



CABINET

DATE:	Friday, 8 March 2019
TIME:	10.30 am
VENUE:	Essex Hall, Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor Stock OBE	- Leader of the Council
Councillor C Guglielmi	- Finance and Corporate Resources Portfolio Holder and Deputy Leader of the Council
Councillor Fairley	- Investment and Growth Portfolio Holder
Councillor P Honeywood	- Housing Portfolio Holder
Councillor McWilliams	- Health and Education Portfolio Holder
Councillor Nicholls	- Corporate Enforcement Portfolio Holder
Councillor Skeels (Snr)	- Leisure and Tourism Portfolio Holder
Councillor Talbot	- Environment Portfolio Holder

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For further details and general enquiries about this meeting, contact Ian Ford on 01255 686584.

DATE OF PUBLICATION: WEDNESDAY 27 FEBRUARY 2019

AGENDA

1 Apologies for Absence

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

2 Minutes of the Last Meeting (Pages 1 - 10)

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 15 February 2019.

3 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.

4 Announcements by the Leader of the Council

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

5 Announcements by Cabinet Members

The Cabinet is asked to note any announcements made by Members of the Cabinet.

6 Matters Referred to the Cabinet by the Council

There are none on this occasion.

7 Matters Referred to the Cabinet by a Committee - Reference from the Resources and Services Overview and Scrutiny Committee - A.1 - Performance Report: 2018/2019 Third Quarter (Pages 11 - 14)

To enable Cabinet to give consideration to comments and recommendations made by the Resources and Services Overview and Scrutiny Committee in respect of the performance report for 2018/2019 (Third Quarter).

8 Leader of the Council's Items

There are none on this occasion.

9 Cabinet Members' Items - Report of the Finance and Corporate Resources Portfolio Holder - A.2 - Review of the Council Procedure Rules (Part 4 of the Council's Constitution) (Pages 15 - 58)

To approve the recommended changes to the Council Procedure Rules (Sections 1 and 2), as contained within Part 4 of the Council's Constitution, for referral onto Full Council, following Council's decision taken on 22 January 2019.

10 Cabinet Members' Items - Report of the Finance and Corporate Resources Portfolio Holder - A.3 - Programme of Meetings 2019/2020 Municipal Year (Pages 59 - 64)

To enable Cabinet to give consideration to the programme of meetings for the 2019/2020 Municipal Year.

11 Cabinet Members' Items - Report of the Finance and Corporate Resources Portfolio Holder - A.4 - Annual Capital and Treasury Strategy for 2019/20 (including the Prudential and Treasury Indicators) (Pages 65 - 100)

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

12 Management Team Items

There are none on this occasion.

13 Exclusion of Press and Public

The Cabinet is asked to consider the following resolution:

“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 14 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.”

14 Exempt Minute of the Meeting held on Friday 15 February 2019 (Pages 101 - 102)

To confirm and sign the exempt minute of the meeting of the Cabinet held on Friday 15 February 2019.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Essex Hall, Town Hall, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 12 April 2019.

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Notice of Intention to Conduct Business in Private

Notice is hereby given that, in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Agenda Item No. 14 is likely to be considered in private for the following reason:

The item detailed below will involve the disclosure of exempt information under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) to Schedule 12A, as amended, to the Local Government Act 1972:

Exempt Minute of the Meeting held on Friday 15 February 2019

Information for Visitors

ESSEX HALL **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 fire exits in the hall and follow the exit signs out of the building.

Please heed the instructions given by any member of staff and they will assist you 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 Essex Hall is in the car park to the left of the building as you are facing it.

Your calmness and assistance is greatly appreciated.

**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 15TH FEBRUARY, 2019 AT 10.37 AM
ESSEX HALL, TOWN HALL, STATION ROAD, CLACTON-ON-SEA**

Present: Councillors Neil Stock OBE (Leader of the Council) (Chairman), Carlo Guglielmi (Deputy Leader of the Council and Finance & Corporate Resources Portfolio Holder), Zoe Fairley (Investment and Growth Portfolio Holder), Paul Honeywood (Housing Portfolio Holder), Lynda McWilliams (Health and Education Portfolio Holder), Fred Nicholls (Corporate Enforcement Portfolio Holder), Mick Skeels (Snr) (Leisure and Tourism Portfolio Holder) and Michael Talbot (Environment Portfolio Holder)

Group Leaders Present by Invitation:

Councillors Joy Broderick (Leader of the Holland-on-Sea Group), Ivan Henderson (Leader of the Labour Group), Mary Newton (Leader of the UKIP Group), Gary Scott (Deputy Leader of the Liberal Democrats / Tendring First Group) and Mark Stephenson (Leader of the Tendring Independents Group)(except items 107 and 108, 113 (part) and 114 (part))

Also Present: Councillors Kanagasundaram King and Colin Winfield (both except items 113 (part) - 122)

In Attendance: Ian Davidson (Chief Executive), Paul Price (Corporate Director (Operational Services)), Ewan Green (Corporate Director (Planning and Regeneration)), Lisa Hastings (Head of Governance and Legal Services & Monitoring Officer), Richard Barrett (Head of Finance, Revenues and Benefits Services & Section 151 Officer), Keith Simmons (Head of Democratic Services and Elections), Karen Neath (Head of Leadership Support and Community), Andy White (Head of Property Services), Ian Taylor (Head of Public Realm), Ian Ford (Committee Services Manager & Deputy Monitoring Officer), Debianna Messenger (Work Based Learning Manager) and William Lodge (Communications Manager)

107. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Robert Bucke (Leader of the Liberal Democrats / Tendring First Group).

108. MINUTES OF THE LAST MEETING OF THE CABINET HELD ON FRIDAY 18 JANUARY 2019

It was **RESOLVED** that the Minutes of the meeting of the Cabinet held on Friday 18 January 2019 be approved as a correct record and signed by the Chairman.

109. DECLARATIONS OF INTEREST

Councillor Broderick, Leader of the Holland-on-Sea Group, declared a personal interest in Agenda Item 6 - Matters Referred to the Cabinet by the Council - A.1-Petition: Closure of Ipswich Road Public Convenience, Holland-on-Sea insofar as she was one of the petitioners.

110. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

North East Essex Economic Development Board

The Leader of the Council (Councillor Stock OBE) informed Cabinet that, following a meeting with his political counterparts at Essex County Council, Braintree District Council and Colchester Borough Council, it had been jointly decided to set up an Economic Development Board for North East Essex.

The Investment and Growth Portfolio Holder (Councillor Fairley) would be this Council's representative on the board and it was expected that its initial meeting would be held within the next few weeks.

Cabinet noted the foregoing.

111. ANNOUNCEMENTS BY CABINET MEMBERS

There were none on this occasion.

