



## RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

<b>DATE:</b>	<b>Monday, 17 September 2018</b>
<b>TIME:</b>	<b>7.30 pm</b>
<b>VENUE:</b>	<b>Council Chamber, Council Offices, Thorpe Road, Weeley, CO16 9AJ</b>

### MEMBERSHIP:

<b>Councillor Stephenson (Chairman)</b>	<b>Councillor Everett</b>
<b>Councillor Alexander (Vice-Chairman)</b>	<b>Councillor Miles</b>
<b>Councillor Amos</b>	<b>Councillor Newton</b>
<b>Councillor Baker</b>	<b>Councillor Scott</b>
<b>Councillor Broderick</b>	<b>Councillor Steady</b>
<b>Councillor M Brown</b>	

**Most Council meetings are open to the public and press.**

**Agendas and Minutes are published on the Council's website [www.tendringdc.gov.uk](http://www.tendringdc.gov.uk). Agendas are available to view five working days prior to the meeting date and the Council aims to publish Minutes within five working days of the meeting.**

**Meeting papers can be provided, on request, in large print, in Braille, or on disc, tape, or in other languages.**

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

**DATE OF PUBLICATION: Wednesday 5 September 2018**

## **AGENDA**

### **1 Apologies for Absence and Substitutions**

The Committee is asked to note any apologies for absence and substitutions received from Members.

### **2 Minutes of the Last Meeting (Pages 1 - 6)**

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on 30 July 2018.

### **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 Questions on Notice pursuant to Council Procedure Rule 37**

Subject to providing two working days' notice, a Member of the Committee may ask the Chairman of the Committee a question on any matter in relation to which the Council has powers or duties which affect the Tendring District and which falls within the terms of reference of the Committee.

### **5 Report of the Deputy Chief Executive - A.1 - Corporate Budget Monitoring for the First Quarter of 2018/19 [includes update on Ten Year Financial Forecast] (Pages 7 - 56)**

To provide an overview of the Council's financial position against the budget as at the end of July 2018 and to present an updated forecast on an on-going basis as part of developing the budget for 2019/20 and beyond.

### **6 Report of the Deputy Chief Executive - A.2 - Performance Report 2018/19 First Quarter (Pages 57 - 84)**

To present to the Committee the Performance Report for the period April 2018 – June 2018.

### **7 Scrutiny of Proposed Decisions (Pages 85 - 86)**

Pursuant to the provisions of Overview and Scrutiny Procedure Rule 13, the Committee will review any new and/or amended published forthcoming decisions relevant to its terms of reference and decide whether it wishes to enquire into any such decision before it is taken.

Matters may only be raised on Forthcoming Decisions at Committee meetings where the Member has notified the Committee Services Manager in writing (or by personal email) of the question they wish to ask, no later than Midday, two working days before the day of the meeting.

## **8      Work Programme 2018/2019 (Pages 87 - 88)**

At the request of the Chairman, the Committee will reconsider its work programme for 2018/2019 in order to decide the items that will be considered by the Committee; those that should be looked at by a Task and Finish Working Group; those items that should be the subject of an All Member Briefing and those items that should be entirely deleted from the work programme.

The current Work Programme for the Committee is attached for Members' reference.

### **Date of the Next Scheduled Meeting**

*The next scheduled meeting of the Resources and Services Overview and Scrutiny Committee is to be held in the Council Chamber, Council Offices, Thorpe Road, Weeley, CO16 9AJ at 7.30 pm on Monday, 5 November 2018.*

# **Information for Visitors**

## **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 and direct you to the assembly point.

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

Your calmness and assistance is greatly appreciated.



**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW  
AND SCRUTINY COMMITTEE,  
HELD ON MONDAY, 30TH JULY, 2018 AT 7.31 PM  
IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY,  
CO16 9AJ**

<b>Present:</b>	Councillors Stephenson (Chairman), Alexander (Vice-Chair), Amos, Baker, Broderick (except item 23), M Brown, Everett, Miles, Pemberton, Scott and Steady
<b>Also Present:</b>	Councillor Bucke
<b>In Attendance:</b>	Martyn Knappett (Deputy Chief Executive (Corporate Services))(except items 22 and 23), Paul Price (Corporate Director (Operational Services)), Karen Neath (Head of Leadership Support and Community), Michael Carran (Head of Sport and Leisure)(except item 23), Tim Clarke (Head of Housing and Environmental Health)(items 21 (part) - 23 only) and Ian Ford (Committee Services Manager)

**16. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

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

Apologies for absence were submitted on behalf of the Head of People, Performance and Projects (Anastasia Simpson).

