of Rule 12.6) be required to consider such motion and to advise the Council (by no later than the second Ordinary Meeting of the Council held following the date of Council's referral) of the Cabinet's or relevant Committee's ~~their~~ opinion and reason as to whether such motion should be supported in its original format.

Prior to making its decision Cabinet or the relevant Committee may following consultation with Officers, require further information to be presented to them for consideration on the implications of the proposed motion. Such a report must be considered in a timely manner.



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If the Cabinet or relevant Committee decides to advise the Council of its opinion that such motion in its original format **should not** be supported, the Cabinet or relevant Committee may, in addition, suggest to the Council that an amended motion be proposed.

Once Cabinet or any relevant Committee has considered the motion it will be referred back to Council with the recommendation. If an amended motion is proposed by Cabinet, or relevant Committee, when presented back to Council, the amended motion will be debated first, in accordance with Rule 16.5 **and Rule 16.10 (b)**.

## **12.6 Referred Motions – Right of Mover to Attend Meeting**

If a motion has, in accordance with the provisions of Rule 12.4, been formally ~~moved and seconded~~ and referred to the Cabinet or relevant Committee(s), the mover (or some other Member on ~~his~~ **their** behalf) shall attend the first practicable meeting of the Cabinet or relevant Committee(s) immediately following the Council meeting at which the motion was moved **to answer any questions and/or points of clarification, if requested**. ~~The motion shall not be considered unless, and until, the mover (or other Member) has explained it and, if they do not attend the meeting, the motion shall be treated as withdrawn, unless the Cabinet or relevant Committee(s) at their sole discretion permit the mover (or other Member) to attend a subsequent meeting.~~

## **13. MOTIONS WITHOUT NOTICE**

The following motions may be moved without notice:

- (a) To appoint a Chairman of the meeting at which the motion is moved;
- (b) In relation to the accuracy of the minutes;
- (c) To change the order of business in the agenda;
- (d) To refer something to, or back to, **Cabinet an appropriate body, individual** or relevant Committee;
- (e) ~~To appoint a Committee or Member arising from an item on the summons for the meeting;~~
- (f) To receive reports or adoption of recommendations of Committees or Officers and any resolutions following from them;
- (g) To withdraw a motion;
- (h) To amend a motion;
- (i) To proceed to the next business;
- (j) That the question be now put;

- 
- (k) To adjourn a debate;
  - (l) To adjourn a meeting;
  - (m) To exclude the public and press in accordance with the Access to Information Procedure Rules;
  - (n) That a Member named under Rule 23.3 Disorderly Conduct not to be heard further or to exclude them from the meeting under Rule 23.4;
  - (o) To give the consent of the Council where its consent is required by this Constitution;
  - (p) To extend the time limit for a speech; and
  - (q) In the case of urgency, notice of motion may be given, in writing, signed by the Member, or Members, giving the notice and the reason for its urgency and delivered by noon on the morning of the day of the meeting at the office of the Chief Executive who will immediately advise the Chairman of its receipt. If in the opinion of the Chairman, the matter is not urgent, the Chairman may direct that it be disallowed.

#### 14. **MOTIONS NOT PERMITTED**

No motion shall be submitted on a matter that relates to an item which;

- (a) is not about a matter for which the local authority has a responsibility or which affects the District;
- ~~(a)~~(b) is to be considered on the same Council agenda;
- ~~(b)~~(c) is substantially the same as a motion already received to be put to the ordinary meeting of the Council in question;
- ~~(c)~~(d) is substantially the same as a motion which has been put at a meeting of the Council in the past six months;
- ~~(d)~~(e) has been the subject of a Key Decision in the previous six months;
- ~~(e)~~(f) is included within the work programme of an Overview and Scrutiny Committee;
- ~~(f)~~(g) is, at the time of submission, subject to call-in or on-going legal proceedings or requires the disclosure of confidential or exempt information (as defined in the Access to Information Procedure Rules);
- (h) the Monitoring Officer will reject a motion if in their judgement it is likely to lead to a breach of the Members' Code of Conduct.

#### 15. **MOTIONS OR QUESTIONS AFFECTING PERSONS EMPLOYED BY THE COUNCIL**

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(Yellow)

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If any question arises at a meeting of the Council or of a Committee or Sub-Committee as to the appointment, promotion, dismissal, salary, superannuation or conditions of service, or as to the conduct of any person employed by the Council, such question shall not be the subject of discussion until the Council, Committee or Sub-Committee has decided whether or not the power of exclusion of the public shall be exercised.