112. MATTERS REFERRED TO THE CABINET BY THE COUNCIL - A.1 - PETITION: CLOSURE OF IPSWICH ROAD PUBLIC CONVENIENCE, HOLLAND-ON-SEA

Earlier in the meeting Councillor Broderick had declared a personal interest in this matter insofar as she was one of the petitioners.

Cabinet was aware that, at the meeting of Council held on 22 January 2019, the Chief Executive had reported the receipt of a petition submitted by Councillors Broderick, Winfield and King. The petition had been signed by 247 residents of the District and requested that the Council reopened or replaced the closed public convenience at Ipswich Road, Holland-on-Sea. The front page of the Petition stated:-

"This petition is demanding that TDC maintains your human right to "spend a penny" by re-opening (or better still replacing) the Ipswich Road toilet."

In accordance with the Council's scheme and following reporting of the petition at Council in January, Councillors Broderick, Winfield and King had been requested to nominate a lead petitioner to present the petition to Cabinet at this meeting.

Issues arising from the petition had been investigated in accordance with the provisions of the Council's approved scheme for dealing with petitions and the outcome of that investigation together with the current position was before Cabinet as part of item A.1 of the Report of the Portfolio Holder for Leisure and Tourism. In particular, that investigation had highlighted that the closure of the Ipswich Road toilet had been supported by the local Holland Residents' Association and that it had been almost two years before the first objection to the closure had been received by the Council from a member of the public, which had then been followed by the petition received on 3 January 2019.

Members were aware that the Council's strategy for public convenience provision adopted in June 2017 supported a programme of refurbishment and service improvement for public toilets and ensured that all areas of the District previously operating public toilets would continue to do so. The strategy also stated that the Council would close those facilities identified as uneconomic to continue to operate, or were under-used by reason of their poor location or anti-social behaviour.

It was reported that the Council had achieved a year-on-year revenue saving of £100,000 arising from the implementation of the public convenience strategy, but had also invested, to date, £200,000 in new and improved facilities.

Councillor Winfield, as the lead petitioner, explained the petition and outlined the action that the petitioners wanted the Council to take.

Having considered both the petition and the information provided in the Officers' report:-

It was moved by Councillor Stock OBE, seconded by Councillor G V Guglielmi and:-

RESOLVED that –

- (a) Cabinet, having regard to the vote of the Council taken at its meeting on 22 January 2019 at which it had considered a petition placed before it to replace those toilets which had been closed for being not fit for purpose, agrees that no further action should be taken in respect of this petition, thereby reaffirming the will of the Council in respect of its support for the Public Conveniences Strategy, adopted in June 2017; and
- (b) the Leisure and Tourism Portfolio Holder be requested to undertake a review of the Council's Public Conveniences Strategy (which will also include the Portfolio Holder inviting scrutiny of that Strategy by the Resources and Services Overview and Scrutiny Committee) in view of any changed circumstances with regards to the impact of changes to by Government to National Non-Domestic Rates.

113. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE COMMUNITY LEADERSHIP OVERVIEW AND SCRUTINY COMMITTEE - A.2 - FREE SWIMMING LESSONS FOR CHILDREN

Cabinet recalled that, at the meeting of the Full Council held on 27 November 2018, Members had considered a motion proposed by Councillor Pemberton in relation to free swimming lessons for children. Council had decided not to support the motion in its original format and that instead the following amended motion be approved:-

“That this Council takes the following steps in order to see that every child in the District of Tendring can be taught to swim before they leave school education:

- (a) *The Community Leadership Overview and Scrutiny Committee invite the Director of Education from Essex County Council to attend a future meeting of the Committee in order to discuss how all schools can meet their statutory duty and move towards 100% of the District's children learning to swim before they leave primary education; and*

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

Consequently, Clare Kershaw (Director of Education, Essex County Council) and Dawn Emberson (Relationship Manager, Active Essex) had attended the meeting of the Community Leadership Overview and Scrutiny Committee held on 28 January 2019. They had set out for the Committee the statutory requirement under the National Curriculum for swimming which was 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]; and*
- *perform safe self-rescue in different water-based situations.*

In relation to part (b) of Council's resolution the Committee had been informed that this Council had set up a Water Safety Forum, which included this Council, the Royal National Lifeboat Institution), HM Coastguard, the Royal Lifesaving Society, Essex Police, Essex Fire and Rescue Service, the East of England Ambulance Service, the Brightlingsea Harbourmaster, Harwich Haven Authority and others.

It had been reported that in a short space of time, the Forum had secured funding for a nationally recognised outdoor water safety programme to be held in Clacton, Walton and Dovercourt during 2019. Working with Swim England, the scheme would provide free sessions to around 2,000 youngsters aged between 7-14 years. Young people would spend time learning about the differences between swimming in a pool and in the sea, what the safety flags meant and how to get help if it was needed, before heading into the water to practise safety skills. There would be specific school sessions, followed by spaces offered to the general public.

It was also reported that the Forum was working with Clacton Coastal Academy (CCA) who would produce a water safety film to be completed in time for Easter 2019. The school had agreed to write and produce the film, with specialist advice being provided by members of the Forum, in particular, the RNLI. It was especially pertinent that CCA had taken on this project, as Ben Quartermaine, who had tragically died off the coast of Clacton in summer 2018 had been a pupil at the school.

Furthermore, a signage audit had been undertaken in Clacton by a specialist from the RNLI and all their recommendations would be implemented in time for the 2019 season. The Forum was also working on a number of other measures including a programme of education and updates would be provided to Members as soon as they were available.

Cabinet was made aware that the Community Leadership and Scrutiny Committee had submitted the following recommendations:-

"That the actions identified be endorsed, with Essex County Council / Active Essex to lead on:-

- i. A review of pupils not reaching the required level of proficiency and actions to target the gap;*
- ii. how it was decided where the swim safe programme is run and if it could be extended;*
- iii. whether the swimming pools available at local caravan parks could be used to provide swimming lessons to school children;*
- iv. investigate whether local bus providers could assist with taking pupils from school to pools*
- v. review the affordability of and capacity to provide school swimming lessons; and*

Tendring District Council to lead on:

- vi. considering whether Tendring District Council's beach patrol staff could provide swimming lessons in the sea*
- vii. whether the ONE card or something similar could be re-introduced for use at local Leisure Centres;*
- viii. investigate extending the promotion of water safety advice around the coastline during the summer."*

Having considered the recommendations submitted by the Community Leadership Overview and Scrutiny Committee together with the other information provided:-

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

RESOLVED that -

- (a) the actions identified be agreed, whilst recognising that Essex County Council retains the responsibility for schools and school provision and that Active Essex has a lead role in promoting physical activity;
- (b) this Council provides support across all actions, where appropriate, having regard to its available capacity and resources; and
- (c) it be noted that, in relation to action (viii), the promotion of water safety information and advice is a key part of the work of the Water Safety Forum which this Council has set up and that a signage audit has been undertaken by the RNLI.

114. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE COMMUNITY LEADERSHIP OVERVIEW AND SCRUTINY COMMITTEE - A.3 - ESSEX FUTURE LIBRARY SERVICES STRATEGY 2019 - 2024 (DRAFT)

For the record and as a point of information Councillors G V Guglielmi, I J Henderson and P B Honeywood each reminded the meeting that they were also elected Members of Essex County Council.

Cabinet was aware that the Community Leadership Overview and Scrutiny Committee, at its meeting held on 28 January 2019, had considered the consultation being undertaken by Essex County Council on its draft strategy for the future of library services over the next five years. The proposed strategy was based on the views gathered from the public in 2018 and the consultation would close on 20 February 2019.

The full strategy and a consultation response proposed by that Committee were attached at appendices A and B respectively to item A.3 of the Reference from the Community Leadership Overview and Scrutiny Committee.

Having considered the strategy together with the proposed consultation response:-

It was moved by Councillor McWilliams, seconded by Councillor Fairley and:-

RESOLVED that the proposed consultation response, as attached as Appendix B to item A.3 of the Reference from the Community Leadership Overview and Scrutiny Committee, be approved as this Council's formal response to Essex County Council's consultation on its "Essex Future Library Services Strategy 2019 – 2024".

115. LEADER OF THE COUNCIL'S ITEMS

There were none on this occasion.

116. CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - A.4 - FREEHOLD DISPOSAL OF FORMER ISOLATION HOSPITAL SITE, MAIN ROAD, DOVERCOURT

The Cabinet gave consideration to a report of the Finance and Corporate Resources Portfolio Holder (A.4) which sought its approval, in principle, for the freehold disposal of the former Isolation Hospital Site, Main Road, Dovercourt.

Members were informed that a decision to declare this site surplus to requirements had originally been made in October 2003 and that various options had been explored by the Council over the years. Full and final bids had now been invited for this site and four offers had been received. The report sought agreement to proceed with the sale of the land to the highest bidder, subject to terms and conditions.

Having considered the matter:-

It was moved by Councillor G V Guglielmi, seconded by Councillor Fairley and:-

RESOLVED that, subject to its decision to be taken in private later in the meeting in respect of the terms and conditions, Cabinet authorises, in principle, the freehold disposal of the former Isolation Hospital Site, Main Road, Dovercourt.

117. CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - A.5 - PERFORMANCE REPORTS: OCTOBER - DECEMBER 2018 (QUARTER 3)

The Cabinet gave consideration to a report of the Finance and Corporate Resources Portfolio Holder (A.5) which presented the Performance Reports (2018/19) for the period October – December 2018 (Quarter 3).

The Performance Reports (Resources & Services and Community Leadership) attached as Appendices A and B respectively to the report set out the detailed actions and targets for the delivery of the Council's priorities throughout the year. They included both the Corporate Plan and Priorities and Projects 2018/19.

In Appendix A of the 18 indicators and projects where performance was measured, the third quarter's position demonstrated that 14 (78%) were on, or above, their expected target and 4 (22%) were not currently in line with the expected performance. The indicators and projects highlighted in Appendix B were deemed 'non measurable' as this Council's role was that of 'influence only'.

Having considered the contents of the Appendices together with an update on the 'Transforming Tendring' project:-

It was moved by Councillor G V Guglielmi, seconded by Councillor Fairley and:-

RESOLVED that the contents of the Performance Reports for the period October – December 2018 (Quarter 3) be noted.

118. CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - A.6 - FINANCIAL PERFORMANCE REPORT: IN-YEAR PERFORMANCE AGAINST THE BUDGET AT END OF DECEMBER 2018 AND LONG-TERM FINANCIAL FORECAST UPDATE

The Cabinet gave consideration to a detailed report of the Finance and Corporate Resources Portfolio Holder (A.6) which provided it with an overview of the Council's financial position against the budget as at the end of December 2018 and also presented it with an updated forecast on an on-going basis as part of developing the long term financial plan.

The report was presented in two distinct sections as follows:-

- 1) The Council's in-year financial position against the budget at the end of December 2018; and
- 2) An updated long term financial forecast.

In respect of the in-year financial position at the end of December 2018:

In respect of the position at the end of December 2018, this showed that overall the General Fund Revenue position was behind the profiled budget by £2.863m. As had been the case in previous quarters, the variance to date primarily reflected the timing of expenditure and income although any significant issues arising to date had been highlighted and comments provided as necessary.

In respect of other areas of the budget such as the Housing Revenue Account, capital programme, collection performance and treasury activity, there were no major issues that had been identified to date.

Appendix H to the report set out a number of changes to in-year budgets. The net impact of all of the budget adjustments would be moved to, or from, the Forecast Risk Fund. The long term forecast was based on the identification of £0.500m of in-year outturn savings, which would be set aside over the course of the whole year within the Forecast Risk Fund in order to support the long term plan.

As in previous years, it was recognised that a number of smaller variances within services would emerge over the course of the year that would not necessarily be

specifically highlighted or discussed within the in-year finance reports. It was still therefore possible that a range of smaller variances could remain at the end of the year and contribute to the overall outturn position. In addition, a number of budgets that related to schemes / initiatives or earmarked for specific purposes might not be fully spent by the end of the year and be subject to end of year processes such as carry forward requests and therefore remain committed. However, at this stage and after taking into account the current position and information available it was anticipated that any adverse issues would be offset by favourable variances elsewhere within the overall budget at the end of the year.

Appendix I to the report set out amounts (both capital and revenue) at the end of 2017/18 that had been requested to be carried forward for more than one year. Following a review of the relevant items, it was not proposed to transfer any funding elsewhere within the overall budget and therefore the current commitments that they reflected had been reconfirmed as part of this review.

In respect of the updated long term financial forecast:

Appendix J to the report set out the long term financial forecast based on the position considered by Full Council at its budget setting meeting on 5 February 2019. Although the figures set out within that appendix would change as part of updating the forecast on a regular basis during 2019/20, there had been no issues that significantly increased the risks in future years with the forecast position remaining broadly in-line with original expectations.

A review of the risks associated with the long term approach to the forecast was also subject to on-going review and was reported within Appendix K.

As previously mentioned in previous reports, it was important to continue to deliver against the new longer term approach to the budget as it continued to provide a credible alternative to the more traditional short term approach which would require significant savings to be identified over 2019/20 and 2020/21. Work therefore remained on-going across the 5 key work strands of:-

- 1) Increases to underlying income;
- 2) Controlling expenditure / inflationary increases;
- 3) The identification of savings / efficiencies;
- 4) Delivering a positive outturn position each year; and
- 5) The mitigation of cost pressures wherever possible.