**17. MINUTES OF THE LAST MEETING**

The Minutes of the meeting of the Committee held on 2 July 2018 were approved as a correct record and signed by the Chairman.

**18. DECLARATIONS OF INTEREST**

There were none made at this time though later in the meeting, as described below under Minute 20, Councillor Pemberton declared an interest.

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

Pursuant to the provisions of Council Procedure Rule 37, Councillor Baker asked the following questions of the Chairman of the Committee:-

*"1) What is the potential total cost of supplying Wheelie Bins under the renewed Waste Contract, where is this cost to be funded from, if funded in total by TDC how does this impact on the 10 year financial plan, bearing in mind that TDC has to make £300,000 worth of savings in each financial year? and*

*2) Where is the £15,000 being allocated to the police for Operation Spider (Press Release dated 19th July) coming from, and how is this funding measured against any particular goals/priorities?"*

The Chairman of the Committee, Councillor Stephenson, replied as follows:-

*“1) The potential cost of purchase and supplying wheeled bins to 58,000 households is estimated at £1 million (subject to further competition). This is being funded by the News Homes Bonus for 2018/19 of £1.333 million which is being set aside to support the implementation of the new service.*

*To continue the service “As Is” would result in a cost pressure on the authority of £374,000 per annum.*

*The full financial information is also detailed in the Cabinet Report (23 March 2018), link below:-*

<https://tdcdemocracy.tendringdc.gov.uk/documents/g1209/Public%20reports%20pack%2023rd-Mar-2018%2010.30%20Cabinet.pdf?T=10>

and

*2) Tackling anti-social behaviour and acquisitive crime is one of the Community Safety Partnership’s strategic priorities for 2018/19.*

*The Council and other agencies, principally the Police, have been looking at ways to tackle increasing complaints and incidents around anti-social behaviour in Clacton Town Centre. Operation Spider is to provide extra presence and viability over the Summer when it is known that incidents can increase especially from young people. This is a short term measure with other longer term activities also already being taken or being planned.*

*The money has been vired from a salary underspends under the delegation powers of the Head of Finance.”*

## **20. TERMS OF REFERENCE - WORKING GROUP ON RECYCLING**

Councillor Pemberton declared an interest in respect of this item insofar as he hoped to start up a recycling related business in the future.

Further to its discussions on environmental issues at the last meeting (Minute 14 referred), the Committee gave consideration to the terms of reference for the Working Group that would carry out a review of recycling.

It was **RESOLVED** that the terms of reference, membership et cetera for the Working Group that would carry out a review of recycling be as follows:-

Review Topic: <b>INCREASING RECYCLING</b>
How does the topic fit with the Committee’s Terms of Reference:  <b>Refuse collection is probably the most widespread and frequent public facing service provided by the Council.</b>
What question is the review aiming to answer:

<b>What steps can the Council take to ensure that the maximum possible increase in recycling levels is achieved?</b>
<p>Aim / Objectives:</p> <p><b>To identify measures which the Resources and Services Overview and Scrutiny Committee can recommend to Cabinet for implementation to maximise recycling (and recycling credits paid to TDC).</b></p>
<p>Scope:</p> <ul style="list-style-type: none"> <li>• <b>Review current measures / activities and their effectiveness</b></li> <li>• <b>Consider successful initiatives by other Authorities / good practice</b></li> <li>• <b>Consider communications / events / initiatives etc.</b></li> <li>• <b>Identify most appropriate proposals for Tending to complement the roll out of new working arrangements.</b></li> <li>• <b>Identify a proposed activity timeline if appropriate.</b></li> <li>• <b>Conclude with recommendations to the Resources and Services Overview and Scrutiny Committee in a form they can adopt and refer on to Cabinet for consideration.</b></li> </ul>
<p>Membership (including officer support):</p> <p><b>Councillors Everett (Chairman), Alexander, Broderick and Scott</b></p> <p><b>Officer Support – Jonathan Hamlet</b></p>
<p>Timescale:</p> <p><b>Identify proposals for consideration by the Resources and Services Overview and Scrutiny Committee by November 2018.</b></p>