## **16. RULES OF DEBATE**

### **16.1 No Speeches until Motion Seconded**

No speeches may be made after a motion has been proposed and explained until it has been seconded. However, a motion that the recommendations from Cabinet or the minutes or references from the relevant Committee shall be adopted need not be seconded.

A Member when seconding a motion or amendment may, if he then declares his intention to do so, reserve his speech until a later period of debate, subject to Rule 16.10 – Closure Motions.

### **16.2 Right to Require Motion or Amendment in Writing**

Unless notice of the motion or amendment has already been given, the Chairman may require it to be written down and handed to him before it is discussed.

### **16.3 Content and Length of Speeches**

Speeches must be directed to the motion under discussion or to a personal explanation or point of procedure. No speech (including those to move motions) shall exceed three minutes except with the consent of the Council. This does not apply to other than the statement by the Leader on the State of the District and the Leader's presentation of the budget. ~~may exceed five minutes except with the consent of the Council.~~

### **16.4 When a Member May Speak Again**

A Member who has spoken on a motion may not speak again whilst it is the subject of debate, except:

- (a) to speak once on an amendment moved by another Member;
- (b) to move or second a further amendment if the motion has been amended since he last spoke;
- (c) if his first speech was on an amendment moved by another Member, to speak on the main issue (provided the amendment has not been carried);
- (d) in exercise of a right of reply;
- (e) on a point of procedure; and/or

- 
- (f) by way of personal explanation.

## 16.5 Amendments to Motions

- (a) An amendment to a motion must be relevant to the motion and either be:
- (i) to refer the matter to ~~an appropriate body, individual~~ **the Cabinet** or relevant Committee for consideration or reconsideration;
  - (ii) to leave out words;
  - (iii) to leave out words and insert or add others; or
  - (iv) to insert or add words

as long **as** the effect of ~~(ii) to (iv)~~ **(ii), (iii) or (iv)** is not to negate the motion **or introduce a new subject matter into the motion before the Council.**

- (b) Any amendment proposed to be made to the Cabinet's budget proposals must have been submitted to the Council's Section 151 Officer at least two working days before the Budget Full Council meeting(s) to enable them to consider the implications for the budget.**

- ~~(b)~~**(c) Only one amendment may be moved and discussed at any one time. Subject to Rule 16.10 no further amendment may be moved until the amendment under discussion has been disposed of. However the Chairman may permit a Member to give formal notice of the terms of any further amendment which he proposes to move at a later stage in the proceedings.**

- (d) A Member may withdraw their proposed amendment with the consent of the seconder.**

- (e) If an amendment is not carried, other amendments to the original motion may be moved.**

- (f) If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.**

- (g) After an amendment has been carried, the Chairman will read out the substantive motion before accepting any further amendments, or if there are none, put it to the vote.**

## 16.6 Alteration of Motion

- (a) A Member may alter a motion of which he has given notice with the consent of the **seconder** meeting. ~~Consent will be signified without discussion.~~

- 
- (b) A Member may alter a motion that he has moved without notice with the consent of ~~both the meeting and the seconder. Consent will be signified without discussion.~~
  - (c) Only alterations that could be made as an amendment may be made.

### **16.7 Withdrawal of Motion**

A Member may withdraw a motion that he has moved with the consent of ~~both the meeting and the seconder~~ **unless it is the subject of an amendment.** ~~Consent will be signified without discussion.~~ No Member may speak on the motion after the mover has asked ~~permission to withdraw~~ **it unless permission is refused.**

### **16.8 Right of Reply**

- (a) The mover of a motion (including the mover of a motion on which an amendment has been moved) and the mover of an amendment have a right of reply at the end of the debate on the motion or amendment. Following this, the appropriate Portfolio Holder or the Chairman of the relevant Committee shall have the right to speak on the motion or amendment immediately before it is put to the vote. Where the mover of the motion or amendment was the Leader of the Council, he shall have the final right to speak.
- (b) A Member exercising a right of reply shall confine his remarks to answering the arguments employed or observations made during the debate and shall not introduce any new matter.