Pursuant to the provisions of Article 7.08 - Cabinet Procedure Rule 1.5(ii) of the Council's Constitution, the Leader of the Labour Group (Councillor I J Henderson) requested that it be included within this Minute that his Group opposed the increased costs of £100,000 in the Waste and Recycling Contract and the Labour Group still believed that the Waste and Recycling Contract should have undergone a full re-tender process.

Having considered and discussed the information provided in the report and the appendices attached thereto:-

It was moved by Councillor G V Guglielmi, seconded by Councillor P B Honeywood and:-

RESOLVED that -

- (1) in respect of the financial performance against the budget at the end of December 2018:
 - (a) the position be noted; and
 - (b) the proposed in-year adjustments to the budget, as set out in Appendix H to item A.6 of the Report of the Finance and Corporate Resources Portfolio Holder be agreed.
- (2) in respect of the Updated Long Term Forecast:
 - (a) the updated forecast be agreed; and
 - (b) the Resources and Service Overview and Scrutiny Committee be consulted on the latest position.

119. MANAGEMENT TEAM ITEMS

There were none on this occasion.

120. EXCLUSION OF PRESS AND PUBLIC

It was moved by Councillor Stock OBE, seconded by Councillor G V Guglielmi and:-

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 Items 15 and 16 on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 12A, as amended, of the Act.

121. EXEMPT MINUTE OF THE MEETING HELD ON FRIDAY 18 JANUARY 2019

It was **RESOLVED** that the Exempt Minute of the meeting of the Cabinet held on Friday 18 January 2019 be approved as a correct record and signed by the Chairman.

122. CABINET MEMBERS' ITEMS - REPORT OF THE FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER - B.1 - TERMS FOR THE FREEHOLD DISPOSAL OF FORMER ISOLATION HOSPITAL SITE, MAIN ROAD, DOVERCOURT

RESOLVED that Cabinet –

- (a) approves the terms for a freehold disposal to [a named individual]; and
- (b) authorises the Deputy Chief Executive to enter into a contract to dispose of the site on the approved terms and subject to such other terms that he considers necessary.

The Meeting was declared closed at 11.44 am

Chairman

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Key Decision Required	No	In the Forward Plan	No
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CABINET

8 MARCH 2019

REFERENCE REPORT FROM RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE OF 11 FEBRUARY 2019

A.1 PERFORMANCE REPORT 2018/2019 THIRD QUARTER

(Report prepared by Ian Ford)

BACKGROUND

At the meeting of the Resources and Services Overview and Scrutiny Committee held on 11 February 2019 (Minute 60 refers) the Committee had had before it a report of the Deputy Chief Executive which presented the Performance Report for Quarter Three (October to December 2019), 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.

COMMITTEE RECOMMENDATIONS AND COMMENTS TO CABINET

Having considered and discussed the information provided it was:-

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.

Cabinet is now asked to consider the recommendations and comments of the Resources and Services Overview and Scrutiny Committee.

PORTFOLIO HOLDERS’ RESPONSES AND RECOMMENDATIONS

Responses

The responses of the relevant Portfolio Holders to the recommendations and comments of the Resources and Services Overview and Scrutiny Committee are as follows:-

In relation to Committee recommendation (1) above the Environment Portfolio Holder has responded:-

“I would like to thank the Committee for their comments and I will consult my officers as to the practicalities and work required to provide this information.

Caravans are sometimes burnt out and/or full of rubbish and require action from our waste contractor to attend and clear first before the caravan itself can be removed.

Asbestos is reported and removed by a contractor which is employed via Essex County Council and is usually removed within 10 working days but this can also change due to availability of collection vehicles or any specialist equipment required.

Each case is different due to the location, materials/contents, the amount of waste and therefore it is not possible to specify an exact time frame.”

In relation to Committee recommendation (2) above the Finance and Corporate Resources Portfolio Holder has responded:-

“It is agreed that any procurement in relation to IT systems should be signed off by the Head of IT and Corporate Resilience.”

In relation to Committee comment (1) above the Environment Portfolio Holder has responded:-

“Unfortunately the timing of the Committee and the drafting/approval process has meant that a draft was not available in time for the meeting but I understand that a digital copy has now been sent to all members of the Committee for their comments.”

In relation to Committee comment (2) above the Leader of the Council has responded:-

“Given the scale and importance of these two projects there have been a number of All Member Briefings over the past 2 years. This will continue with the next one likely to be in June 2019 in line with the next key decision milestones for both projects.”

In relation to Committee comment (3) above the Environment Portfolio Holder has responded:-

“This is a matter of presentation. It was not the intention to mislead in any way if that is how it has been interpreted.”

Recommendations to Cabinet

That Cabinet notes the Resources and Services Overview and Scrutiny Committee’s comments and recommendations and endorses the Leader’s and Portfolio Holders’ responses thereto.

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Key Decision Required:	NO	In the Forward Plan:	NO
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CABINET

8 MARCH 2019

REPORT OF THE FINANCE & CORPORATE RESOURCES PORTFOLIO HOLDER

A.2 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 Cabinet to approve the recommended changes to the Council Procedure Rules (Sections 1 and 2) as contained within Part 4 of the Council's Constitution for referral onto Full Council, 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

Cabinet will recall that Council, at its meeting held on 22 January 2019 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 1st 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 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 1st May 2019.

Revised Council Procedure Rules (Sections 1 and 2) which include the alternative procedure for dealing with Motions on Notice are set out in the appendices to this report.

Group Leaders have been consulted on the contents of the revised Council Procedure Rules and their comments together with the Portfolio Holder's comments and recommendations in response thereto are set out in Appendix A3.

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

Subject to consideration of the Group Leaders' consultation responses and the Portfolio Holder's comments and recommendations in response thereto as set out in Appendix A3, that 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 and that such changes come into effect 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 1st 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 1st 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 1st 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 1st May 2019.*

CURRENT POSITION

The Constitution Review Working Party reviewed various areas of the Constitution and 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 at an Ordinary Meeting. At the meeting the motion once moved and seconded, will be dealt with in accordance with Rule 12.4, that is the mover of the motion will have a maximum of five minutes to explain

their 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 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 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 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 and 18 January 2019 and of the meetings of the Council held on 26 November 2018 and 22 January 2019.

APPENDICES

A.2

APPENDIX A1	Part 4	Proposed changes to Section One of the Council Procedure Rules
APPENDIX A2	Part 4	Proposed changes to Section Two of the Council Procedure Rules
APPENDIX A3		Group Leaders' comments on the proposed changes and Portfolio Holder's comments and recommendations in response thereto

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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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- (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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- (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

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

(Yellow)

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

(Yellow)

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.