21. **REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.1 - CORPORATE PEER CHALLENGE - ACTION PLAN**

The Committee was aware that, on 18 May 2018, the Cabinet had considered the Peer Review Action Plan arising from the feedback report on the Local Government Association Corporate Peer Challenge of Tending District Council that had taken place during March 2018. Cabinet had resolved that (minute 151 referred):

- (a) *the Peer Review Action Plan be approved;*
- (b) *Cabinet notes that further updates will be provided in October 2018 and March 2019; and*

- (c) *the report be referred to the Resources and Services Overview and Scrutiny Committee for its information and review.*

In accordance with the Cabinet's decision the Cabinet report referred to above together with the Peer Review Action Plan was attached as Appendix A to the Report of the Deputy Chief Executive for the Committee's consideration.

The Committee had had circulated to it prior to the commencement of the meeting a copy of the LGA Feedback Report.

The Deputy Chief Executive (Martyn Knappett) undertook, in respect of the following, to discuss those matters further with the relevant Officers and to respond to the Committee where appropriate:-

- (1) in relation to Action K4, whether the Head of Finance, Revenues and Benefits could give an update to the December meeting of the Committee;
- (2) in relation to Action K1, the Council's public communications with residents in the west and north of the District; and
- (3) in relation to Action K3, why the Equality Impact Assessments are not due to be completed until at least October 2018.

Having considered and discussed the contents of the Cabinet report and the Peer Review Action Plan it was:-

**RESOLVED** that the Committee –

- (a) acknowledges the Officers' excellent report based on the LGA's feedback; and
- (b) expresses its disappointment that the LGA did not involve town and parish councils in the corporate peer review and requests Officers to feed this back to the LGA.

## **22. DISTRICT WIDE TOURISM STRATEGY UPDATE**

The Head of Sport and Leisure (Mike Carran) attended the meeting and gave an update to the Committee on the production of a new District wide Tourism Strategy.

The update touched on the following:-

- (i) that the Strategy was due to be produced by October 2018;
- (ii) the ever closer working relationships with the private sector and the voluntary sector (such as on successful initiatives like Love Clacton and the Coastal Communities Group) and the lessons to be taken into the Strategy; and
- (iii) new models for marketing and promoting tourism and the importance of "Local Pride" in tourism within the District.

Mr Carran then outlined to the Committee the nine key focuses of the new Strategy, namely:-

- (1) Two tier focus on Events;
- (2) Council's role in facilitating as well as leading on Events;

- 
- (3) Tourism promotion;
  - (4) Digital marketing;
  - (5) Increasing sector confidence for example through increasing investment;
  - (6) Developing the seafront offer;
  - (7) Developing the heritage offer for example the Mayflower 400 project;
  - (8) Partnership working; and
  - (9) Promoting the district for outdoor activity.

The Corporate Director (Operational Services) (Paul Price) then addressed the Committee and emphasised that tourism was a fast moving, agile economy and that this had not been taken into account in the previous Tourism Strategy (2010-16). The private sector had not been involved in the formulation of that Strategy. The Strategy had not focused on the visitor economy from within the District as well as that from outside the District. In the new Strategy there was a greater emphasis on the Council's role of facilitation.

Having considered and discussed the information provided it was:-

**RESOLVED** that this Committee recommends to Cabinet that –

- (a) the parish and town councils within the District be included as part of the consultation process on the emerging Tourism Strategy; and
- (b) in view of the fact that tourism generates £372million income for the District, additional funding be allocated to the Tourism Section within the Operational Services department in order to ensure that it is fully resourced.

## **23. REVIEW OF HOMELESSNESS PROVISION**

The Head of Housing and Environmental Health (Tim R Clarke) attended the meeting to assist the Committee in reviewing the Council's homelessness service provision.

Mr Clarke outlined to the Committee the impact on the Council of recent changes to the statutory duties the Council had in respect of homelessness. Mr Clarke also outlined the recent increases in Government funding awards to the Council in order to assist it in dealing with homelessness.