### **16.9 Motions Which May be Moved During Debate**

When a motion is under debate, no other motion may be moved except the following procedural motion:

- (a) to withdraw a motion;
- (b) to amend a motion;
- (c) to proceed to the next business;
- (d) that the question be now put;
- (e) to adjourn a debate;
- (f) to adjourn a meeting;
- (g) to extend the time for speeches;
- (h) to give any consent required by these procedure rules;
- (i) to suspend one or more of the procedure rules;

- 
- (j) to exclude the public and press in accordance with the Access to Information Procedure Rules; and
  - (k) that a Member named under Rule 23.3 below (Disorderly Conduct), not to be heard further or to exclude them from the meeting under Rule 23.4.

### 16.10 Closure Motion

- (a) A Member may move, without comment, the following motions at the conclusion of a speech of another Member:
  - (i) That the Council proceed to the next business;
  - (ii) That the question now be put;
  - (iii) That the debate now be adjourned; or
  - (iv) That the Council does now adjourn; or
  - (v) That the matter be referred to the Cabinet or a Committee(s) in accordance with the responsibility of functions and the defined terms of reference.
- (b) On the seconding of which the Chairman shall, unless in their opinion the matter before the meeting has been insufficiently discussed, proceed as follows:
  - (i) On a motion to proceed to the next business or to refer the matter to the Cabinet or a Committee(s): they shall first give the mover of the original motion a right of reply, and then put to the vote the motion to proceed to the next business or to refer the matter;
  - (ii) On a motion that the question now be put: they shall put to the vote the motion that the question now be put, and if it is passed then give the mover of the original motion their right of reply under Rule 16.8 above before putting their motion to the vote;
  - (iii) On a motion to adjourn the debate or the meeting: they shall put the adjournment motion to the vote without giving the mover of the original motion their right of reply on that occasion.
- (c) ~~A motion will be considered closed if, at the meeting of Cabinet or relevant Committee to which the motion was referred, it is agreed to support a motion in its original format, subject to the mover agreeing that referral back is not required. This prevents any unnecessary delay.~~

### 16.11 Point of Procedure

A Member may raise a point of procedure at any time. The Chairman will hear him immediately. A point of procedure may only relate to an alleged breach of these Council Procedure Rules or the law. The Member must indicate the rule or law and the way in which he considers it has been broken. The ruling of the Chairman on the matter will be final.

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## **16.12 Personal Explanation**

A Member has the right to make a personal explanation when directly related to some material part of an earlier speech by the Member if it appears to have been misunderstood in the present debate. The ruling of the Chairman on the admissibility of a personal explanation will be final.

## **17. STATE OF TENDRING STATEMENT**

At the last ordinary meeting before the Annual Council meeting each year, the Leader will make a Statement on the State of the Tendring District. ~~The Chairman may permit debate following the statement.~~

## **18. PREVIOUS DECISIONS AND MOTIONS**

### **18.1 Motion to Rescind a Previous Decision**

A motion or amendment to rescind a decision made at a meeting of Council within the past six months cannot be moved unless the notice of motion is signed by at least 12 Members.

### **18.2 Motion Similar to One Previously Rejected**

A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved unless the notice of motion or amendment is signed by at least 12 Members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

This procedure rule does not apply to motions moved to adopt a recommendation to the Council from the Cabinet or a Committee.

## **19. VOTING**

### **19.1 Majority**

Unless this Constitution provides otherwise, any matter will be decided by a simple majority of those Members present in the room and voting at the time the question was put to the vote.

### **19.2 Chairman's Casting Vote**

If there are equal numbers of votes for and against, the Chairman will have a second or casting vote. There will be no restriction on how or whether the Chairman chooses to exercise a casting vote. In the case of an equality of votes for the election of the Chairman of the Council, the retiring Chairman or the person presiding at the meeting must exercise a casting vote.

### **19.3 Show of Hands**

Unless a recorded vote is demanded under Rule 19.4, the Chairman will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.

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(Yellow)

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#### **19.4 Recorded Vote**

If 11 Members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes.

A recorded vote is mandatory on any decision relating to the budget or Council Tax. This includes not only the substantive budget motions agreeing the budget and setting Council taxes, but also on any amendments proposed at the meeting.

#### **19.5 Right to Require Individual Vote to be Recorded**

Where any Member requests it immediately after the vote is taken, his vote will be so recorded in the minutes to show whether he voted for, or against, the motion, or abstained from voting.