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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- (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.**

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 ~~debate~~ inclusion in an agenda ~~at~~ 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 ~~Once the motion is moved and seconded 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

~~Subject to Rules 12.3 and 12.5, a motion submitted in accordance with Rule 12.1 will be debated and determined at the meeting at which it was submitted. In considering the motion the provisions, as applicable, of Rules 16, 19, 23, 24, 25, 28 and 29 will apply.~~

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.

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.

~~The mover of the Motion will be allowed to speak on it for five minutes. All other 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 Notices of Referral or Amendment~~

- ~~1. Prior notice of a Referral may be given to refer the matter to the Cabinet or relevant Committee (in accordance with the responsibility of functions and the defined terms of reference) for consideration or reconsideration;~~
- ~~2. Upon receipt of a Referral on Notice, the referral takes precedence over any other amendments on notice that have been submitted;~~
- ~~3. Prior notice of an amendment may be given by a Member in accordance with this Rule if it is relevant to the motion and either be:
 - ~~(i) to leave out words;~~
 - ~~(ii) to leave out words and insert or add others; or~~
 - ~~(iii) to insert or add words~~~~

~~as long as the effect of (i), (ii) or (iii) is not to negate the motion or introduce a new subject matter into the motion before the Council.~~

~~Written and signed notice (or notice by personal e-mail) of such Referral or Amendment by the Member or Members submitting it, must be delivered to the Committee Services Manager no~~

~~later than midday on the working day before the Council meeting. Once the Monitoring Officer and/or Committee Services Manager have accepted the Referral or Amendment on Notice as being valid it will be sent electronically to all Members of the Council.~~

~~At the meeting of the Council the mover of the motion which is the subject of a Referral or an Amendment on Notice will be permitted to explain the motion to the Council, once it has been seconded.~~

~~A Referral or an Amendment on Notice will then be debated by Council in accordance with the relevant Council Procedure Rules.~~

~~If the Referral to the Cabinet or relevant Committee for consideration or reconsideration is approved by the Council then Rule 12.6 will then apply.~~

12.65 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 12.54 ¶ the Cabinet or any relevant Committee shall (subject to the provisions of Rule 12.76) 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.~~

~~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).~~

(Yellow)

12.76 Referred Motions – Right of Mover to Attend Meeting

If a motion has, in accordance with the provisions of Rule 12.4, ~~12.5~~ 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

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 three 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.

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.

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

(Yellow)

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

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

(Yellow)

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

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

(Yellow)

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.

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.

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.

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

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

(Yellow)

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.

33.234.2 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.

33.334.3 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.

33.434.4 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.

33.534.5 Substitute Members of ~~the~~ Premises/Personal Licences Sub-Committees

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

(Yellow)

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

~~34.1~~35.1 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.

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. 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 35.1 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.

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.

37-38. 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~~.

38-39. 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.

**OUTCOME OF GROUP LEADER CONSULTATION ON THE
PROPOSED CHANGES TO COUNCIL PROCEDURE RULES**

COUNCIL PROCEDURE RULE	GROUP LEADER CONSULTATION RESPONSE	PFH COMMENTS & RECOMMENDATIONS
<p>2. Budget and Council Tax Setting</p> <p>The following new paragraph is proposed</p> <p>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.</p>	<p><u>Cllr M J Talbot (Independent Group)</u></p> <p><i>Objects as the converse of this is that an amendment not submitted in advance would be ruled out of order. This would remove from an 'opposition' group the right to move an amendment for a political purpose that they want to achieve, by drawing attention to a particular feature of the budget and making a political case for their view by way of an amendment.</i></p> <p><i>Suggests removing the words "must have been" and substituting the words "may be".</i></p> <p><u>Cllr I J Henderson (Labour Group)</u></p> <p><i>Does not support Cllr Talbot's comments on amendments to the budget – feels that</i></p>	<p><u>Comments</u></p> <p><i>I thank Councillors Talbot, Henderson and Broderick for their comments. This proposal was fully discussed and debated by the Constitution Review Working Party and it was agreed that it was important, if the Council was to pass a sound and lawful Budget, that the Section 151 Officer have an early sight of any proposed amendments to the Cabinet's budget proposals in order that they can fully consider the implications of the amendment. The Section 151 Officer's professional opinion and advice would be submitted to Council in order to enable Members to make an informed decision on the amendment.</i></p> <p><i>As Councillor Henderson states this proposal would not prevent the amendment from being considered by Council.</i></p> <p><u>Recommendation(s)</u></p> <p>That the proposed new paragraph be approved without amendment.</p>

	<p><i>what is being proposed is exactly what happens at Essex County Council. The Section 151 officer does need to study amendments in advance and make comments on that amendment.</i></p> <p><i>And this should not prevent the amendment being put to full Council.</i></p> <p><u>Councillor J A Broderick (Holland-on-Sea Group)</u></p> <p><i>Does not see the necessity of this amendment. Feels that the present system has worked well and has never adversely affected past budgets.</i></p>	
<p>12.4 Consideration of Motion</p> <p>The following new paragraphs are proposed:-</p> <p><i>The mover 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 have a maximum of five minutes to do so.</i></p> <p><i>The Leader of the Council or the relevant Portfolio Holder or the relevant Chairman of a</i></p>	<p><u>Cllr M J Talbot (Independent Group)</u></p> <p><i>Believes that this is a bit 'one sided' given that a mover speaks to introduce their motion. The Leader or a Portfolio Holder or Committee Chairman may then move that the matter be referred elsewhere for reasons they set out. There appears to be no opportunity in his view for the motion mover to challenge the</i></p>	<p><u>Comments</u></p> <p><i>I thank Councillors Talbot, Henderson and Newton for their comments. This proposal reflects the decision taken by Full Council on 22 January to agree, in principle, the alternative procedure for dealing with Motions on Notice that I outlined at both the Cabinet meeting on 18 January and the Full Council. It gives the Chairman of the Council much more flexibility than before and I recall that there were no objections raised to the alternative procedure at either meeting. However, I have considered allowing the Secunder of the Motion to also speak and I am suggesting that both the Mover and the Secunder of the Motion each have three minutes to put the case forward for the motion to be dealt with at the meeting.</i></p> <p><u>Recommendation(s)</u></p>