Having considered and discussed the information provided it was:-

**RESOLVED** that the information provided by the Head of Housing and Environmental Health be noted.

The meeting was declared closed at 10.02 pm

**Chairman**

This page is intentionally left blank

## RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

17 SEPTEMBER 2018

### REPORT OF THE DEPUTY CHIEF EXECUTIVE

#### **A.1 FINANCIAL PERFORMANCE REPORT – IN-YEAR PERFORMANCE AGAINST THE BUDGET AT END OF JULY 2018 AND LONG TERM FINANCIAL FORECAST UPDATE**

(Report prepared by Richard Barrett)

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

To provide an overview of the Council's financial position against the budget as at the end of July 2018 and to present an updated forecast on an on-going basis as part of developing the budget for 2019/20 and beyond.

##### **BACKGROUND**

On 14 September 2018 Cabinet considered a Financial Performance Report which is attached as **Appendix A**.

As set out within the attached, in a change from previous years, the information provided seeks to bring various strands of financial information together into one report rather than it being reported separately or at different times during the course of the year. This will be reported to Members on a quarterly basis and will encompass all of the information previously reported to members albeit in a different format.

##### **RECOMMENDATION**

**That the Committee:**

- a) Considers the in-year financial position as at the end of July 2018 and determines whether it has any comments or recommendations it wishes to make or put forward to the relevant Portfolio Holder or Cabinet; and**
- b) considers the updated long term financial forecast update and determines whether it has any comments or recommendations it wishes to make to Cabinet as part of the financial strategy consultation process.**

This page is intentionally left blank



Key Decision Required:	Yes	In the Forward Plan:	Yes
------------------------	-----	----------------------	-----

## **A1 APPENDIX**

### **CABINET**

**14 SEPTEMBER 2018**

#### **REPORT OF FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER**

### **A.3 FINANCIAL PERFORMANCE REPORT – IN-YEAR PERFORMANCE AGAINST THE BUDGET AT END OF JULY 2018 AND LONG TERM FINANCIAL FORECAST UPDATE**

(Report prepared by Richard Barrett)

#### **PART 1 – KEY INFORMATION**

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

To provide an overview of the Council's financial position against the budget as at the end of July 2018 and to present an updated forecast on an on-going basis as part of developing the budget for 2019/20 and beyond.

##### **EXECUTIVE SUMMARY**

- In a significant change from previous years, this report aims to present the overall financial position of the Council by bringing together information that was previously reported within corporate budget monitoring reports and performance monitoring reports along with timely updates on the development of the long term forecast and budget for 2019/20 and beyond.
- The above approach follows the commitment to provide regular updates on the long term financial forecast as agreed as part of the move to a long term financial sustainability plan last year and to bring the reporting of key financial performance together in one report.
- The report is therefore split over two distinct sections as follows:
  - 1) *The Council's in-year financial position against the budget at the end of July 2018***
  - 2) *An updated long term financial forecast and estimated position for 2019/20.***

##### ***In respect of the in-year financial position at the end of July 2018:***

- The Council's financial position against the approved budget has been prepared for the period to the end of July 2018. Given the timing of the report, the reporting period was extended beyond the first quarter to include July to provide the most up to date position.
- In respect of the position at the end of July 2018, it is relatively early in the financial year and therefore some expenditure or income trends may still be emerging.

However any significant issues arising to date have been highlighted and comments provided as necessary.

- The position to the end of July 2018, as set out in more detail in the Executive Summary attached, shows that overall the General Fund Revenue position is behind the profiled budget by **£2.143m**. As has been the case in previous years, the variance at the end of the first period of the year primarily reflects the timing of expenditure and income although as previously mentioned, underlying trends are likely to emerge or be confirmed over the next quarter.
- In respect of other areas of the budget such as the Housing Revenue Account, capital programme, collection performance and treasury activity, apart from additional details set out later on in this report, there are no major issues that have been identified to date.
- Any emerging issues will be monitored and updates provided in future reports which will include their consideration as part of updated financial forecast.
- In a further change from last year, it is proposed to respond to in-year budget pressures and other changes as they emerge rather than wait until the detailed estimates are prepared in December / January of each year as part of the annual revised budget process. This will not only provide a more up to date budget monitoring process over the course of the year, but it will also 'unbolt' the revised budget process from the work associated with developing the subsequent years forecast which in turn will allow a greater level of focus on these two separate strands of work. However, both strands of work will be brought together when the budget is reported to Council in February each year.
- With the above in mind, **Appendix H** has been added, which sets out a number of changes to in-year budgets with an associated recommendation also included within this report.
- **Appendix H** also provides for the continuation of the 'banking' of savings as they arise, which will be contributed to the Forecast Risk Fund as required to support the long term forecast. The long term forecast relies upon **£0.500m** of in-year outturn savings being set aside over the course of the whole year within the Forecast Risk Fund to support the long term plan.
- As set out later on in this report it is proposed to delegate changes to in-year employee budgets to the Chief Finance Officer to ensure the budget reflects the most up to date position as internal reorganisations are agreed by the Chief Executive.
- As also discussed later on in this report, it is proposed to delegate to the Finance and Corporate Resources Portfolio the decision on whether or not to continue as a member of the Essex Business Rates Pool along with supporting a bid for Business Rate Pilot status if it was advantageous for the Council.