#### **19.6 Voting on Appointments**

Where there is more than one person nominated and seconded for any position to be filled by the Council then unless the Council decides otherwise at the time, the person receiving most votes shall be appointed. Where there is only one person nominated and seconded, Members will cast their votes either for or against that person. The person nominated will be appointed if the votes for are more than the votes against.

### **20. MINUTES**

#### **20.1 Signing the Minutes**

The Chairman will sign the minutes of the proceedings at the next suitable ordinary meeting. The Chairman will move that the minutes of any previous meeting be signed as a correct record. The only issue in relation to the minutes that can be discussed is their accuracy.

#### **20.2 Form of Minutes**

Minutes of any Council, Committee or Sub-Committee meeting shall comprise a brief summary of the proceedings of, and business transacted at, the meeting. Minutes will not record details of the debate or the views or comments of individual Members.

Minutes will contain all motions and amendments in the exact form and order the Chairman accepted them as being proper motions/amendments and put them to the vote.

### **21. RECORD OF ATTENDANCE**

All Members present during the whole, or part, of any meeting must sign their names on the attendance sheets before the end of that meeting to assist with the record of attendance.

### **22. EXCLUSION OF PUBLIC**



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Members of the public and press may only be excluded either in accordance with the Access to Information Procedure Rules in Part 4 of this Constitution or Rule 24 (Disturbance by Public).

## **23. MEMBERS' CONDUCT**

### **23.1 Standing to Speak**

When a Member speaks at full Council he must stand (if possible) and address the meeting through the Chairman. If more than one Member stand, the Chairman will ask one to speak and the others must sit. Other Members must remain seated whilst a Member is speaking unless they wish to make a point of procedure or a point of personal explanation.

### **23.2 Chairman Standing**

When the Chairman stands during a debate, any Member speaking at that time must stop and sit down. The meeting must be silent.

### **23.3 Member Not to be Heard Further**

If a Member persistently disregards the ruling of the Chairman by behaving improperly, or offensively, or deliberately obstructs business, the Chairman or any other Member may move that the Member not be heard further. If seconded, the motion will be voted on without discussion.

### **23.4 Member to Leave the Meeting**

If the Member continues to behave improperly after a motion in Rule 23.3 is carried, the Chairman may move that either the Member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

### **23.5 General Disturbance**

If there is a general disturbance making orderly business impossible, the Chairman may adjourn the meeting for as long as he thinks necessary.

## **24. DISTURBANCE BY PUBLIC**

### **24.1 Removal of a Member of the Public**

If a member of the public interrupts proceedings, the Chairman will warn the person concerned. If he continues to interrupt, the Chairman will order his removal from the meeting room.

### **24.2 Clearance of Part of Meeting Room**

If there is a general disturbance in any part of the meeting room open to the public, the Chairman may call for that part to be cleared.

## **25. SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES**

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## **25.1 Suspension**

All of these Council Procedure Rules except Rules 19.5 and 20.1 may be suspended by motion on notice, or without notice, if at least 45 Members of the Council are present and 31 Members vote in favour of suspension. Suspension can only be for the duration of the meeting.

## **25.2 Amendment**

Any motion by a Member to add to, vary or revoke these Council Procedure Rules will, when proposed and seconded, will stand adjourned without discussion to the next ordinary meeting of the Council.

## **26. RESIGNATION OF CHAIRMANSHIP ETC**

The Chairman or Vice-Chairman of the Council may at any time, by notice in writing delivered to the Chief Executive, resign their position and such resignation shall take immediate effect on delivery of the notice.

## **27. CASUAL VACANCIES ETC**

On a casual vacancy occurring in the office of Chairman or Vice-Chairman of the Council an election to fill the vacancy shall be held not later than the next ordinary meeting of the Council after the date on which the vacancy occurs, or if that meeting is held within fourteen days after that date, then not later than the next ordinary meeting of the Council, and shall be conducted in the same manner as an ordinary election.

## **28. STATUTORY OFFICERS' ADVICE**

The Chief Executive, Monitoring Officer and Section 151 Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Chairman and, if requested, to all Councillors present.

## **29. INTERPRETATION OF PROCEDURE RULES**

At any meeting the ruling of the Chairman as to the construction or application of any of the Council Procedure Rules, or as to any proceedings of the Council, shall not be challenged.

Any advice provided by the Statutory Officers in assisting the Chair for the application of the Rules can be shared with all Councillors.