<p>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.</p> <p>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.</p> <p>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.</p> <p>If the Chairman decides to refer the motion to the appropriate body then the provisions of Rule 12.5 will apply.</p> <p>If the Chairman decides to allow the motion to be</p>	<p><i>reasons set out by the Leader, Portfolio Holder or Committee Chairman that his motion is not dealt with on the night.</i></p> <p><i>In theory therefore it would be possible for an 'aggressive' administration to prevent any motions being discussed on the night.</i></p> <p><i>Does not have a solution to this, but if the Chairman has professional advice beforehand, which he assumes has been given to the Leader, Portfolio Holder or Committee Chairman, then certainly the mover of the motion should be advised of that professional opinion in advance.</i></p> <p><u>Cllr I J Henderson (Labour Group)</u></p> <p><i>Has some sympathy with Cllr Talbot's comments.</i></p> <p><u>Cllr M C Newton (UKIP Group)</u></p> <p><i>Concurs with Cllr Talbot's comments.</i></p>	<p>That the proposed new paragraphs in Appendix A1 be approved.</p>
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<p>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.</p> <p>All speakers on the motion will be allowed three minutes.</p> <p>A maximum of 30 minutes for debate will be allowed for each motion.</p>		
<p>36. Attendance at Meetings</p> <p>Proposed wording for this Rule is:</p> <p>Except as otherwise provided in this Constitution and in particular having regard to the provisions of the Access to Information Procedure Rules:-</p> <p>35-136.1 Every Member of the Council shall be entitled to attend all meetings of Committees and Sub-Committees. 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 44.512.6, and he shall in no case be entitled to vote. The Member shall obtain the permission of the appropriate</p>	<p><u>Cllr M J Talbot (Independent Group)</u></p> <p><i>Feels that a new second sentence should be added into 36.1 as follows:-</i></p> <p><i>“This does not include attendance at Portfolio Holder Working Parties.”</i></p> <p><i>Refers specifically to Portfolio Holders’ working parties and observes that there have been ‘battles’ in the past when other Members have attempted to sit in at Portfolio Holder Working Parties.</i></p> <p><u>Councillor J A Broderick (Holland-on-Sea Group)</u></p> <p><i>Does not agree with Cllr Talbot’s comments. Feels that all meetings should be open to all councillors in particular portfolio holder working parties that allocate funding to outside groups.</i></p>	<p><u>Comments</u></p> <p><i>I thank Councillors Talbot and Broderick for their comments. Having considered those comments I find that I am in agreement with Councillor Talbot.</i></p> <p><u>Recommendation(s)</u></p> <p>That Council Procedure Rule 36.1 be further amended by the inclusion of a new second sentence which will read as follows:-</p> <p><i>“This does not include attendance at Portfolio Holder Working Parties.”</i></p>

<p>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 11.5 12.6, moved a motion which has been referred to a Committee, he shall be given an opportunity of explaining that motion.</p> <p>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 35.1 this Rule. This does not detract from any rights the Member has under the public speaking scheme.</p>	<p><i>That all Members should be required to report on issues surrounding funding to groups in their wards and that only elected Members are allowed to attend and with permission from the Chairman speak. Feels that this suggestion would be welcomed cross party as well as enhance the reputation of the Council. Terms of reference of Portfolio Holder meetings should be set by the Constitution.</i></p>	
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Key Decision Required:	NO	In the Forward Plan:	YES
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CABINET

8 MARCH 2019

REPORT OF FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER

A.3 PROGRAMME OF MEETINGS 2019/2020 MUNICIPAL YEAR

(Report prepared by Ian Ford)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to give consideration to the programme of meetings for the 2019/2020 Municipal Year.

EXECUTIVE SUMMARY

This report will enable Cabinet, as required by the Constitution, to submit for formal approval to the Annual Meeting of the Council a programme of meetings for the 2019/2020 Municipal Year.

RECOMMENDATIONS

- (a) That the programme of meetings for the Council and Committees, as set out in the Appendix to this report, be agreed, in principle, and be submitted to the Annual Meeting of the Council for formal approval; and**
- (b) That the proposed dates for All Member Briefings and Planning Training for Members be noted.**

PART 2 – SUPPORTING INFORMATION

BACKGROUND

In accordance with the Constitution a draft programme of meetings has been prepared and approved and is set out as an Appendix to this report.

The meetings of the Full Council, the Audit Committee, the Community Leadership Overview and Scrutiny Committee, the Human Resources and Council Tax Committee, the Licensing and Registration Committee and the Resources and Services Overview and Scrutiny Committee will normally commence at 7.30 p.m.

Meetings of the Planning Committee and the Planning Policy and Local Plan Committee will normally commence at 6.00 p.m.

Meetings of the Standards Committee will normally commence at 10.00 a.m.

Meetings of the Full Council will usually be held in the Princes Theatre, at the Town Hall, Clacton-on-Sea. Meetings of the above-mentioned Committees will usually be held in the

Council Chamber at the Council Offices, Weeley (though please refer to the section on the Council Offices, Weeley included below).

Cabinet meetings are fixed by the Leader of the Council in accordance with Article 7.08 Cabinet Procedures Rule sub-section 1.1 of the Council's Constitution and therefore the scheduling et cetera may change. The public meetings of the Cabinet listed are scheduled to commence at 10.30 a.m. in the Essex Hall, at the Town Hall, Clacton-on-Sea.

The programme does not show meetings of the Sub-Committees, which are arranged either at meetings of the relevant Sub-Committee or from time to time when required.

A new feature this year is the inclusion of dates for All Member Briefings in order to assist Members in keeping their diaries up-to-date. Dates for Planning Training for Members are also included.

Closure of the Council Offices at Thorpe Road, Weeley

Cabinet will be aware that, as part of the "Transforming Tendring" project, the Council Offices at Weeley will be closed and the site disposed of, with the departments currently based at Weeley being moved to Clacton-on-Sea. This will obviously mean that the current Council Chamber at Weeley would then no longer be available for Committee etc. meetings.

In preparation for this disposal a phased programme of office accommodation works is underway at the Town Hall, Clacton-on-Sea. Included within these works is the provision of a new Council Chamber within the Town Hall in Clacton and it is currently anticipated that the new Council Chamber will be operationally available from Autumn 2019. At that time a graduated transition of Committee etc. meetings from Weeley to Clacton will take place.

BACKGROUND PAPERS FOR THE DECISION

None.

APPENDICES

Programme of Meetings for the 2019/20 Municipal Year.