***In respect of the updated long term financial forecast:***

- The forecast has been reviewed and updated from 2019/20 onwards. The required changes do not expose the Council to any additional risk and although the annual deficit or surplus position for each year of the forecast has been amended, they can

still be accommodated within the overall projected financial position supported by an increased Forecast Risk Fund.

- A review of risks associated with the long term approach to the forecast has also been undertaken with the outcomes separately reported within **Appendix J**.
- As mentioned last year, it is important to continue to deliver against the new longer term approach to the budget as it continues 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 remains 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) Delivery a positive outturn position each year
  - 5) The mitigation of cost pressures wherever possible.

As highlighted above, this is the first time that a complete financial position for the Council has been brought together within one report. It is proposed to continue to report on this basis to cover:

- The in-year position against the budget along with updating the in-year budget on an on-going basis to react to issues that emerge over the course of the year that replaces the previous annual revised budget approach.
  - An updated long term financial forecast on a 'live' basis.
- Key financial performance in areas such as the delivery of the on-going savings required within the forecast along with the forecast risk fund balance that supports the new long term approach.

*It is also important to highlight that members will still receive all of the financial information previously reported over the course of the year, albeit in a different format.*

#### **RECOMMENDATION(S)**

**That in respect of the financial performance against the budget at the end of July 2018, it is recommended that:**

**(a) The position be noted;**

**(b) the proposed in-year adjustments to the budget as set out in Appendix H be agreed;**

**(c) future amendments to in-year employee budgets to reflect organisational**

changes be delegated to the Chief Finance Officer on the basis that they do not increase the Council's overall net budget; and

- (d) the decision to continue to be a member of the Essex Business Rates Pool and associated bid for pilot status in 2019/20 be delegated to the Finance and Corporate Resources Portfolio Holder if advantageous to the Council.

That in respect of the Updated Long Term Forecast, it is recommended that:

- (a) The updated forecast be agreed; and
- (b) the Resources and Service Overview and Scrutiny Committee are consulted on the updated position.

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

Effective budgetary control is an important tool in ensuring the financial stability of the authority by drawing attention to issues of concern at an early stage so that appropriate action can be taken. Financial stability and awareness plays a key role in delivering the Council's corporate and community aims and priorities.

The forecasting and budget setting process will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the long term approach being taken seeks to establish a sound and sustainable budget year on year through maximising income whilst limiting reductions in services provided to residents, business and visitors.

### **FINANCE, OTHER RESOURCES AND RISK**

#### **Finance and other resources**

The financial implications are considered in the body of the report.

#### **Risk**

In respect of the position at the end of July 2018, a number of variances will be subject to change as the year progresses although at this stage it is expected that any adverse position can be managed within the overall budgets. The budget position will be monitored and reviewed as part of both the future budget monitoring arrangements and Financial Strategy Processes.

In respect of the long term forecast, there are significant risks associated with forecasting such as cost pressures, inflation and changes to other assumptions that form part of the financial planning process. There are a number of areas that could lead to additional expenditure being incurred, such as: -

- Economic environment / instability;
- Emergence of cost pressures;
- Changes to the local authority funding mechanisms such as the Government's fairer funding review that is proposed;
- New legislation placing unfunded duties on the Council or reducing the level of the Council's core funding;
- Local or national emergency;
- Income is less than that budgeted for, including business rate income retained locally.