## **30. PETITIONS**

Petitions will be dealt with in accordance with the scheme approved by Council, contained within Part 5 of the Constitution.

The rules of debate will be in accordance with the Council Procedure Rules.

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The length of speeches by presenters of petitions shall not exceed five minutes.

**31. MINOR AMENDMENTS OF GUIDANCE**

Any minor amendment of these rules as a consequence of any written advice or guidance to Officers and Members is delegated to the Monitoring Officer.

**32. APPLICATION TO COMMITTEES AND SUB-COMMITTEES**

All of the Council Procedure Rules apply to meetings of the Council.

None of these rules apply to meetings of the Cabinet.

Rules 6-9, 11.3-11.5, 11.7 – 11.9, 16 (excluding 16.4), 19 (excluding 19.4 and 19.6), 20 – 24 (excluding 23.1 ~~and 23.2~~), 26, 28, 29 and 31 including those in Part 2 below apply with any necessary modification to meetings of Committees and Sub-Committees. Rule ~~39~~ 40 applies only to the Local Plan Committee and the Planning Committee.

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**COUNCIL PROCEDURE RULES**

**SECTION 2 – COMMITTEE MEETINGS**

**33. APPOINTMENT OF MEMBERS OF COMMITTEES AND SUB-COMMITTEES/VACANCIES IN CHAIRMANSHIP**

**33.1 General**

Subject to the rules of political proportionality, as provided in the Local Government and Housing Act 1985 (Section 15) and the Local Government (Committees and Political Groups) Regulations 1990, and Rule 33.2 below, Full Council (usually at its Annual Meeting) will appoint Committees and Sub-Committees in accordance with the Local Government Act 1972 (Section 102).

**33.2 Eligibility**

Subject to the provisions of Rule 33.3 below the eligibility requirements with regard to membership of Committees and Sub-Committees are as follows:-

Overview and Scrutiny Committees

All Councillors except Cabinet members may be members of the Overview and Scrutiny Committees.

Audit Committee, Human Resources and Council Tax Committee, Licensing and Registration Committee, Local Plan Committee, Planning Committee and Miscellaneous Licensing Sub-Committee

All Councillors may be members of these Committees though the Local Plan Committee will contain different Members from the Planning Committee in order to minimise the risk and perception of, or accusations of, 'pre-determination' in the consideration of planning applications against policies in the Local Plan.

In addition, the members of the Miscellaneous Licensing Sub-Committee must also be members of the parent Licensing and Registration Committee.

CIPFA Guidance recommends that the membership of the Audit Committee should not cross-over with either the Executive or Scrutiny functions. However, Officers' advice is that if Members feel that cross membership is necessary then this should be limited to one member from each of the Executive or Scrutiny functions. The Chairman of the Audit Committee should not be a member of the Cabinet.

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### Standards Committee

All Councillors may be members of this Committee except that no more than one member of the Committee shall be a member of the Cabinet (and that member cannot be the Leader of the Council). In addition, no Leaders of Political Groups can be members of the Committee.

### Premises/Personal Licences Sub-Committee

The membership of this Sub-Committee is appointed on an ad hoc basis from the membership of the Licensing and Registration Committee.

## **33.3 Training Members of the Audit, Licensing & Registration, Planning and Standards Committees**

In addition to specific training required as and when necessary, training shall be provided to all Members appointed to the Audit, Licensing & Registration, Planning and Standards Committees on an annual basis at an appropriate date and time after each annual meeting of the Council.

A Member cannot sit as a member of the Planning Committee unless they have received specific training with regard to the determination of planning applications.

A Member cannot sit as a member of the Licensing and Registration Committee unless they have received specific training with regard to the determination of applications for personal or premises licences submitted under the Licensing Act 2003.

No Member can continue to sit as a member of one of the above committees if they have gone more than two years without attending any of the relevant training events.

## **33.4 Resignation of Chairmanship**

Any Chairman, Vice-Chairman or Member of a Committee, Sub-Committee or Working Party may at any time, by notice in writing or personal email delivered to the Chief Executive, resign his position and such resignation shall take immediate effect on delivery of the notice.

## **33.5 Casual Vacancies**

In the case of a casual vacancy in the office of a Chairmanship or Vice-Chairmanship of a Committee, Sub-Committee or Working Party an item shall be placed on the agenda of the next meeting of the relevant body which shall, before proceeding to any other business, elect from its Members a Chairman or Vice-Chairman as the case may be for the remainder of the year.