TIMETABLE OF MEETINGS – 2019/2020 MUNICIPAL YEAR

2019

Body	Time	Day	Date	Notes
ANNUAL COUNCIL (Already agreed)	7.30 p.m.	Tuesday	21 May	Note 1
PLANNING TRAINING FOR MEMBERS	6.00 p.m.	Tuesday	28 May	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	3 June	
Planning Committee	6.00 p.m.	Tuesday	4 June	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	10 June	
Cabinet	10.30 a.m.	Friday	14 June	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	19 June	
PLANNING TRAINING FOR MEMBERS	6.00 p.m.	Tuesday	25 June	
Planning Committee	6.00 p.m.	Tuesday	2 July	
Human Resources & Council Tax Committee	7.30 p.m.	Wednesday	3 July	
COUNCIL	7.30 p.m.	Tuesday	9 July	
Licensing & Registration Committee	7.30 p.m.	Wednesday	10 July	
Cabinet	10.30 a.m.	Friday	12 July	
Planning Policy & Local Plan Committee	6.00 p.m.	Tuesday	16 July	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	17 July	
Audit Committee	7.30 p.m.	Thursday	25 July	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	29 July	
Planning Committee	6.00 p.m.	Tuesday	30 July	
Standards Committee	10.00 a.m.	Wednesday	31 July	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	5 August	
COUNCIL	7.30 p.m.	Tuesday	6 August	Note 10
Cabinet	10.30 a.m.	Friday	9 August	
ALL MEMBER BRIEFING	6.00 p.m.	Tuesday	13 August	
Planning Committee	6.00 p.m.	Wednesday	28 August	Note 2
COUNCIL	7.30 p.m.	Tuesday	10 September	
Cabinet	10.30 a.m.	Friday	13 September	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	16 September	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	18 September	
Planning Committee	6.00 p.m.	Tuesday	24 September	
Audit Committee	7.30 p.m.	Thursday	26 September	
PLANNING TRAINING FOR MEMBERS	6.00 p.m.	Tuesday	1 October	
Standards Committee	10.00 a.m.	Wednesday	2 October	
Planning Policy & Local Plan Committee	6.00 p.m.	Thursday	3 October	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	7 October	
Cabinet	10.30 a.m.	Friday	11 October	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	16 October	
Planning Committee	6.00 p.m.	Tuesday	22 October	
Human Resources & Council Tax Committee	7.30 p.m.	Wednesday	23 October	
Licensing & Registration Committee	7.30 p.m.	Wednesday	6 November	
Cabinet	10.30 a.m.	Friday	8 November	
PLANNING TRAINING FOR MEMBERS	6.00 p.m.	Tuesday	12 November	
Planning Committee	6.00 p.m.	Tuesday	19 November	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	20 November	
COUNCIL	7.30 p.m.	Tuesday	26 November	

Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Thursday	28 November	Note 3
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	2 December	
ALL MEMBER BRIEFING	6.00 p.m.	Tuesday	10 December	
Planning Policy & Local Plan Committee	6.00 p.m.	Wednesday	11 December	
Cabinet	10.30 a.m.	Friday	13 December	
Resources and Services Overview & Scrutiny Committee	9.30 a.m.	Monday	16 December	Note 4
Planning Committee	6.00 p.m.	Tuesday	17 December	

2020

Resources and Services Overview & Scrutiny Committee (PROVISIONAL)	9.30 a.m.	Monday	6 January	Note 4
ALL MEMBER BRIEFING	6.00 p.m.	Thursday	9 January	
Planning Committee	6.00 p.m.	Tuesday	14 January	
Licensing & Registration Committee	7.30 p.m.	Wednesday	15 January	
COUNCIL	7.30 p.m.	Tuesday	21 January	

Cabinet	10.30 a.m.	Friday	24 January	
PLANNING TRAINING FOR MEMBERS	6.00 p.m.	Tuesday	28 January	
Standards Committee	10.00 a.m.	Wednesday	29 January	
Audit Committee	7.30 p.m.	Thursday	30 January	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	3 February	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	5 February	
COUNCIL	7.30 p.m.	Tuesday	11 February	Note 5

Planning Committee	6.00 p.m.	Wednesday	12 February	Note 6
Planning Policy & Local Plan Committee	6.00 p.m.	Thursday	13 February	
Cabinet (PROVISIONAL)	10.30 a.m.	Friday	14 February	Note 7
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	17 February	
COUNCIL (PROVISIONAL)	7.30 p.m.	Thursday	20 February	Note 8
Cabinet	10.30 a.m.	Friday	21 February	
Human Resources & Council Tax Committee	7.30 p.m.	Monday	24 February	Note 9
Planning Committee	6.00 p.m.	Tuesday	10 March	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	18 March	
Cabinet	10.30 a.m.	Friday	20 March	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	23 March	
Audit Committee	7.30 p.m.	Thursday	26 March	
COUNCIL	7.30 p.m.	Tuesday	31 March	

Human Resources & Council Tax Committee	7.30 p.m.	Wednesday	1 April	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	6 April	
Planning Committee	6.00 p.m.	Tuesday	7 April	
Standards Committee	10.00 a.m.	Wednesday	8 April	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	15 April	
Licensing & Registration Committee	7.30 p.m.	Wednesday	22 April	
Cabinet	10.30 a.m.	Friday	24 April	
ANNUAL MEETING OF THE COUNCIL	7.30 p.m.	Tuesday	28 April	

2020/2021 MUNICIPAL YEAR

(Provisional dates for early cycles of meetings in 2020/2021 – for information only, subject to change)

Planning Committee	6.00 p.m.	Wednesday	6 May	Note 2
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	11 May	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	14 May	
COUNCIL	7.30 p.m.	Tuesday	19 May	

Cabinet	10.30 a.m.	Friday	22 May	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	1 June	
Planning Committee	6.00 p.m.	Tuesday	2 June	
Planning Policy & Local Plan Committee	6.00 p.m.	Thursday	4 June	
ALL MEMBER BRIEFING	6.00 p.m.	Thursday	11 June	
Cabinet	10.30 a.m.	Friday	19 June	
Planning Committee	6.00 p.m.	Tuesday	30 June	
Human Resources & Council Tax Committee	7.30 p.m.	Wednesday	1 July	
Standards Committee	10.00 a.m.	Wednesday	8 July	
ALL MEMBER BRIEFING	6.00 p.m.	Thursday	9 July	
COUNCIL	7.30 p.m.	Tuesday	14 July	

Cabinet	10.30 a.m.	Friday	17 July	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	20 July	
Licensing & Registration Committee	7.30 p.m.	Wednesday	22 July	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	27 July	
Planning Committee	6.00 p.m.	Tuesday	28 July	
Audit Committee	7.30 p.m.	Thursday	30 July	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	19 August	
Planning Committee	6.00 p.m.	Tuesday	25 August	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	9 September	
Cabinet	10.30 a.m.	Friday	11 September	
COUNCIL	7.30 p.m.	Tuesday	15 September	

Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	21 September	
Planning Committee	6.00 p.m.	Tuesday	22 September	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Monday	28 September	
Audit Committee	7.30 p.m.	Thursday	1 October	
ALL MEMBER BRIEFING	6.00 p.m.	Wednesday	7 October	
Cabinet	10.30 a.m.	Friday	9 October	
Standards Committee	10.00 a.m.	Wednesday	14 October	
Planning Committee	6.00 p.m.	Tuesday	20 October	
Human Resources & Council Tax Committee	7.30 p.m.	Wednesday	21 October	

Notes

1. Annual Meeting of the Council later than usual as a result of the District Council Elections being held on Thursday 2 May 2019.
2. Meeting scheduled to be held on the Wednesday as the Monday of that week is a Bank Holiday.