However the forecast is based on relatively conservative estimates with no optimistic bias included. **Appendix J** has been included which discusses the various risks to the forecast with a Red / Amber/ Greed risk assessment approach taken.

As discussed last year, another potentially more important action to manage and mitigate risk is the Council's ability to financially underwrite the forecast. As with any forecast, some elements of income and expenditure will be different to that forecasted. It is fair to say that many may offset each other over the longer term. However, there are two important aspects to how this will be managed.

- 1) Along with additional contributions included within the outturn position for 2017/18, **£1.934m** has already been set aside within the Forecast Risk Fund to support the budget in future years. This is significantly more than the estimated position from last year and excludes the additional contribution of **£0.717m** to fund initiatives aimed at supporting the long term forecast, which is also being held in the reserve. This money is available to be drawn down if the timings within the forecast differ in reality and the net position is unfavourable compared to the forecast in any one year.
- 2) The forecast will remain 'live' and be responsive to changing circumstances and it will be revised on an on-going basis. If unfavourable issues arise that cannot be mitigated via other changes within the forecast then the forecast will be adjusted and mitigating actions taken. Actions to respond will, therefore, need to be considered but can be taken over a longer time period where possible. In such circumstance the Council may need to consider 'topping' up the funding mentioned in 1) above if required in the early years of the forecast. This may impact on the ability to invest money elsewhere but will need to demonstrate that its use is sustainable in the context of the ten year forecast and supports the thinking behind the new approach of protecting Council services wherever possible.

Set against the above foundations, the forecast includes the need to identify on-going savings of **£0.300m** each year. This figure will need to remain flexible and react as a counterbalance to other emerging issues as it is accepted that this figure may need to be revised up or down over the life of the forecast.

It will also be important to deliver against the forecast in the early years to continue to build confidence in the revised approach. This will, therefore, need robust input from members and officers where decisions may be required in the short term or on a cash flow basis.

Another aspect to this approach is the ability to 'flex' the delivery of services rather than cut services. As would be the case with our own personal finances, if we cannot afford something this year because of a change in our income, we can put it off until next year. There is a practical sense behind this approach as we could flex the delivery of a service one year but increase it again when the forecast allows.

In addition to the above it is important to note that the Council has already prudently set aside money for significant risks in the forecast such as **£1.608m** (NDR Resilience Reserve) and **£1.100m** (Benefits Reserve), which can be taken into account during the period of the forecast if necessary. The Council also holds **£4.000m** in uncommitted reserves which supports its core financial position.

To support the forecast, sensitivity testing has been undertaken which is set out in more detail later in this report.

## **LEGAL**

The Local Government Act 2003 makes it a statutory duty that Local Authorities monitor income and expenditure against budget and take appropriate action if variances emerge.

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The Local Government Finance Act 2012 provided the legislative framework for the introduction of the Rates Retention Scheme and the Localisation of Council Tax Support.

The Calculation of Council Tax Base Regulations 2012 set out arrangements for calculation of the council tax base following implementation of the Local Council Tax Support Scheme. The new arrangements mean that there are now lower tax bases for the district council, major preceptors and town and parish councils.

The Localism Act 2012 introduced legislation providing the right of veto for residents on excessive council tax increases.

Under Section 25 of the Local Government Act 2003, the Chief Finance Officer (S151 Officer) must report to Council as part of the budget process on the robustness of estimates and adequacy of reserves. The proposed approach can deliver this requirement if actively managed and will be an issue that remains 'live' over the course of the forecast period and will be revisited in future reports to members as the budget develops.

## **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 that significantly impact on the financial forecast. However, the ability of the Council to appropriately address these issues will be strongly linked to its ability to fund relevant schemes and projects and determination of the breadth and standard of service delivery to enable a balanced budget to be agreed.

An impact assessment will be undertaken as part of any separate budget decisions such as those that will be required to deliver the necessary savings.

## **PART 3 – SUPPORTING INFORMATION**

### **SECTION 1 - IN-YEAR FINANCIAL PERFORMANCE AGAINST THE BUDGET AT THE END OF JULY 2018**

The Council's financial position against the approved budget has been prepared for the period ending 31 July 18.