## **33.34 APPOINTMENT OF SUBSTITUTE MEMBERS OF COMMITTEES, SUB-COMMITTEES AND WORKING PARTIES/VACANCIES IN CHAIRMANSHIP**

### **33.134.1 General**

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Substitute members may attend, speak and vote at meetings of Committees and Sub-Committees of the Council, subject to Rules ~~33.3~~ 34.3 and ~~33.4~~ 34.4. In the case of the Overview and Scrutiny Committees, such Substitute Members may not be Members of the Cabinet. Substitute Members may not be appointed to any Working Parties unless that working party has been established in full accordance with the Widdicombe Rules.

### ~~33.2~~34.2 Eligibility

A Substitute shall belong to the same political group (as defined in the Local Government and Housing Act 1989) as the Member for whom he is a Substitute. Substitution by, or of, Members not in a political group is not permitted.

Only the Member being substituted or their Group Leader (or Deputy) can appoint substitute members. Notification of a substitute from the Member being substituted or their Group Leader (or Deputy) must be given to Committee Services prior to the commencement of the meeting at which the substitution is to apply. Where more than one notification is received, the Group Leader (or Deputy's) request will take precedence.

### ~~33.3~~34.3 Training **Substitute** Members of the Audit, Licensing & Registration, Planning and Standards Committees

~~In addition to specific training required as and when necessary, all Members (and named Substitute Members) appointed to the Audit, Licensing & Registration, Planning and Standards Committees shall undertake annual training on an appropriate date and time after each annual meeting of the Council and such training shall be mandatory.~~

In addition to specific training required as and when necessary, training shall be provided to all named Substitute Members appointed to the Audit, Licensing & Registration, Planning and Standards Committees on an annual basis at an appropriate date and time after each annual meeting of the Council.

### ~~33.4~~34.4 Substitute Members of the Audit, Licensing & Registration, Planning and Standards Committees

Group Leaders shall, provide named Substitute Members (in accordance with proportionality rules) and all substitutions will only be permitted from this list. Any member of a political group shall be eligible to act as a named Substitute Member providing that they have received training in relation to all relevant Audit, Licensing & Registration, Standards-related or Planning matters under a continuing programme arranged by the Council. When naming a designated substitute, Group Leaders shall, as far as reasonably practicable, satisfy themselves that the named Member is as conversant with all relevant Audit, Licensing and Registration, Standards-related and Planning matters as the appointed members of those Committees.

### ~~33.5~~34.5 Substitute Members of **the** Premises/Personal Licences Sub-Committees

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Substitutes for Members of a ~~the~~ Premises/Personal Licences Sub-Committee shall be made from the appointed membership of the Licensing & Registration Committee. Such substitute need not be a Member of the same political group and the provisions of Rule ~~33.2~~ 34.2 shall not apply.

The Committee Services Manager will, at the request of the Group Leader of a member of a ~~the~~ Premises/Personal Licences Sub-Committee or at the request of the Member concerned, appoint a Substitute from amongst the appointed Membership of the Licensing & Registration Committee who should have received training in relation to licensing under a continuing programme arranged by the Council. Such request need not be in writing.

The Committee Services Manager will ensure that a fourth or standby Member, drawn from amongst the appointed membership of the Licensing & Registration Committee, is present at every meeting of a ~~the~~ Premises/Personal Licence Sub-Committee. Such Member shall act as a member of the Sub-Committee in the event that one of the three Sub-Committee members becomes unable to act due to e.g. illness, conflict of interest.

### ~~33.6~~ **Resignation of Chairmanship**

~~Any Chairman, Vice-Chairman or Member of a Committee, Sub-Committee or Working Party may at any time, by notice in writing delivered to the Chief Executive, resign his position and such resignation shall take immediate effect on delivery of the notice.~~

### ~~33.7~~ **Casual Vacancies**

~~In the case of a casual vacancy in the office of a Chairmanship or Vice-Chairmanship of a Committee, Sub-Committee or Working Party an item shall be placed on the agenda of the next meeting of the relevant body which shall, before proceeding to any other business, elect from its Members a Chairman or Vice-Chairman as the case may be for the remainder of the year.~~

## **34.35 MEETINGS OF COMMITTEES**

### ~~34.135.1~~ **Ordinary Meetings**

The Committees of the Council will normally hold meetings (known as Ordinary Meetings for the purposes of these Procedure Rules) on dates and at times as the Council decides at its Annual Meeting.