3. Meeting scheduled to be held on the Thursday due to the Full Council meeting earlier in the week.
4. Meeting arranged on 16 December 2019 to allow the Resources and Services Committee to consider and then formally comment on the Cabinet's Financial Forecast and initial budget and special expenses proposals. Monday 6 January 2019 meeting provisionally arranged to allow the Committee to discuss those proposals with Portfolio Holders (if so desired).
5. Meeting of the Council to approve the Cabinet's budget proposals and set the Council Tax but excluding County, Fire and Police Council Tax calculations.
6. Meeting scheduled to be held on the Wednesday due to the Full Council meeting on the Tuesday.
7. Provisional extra meeting of the Cabinet arranged in order to allow the Cabinet to meet and consider any objections the Council has to the Cabinet's budget proposals (which may have been made at the Council meeting on 11 February 2020).
8. Provisional extra meeting of the Council arranged in order to allow the Council to meet and consider the Cabinet's revised budget proposals or the Cabinet's disagreement with the Council's budget objections (which may arise from the Cabinet meeting referred to in note 7 above.)
9. Meeting to formally confirm the implications of the County, Fire and Police precepts on the Council's Collection Fund and for each Council Tax band in the parished and unparished areas of the District.
10. Extra meeting of the Full Council arranged in order to enable Members to authorise a public consultation on updated evidence for the Local Plan.

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
<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> <i>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.</i> • 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. <i>(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).</i>

- 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

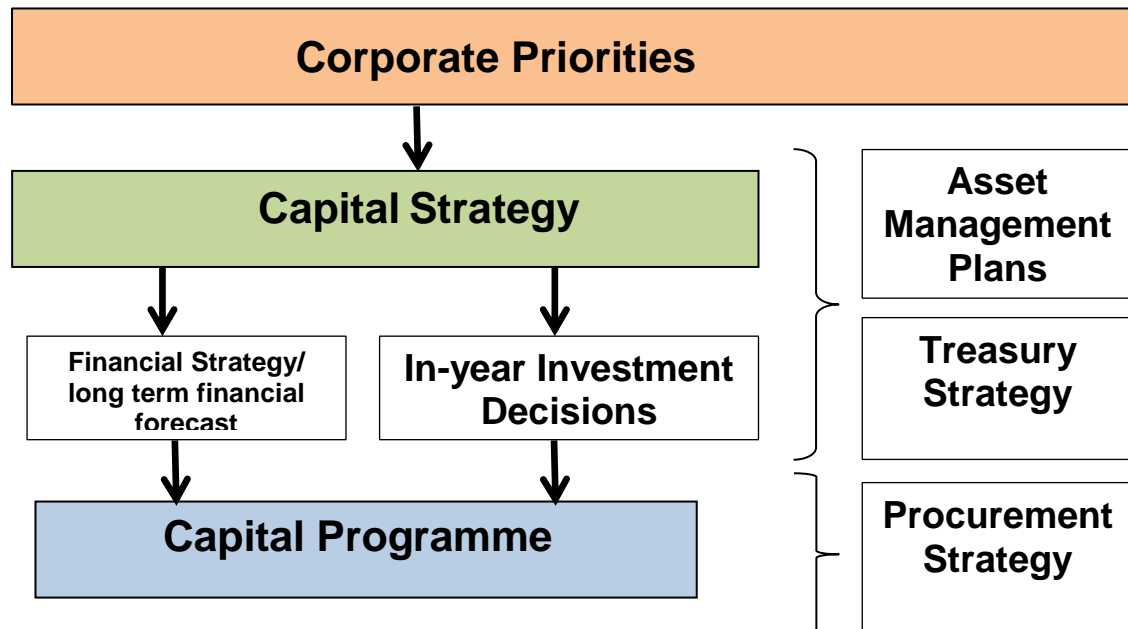
The Capital Strategy is subject to ongoing review and has a key role in supporting the delivery of the Council's Corporate Priorities

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

Formal Investment Considerations/Decisions/Business Cases
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
Other considerations/important information to discuss/share with relevant internal department(s) and/or for inclusion in the formal decision making process if significant
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

Capital Expenditure - General Fund £000s	2017/18 Actual	2018/19 Revised	2019/20 Estimate	2020/21 Forecast	2021/22 Forecast
Total Capital Expenditure	5,811	13,799	2,637	1,024	816
Financing - General Fund					
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)
Total Capital Financing	(5,811)	(13,799)	(2,637)	(1,024)	(816)
Net Financing need (External Borrowing)	0	0	0	0	0

HRA Capital Programme 2019/20 to 2022/23

Housing Revenue Account Capital Schemes £000	2017/18 Actual	2018/19 Revised	2019/20 Estimate	2020/21 Forecast	2021/22 Forecast
Total Capital Expenditure	3,233	8,076	3,176	3,176	3,176
Financing - Housing Revenue Account					
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)	-	-	-
Total Capital Financing	(3,233)	(8,076)	(3,176)	(3,176)	(3,176)
Net Financing need (External Borrowing)	0	0	0	0	0

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
CFR as at 31 March	49,346	47,446	45,554	43,672	41,799
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
CFR as at 31 March	5,912	5,676	5,449	5,231	5,022
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

CFR as at 31 March	43,434	41,770	40,105	38,441	36,777
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
Net debt	(11,542)	(7,724)	25,112	23,592	21,921

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.

Capital Expenditure - General Fund	2017/18	2018/19	2019/20	2020/21	2021/22
£000s	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	5,811	13,799	2,637	1,024	816
Financing - General Fund					
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)
Total Capital Financing	(5,811)	(13,799)	(2,637)	(1,024)	(816)
Net Financing need (External Borrowing)	0	0	0	0	0

Housing Revenue Account Capital Schemes	2017/18	2018/19	2019/20	2020/21	2021/22
£000	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	3,233	8,076	3,176	3,176	3,176
Financing - Housing Revenue Account					
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)	-	-	-
Total Capital Financing	(3,233)	(8,076)	(3,176)	(3,176)	(3,176)
Net Financing need (External Borrowing)	0	0	0	0	0

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.

CAPITAL FINANCING REQUIREMENT	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
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
Total	49,347	47,446	45,555	43,673	41,799

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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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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