As this is the first such report on the Council's financial position against the budget for 2018/19, some expenditure or income trends may still be emerging as it is still relatively early in the financial cycle. However comments are provided below where necessary against the following key areas:

- General Fund Revenue
- HRA Revenue
- Capital Programme – General Fund
- Capital Programme - HRA
- Collection Performance
- Treasury Activity
- Proposed Changes to the 2018/19 Budget

## **GENERAL FUND REVENUE**

The position to the end of July 2018, as set out in more detail in the Executive Summary attached, shows that overall the actual position is behind the profiled budget by **£2.143m**.

After excluding the variance for employee costs of **£0.187m**, the remaining net variance is **£1.956m**

As set out in the appendices, elements of this remaining variance are due to the timing of expenditure and income or where commitments / decisions have yet to be made.

**Appendix B** provides further narrative around variances with some highlights as follows:

- Employee Costs – as set out above, employee costs are behind profile by **£0.187m**. Following a detailed review, it is estimated that **£0.100m** of this amount relates to vacancies where there is no associated commitment and therefore is the accrued amount that can be 'banked' at the end of July 2018 as a saving. This is included within the proposed adjustments to the budget set out in **Appendix H** as part of the net contribution to the Forecast Risk Fund.
- Income is running ahead of the profile in areas such as parking, cemeteries, the crematorium, street naming and numbering and building control. This income trend will be monitored over the remainder of the year and will be considered for inclusion in the long term forecast as it develops.
- In a reversal of a trend from previous years, planning income is running behind the profile. This will need to be considered as the long term forecast develops as it was anticipated that income growth in this area could contribute to the long term net savings target which may need to be reconsidered based on the current position.

It is also worth mentioning that a number of budgets are being reviewed where they have remained uncommitted for more than one year as highlighted by Cabinet / Resources and Service Overview and Scrutiny Committee. This review is scheduled to be completed by the end of September 2018 and updates provided within future reports.

## **HRA REVENUE**

An overall position is set out in the Executive Summary with further details included in **Appendix C**.

As at the end of July 2018, the HRA is **£0.042m** behind the net profiled budget. The most significant issue contributing to this position is rental income. Void loss has been higher over recent periods due to issues such as taking time to undertake major repairs etc. when properties become vacant but it is expected that this should stabilise in the long term. This issue remains under on-going review.

## **CAPITAL PROGRAMME – GENERAL FUND**

The overall position is set out in **Appendix D**.

As at the end of July 2018 the programme is behind profile by **£0.127m**. Detailed comments are provided within the appendix. Following a review, a number of schemes are scheduled to be reprofiled into future years to reflect lead in times or the development of the associated project, with the necessary adjustments set out in **Appendix H**.

Some projects are also starting to overlap, such as those associated with the wider office rationalisation project. Where this is the case, it is proposed to merge the budgets together to provide greater flexibility in their delivery.

Apart from the issue highlighted above or within the appendix, there are no additional issues to highlight at present.

## **CAPITAL PROGRAMME – HOUSING REVENUE ACCOUNT**

As at the end of July 2018 the programme is behind profile by **£0.235m**.

This budget relates primarily to the on-going major repairs and improvements to the Council's own dwellings. There are no specific issues to highlight at this stage and the expectation is that expenditure / commitments will be broadly in line with the budget over the course of the year as work is progressed and procurement processes completed.

## **COLLECTION PERFORMANCE**

A detailed analysis of the current position is shown in **Appendix E**.

There are no significant issues to highlight at the present time. Income will continue to be collected over the remainder of the year with recovery arrangements and action taken as necessary.

In respect of general debt it is worth highlighting that although the position for 2018/19 is behind the position reported for the same period last year, a significant amount of money is owed by one public sector debtor, which is being reviewed, along with the impact from the issue previously highlighted regarding theatre income where action is being taken to recover money owed in connection with a potential fraud committed against the Council.

## **TREASURY ACTIVITY**

A detailed analysis of the current position is shown in **Appendix F**.

Apart from the issue set out below, there are no significant matters to highlight at the present time with investment and borrowing activity on-going in line with the Treasury Strategy and associated practices / requirements. It is useful to also note that income from investments is running ahead of the profiled budget, supported by increases in interest rates, which will be considered for inclusion on an on-going basis as part of developing the long term forecast if this currently advantageous position continues.