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The Chairman (or failing him the Vice-Chairman) of a Committee may, from time to time, vary the place, date or hour of a meeting or meetings of that Committee.

### **34.235.2 Special Meetings**

1. The Chairman of a Committee can call a Special Meeting of a Committee at any time.
2. A Special Meeting shall also be called on the requisition of a not less than a quarter of the whole number of Members of the Committee, delivered in writing, or by email to the Chief Executive but in no case shall less than three Members requisition a Special Meeting.

No business except that set out in the Summons and Agenda shall be carried out at a Special Meeting of a Committee.

### **35.36 ATTENDANCE AT MEETINGS**

Except as otherwise provided in this Constitution and in particular having regard to the provisions of the Access to Information Procedure Rules:-

- 35.136.1** Every Member of the Council shall be entitled to attend all meetings of Committees and Sub-Committees. **This does not include attendance at Portfolio Holder Working Parties.** A Member of the Council shall not take part in any discussion at a meeting of a Committee or Sub-Committee of which he is not a Member, unless specifically invited to do so by the Chairman of that meeting, or unless he is attending the meeting of the Committee under the provisions of Rule ~~44.5~~**12.6**, and he shall in no case be entitled to vote. The Member shall obtain the permission of the appropriate Chairman prior to the relevant meeting if he wishes to speak at that meeting. Where a Member has, pursuant to notice duly given under Rule ~~44.5~~**12.6**, moved a motion which has been referred to a Committee, he shall be given an opportunity of explaining that motion.

Where the public speaking scheme (Rule ~~39~~**40**) applies to a particular application or matter before the Planning Committee, no Member shall be entitled to address or speak to the Planning Committee under ~~Rule 35.4~~ **this Rule**. This does not detract from any rights the Member has under the public speaking scheme.

### **36.37. SUB-COMMITTEES AND WORKING PARTIES**

The Council (~~usually at its Annual Meeting~~) will decide the establishment, terms of reference, delegated powers, number of Members and the allocation of seats to political groups for all new Sub-Committees.

The Council, (normally at its Annual Meeting) will also appoint individual Members to standing Sub-Committees and will appoint the Chairman and Vice-Chairman of those Sub-Committees.

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Every ~~non-overview and scrutiny~~ Committee of the Council may appoint working parties for specified purposes in accordance with Part 3 of this Constitution. The Committee may amend the constitution of the working parties or dissolve them at any time.

The Chairman and Vice-Chairman of any working parties appointed by a Committee will be determined at the first meeting of the working party. Meetings of working parties will normally be convened, either at an earlier meeting of the working party or by the Committee Services Manager in consultation with their Chairman.

### **3738. QUESTIONS ON NOTICE AT COMMITTEES AND SUB-COMMITTEES**

Subject to Rules 11.4 and 11.5 and upon providing two working days' notice, a Member of a Committee or ~~Sub-Committee~~ may, at a meeting thereof, ask the Chairman of it a question on any matter in relation to which the Council has powers or duties of which affect the Tendring District and which falls within the terms of reference of that Committee or ~~Sub-Committee~~.

### **3839. SITE VISITS, SPECIFIC BRIEFING OR TRAINING**

**38.139.1** Where a site visit, specific briefing or training is called by Officers in relation to a planning or licensing application received by the Council, any Member or Substitute Member of that Committee who does not attend the site visit, specific training or briefing, shall not be eligible to take part at the meeting at which the application to which the site visit, specific training or briefing related is to be considered.

**38.239.2** Notification of site visits arranged by any Committee or Sub-Committee shall be given to the Members for the ward in which the site is situated. Such Members shall have the right to attend the site visit but shall not take part in any discussion unless specifically invited to do so by the Chairman of the body that has arranged the site visit. The body arranging the site visit shall not exercise any delegated powers nor take any decisions in the course of the visit.

### **39.40 SCHEMES TO PERMIT MEMBERS OF THE PUBLIC TO SPEAK AT MEETINGS OF THE LOCAL PLAN AND PLANNING COMMITTEES**

The Local Plan Committee and the Planning Committee will each have a scheme providing a limited right for speaking by members of the public in relation to applications or other matters of business. The schemes shall be in such a form as the Monitoring Officer determines after consulting with the Head of Planning Services and the Chairman of the relevant Committee.