One issue did emerge over the period being reported relating to a treasury performance indicator being exceeded through no fault of the Council. On 1 May 2018 the Council



arranged a 'roll over' deal of £1 million with another Local Authority. On paper this would require the repayment of £1m from the local authority that relates to the original deal, with the same amount being relented to them on the same day. In practice no money should change hands apart from the payment of the interest due, as in effect all that is happening is the period of the short term loan given to the other Local Authority is being extended. However, unexpectedly the relevant Local Authority repaid the **£1.000m** to the Council relatively late in the day and following discussions with the bank, it was not possible to send the money back to that Council the same day. Therefore the money remained with Tendring District Council overnight before the required transfer was completed the next day. As a result, the Council carried a total of **£1.717m** overnight in its bank account against a limit of **£1.000m**. There was no additional risk associated with this issue as the money was only held overnight. This was a rather unusual situation as such deals are completed on a regular basis with other local authorities with no such issues emerging. In practical terms, all the Council can do is make it clearer in any communication it has with local authorities when such deals are agreed in future.

### **PROPOSED CHANGES TO THE 2018/19 BUDGET**

Making changes to the budget on an on-going basis during the year is a departure from previous years where most adjustments were made as part of the annual revised budget process in December / January. The change in approach allows the most up to date budget position to be reported at any one time and fits well with the aim to provide updates to the long term forecast on a regular basis so the overall financial position of the Council remains 'live' throughout the year.

Set against the proposed approach above, **Appendix H** sets out changes to the budget along with additional comments.

Many of the revenue adjustments proposed are net neutral and largely respond to the managed approach within the Council's Leisure facilities that aim to manage changes in income and expenditure during the year within their overall net budget position.

In respect of the Capital Programme changes, these primarily reflect the reprofiling into future years where it is unlikely that schemes will be deliverable in 2018/19. This responds to an action emerging from the recent LGA peer review with the changes aiming to give the Council a clearer focus on resource allocation and deliverability timescales.

As previously mentioned, it is proposed to 'bank' the accrued saving from employee costs so far to date. This has been offset by additional expenditure of **£0.019m** incurred to date following the clearance of rubbish at a site at Jaywick Sands. To date it has not been possible to identify legal liability relating to the relevant site and so it is unlikely that this amount can be recoverable from a third party.

Taking the above into account, a net contribution to the Forecast Risk Fund of **£0.081m** is proposed. It is expected that this amount will increase as further adjustments to the 2018/19 budget are identified over the remainder of the year.

In addition to the changes set out within the appendix, a number of changes to employee budgets emerge over the course of the year following restructuring / reorganisational activities agreed by the Chief Executive. Where these result in a net neutral position or deliver a saving, it is proposed to delegate the authority to make the related changes to the budget to the Chief Finance Officer so they can be finalised on a timely basis. An associated recommendation is included within this report.

## SECTION 2 – UPDATED LONG TERM FORECAST

Following the establishment of a longer term approach to the budget setting process that was agreed last year, the forecast is being updated on an on-going basis with the latest position set out in **Appendix I**.

The detailed context to the revised longer term approach was included in the report to Cabinet on the 5 September 2017 and so it is not intended to repeat it within this report. However key elements to the forecast and any further developments are set out below against the following key principles / strands:

- **Increases to Underlying Income (Council Tax and Business Rates)**

The updated forecast includes a total estimated increase in underlying income of **£0.942m** for 2019/20, with figures for future years reflecting this change to the 'base' position. The forecast is still based on an increase of £5 in the level of Council Tax for Tendring District Council Services over the life of the forecast.

Similar assumptions to the last year in respect of additional income from property growth have been reflected within the forecast although updated where necessary for actual performance in 2018/19 so far to date. Housing growth remains linked to Local Plan projections.

One of the most significant changes relates to the collection fund balance that is expected to remain available to support the budget in 2019/20. As reported within the outturn report for 2017/18, a significant balance of **£0.446m** was carried forward into 2018/19. There is currently no indications that this will be 'eroded' by lower collection performance over 2018/19 so is expected to remain available or potentially increase, to support the 2019/20 position. Amounts for future years are reduced down to more cautious levels which may be revised upwards to follow historic trends as the longer term position develops.

- **Controlling Net Expenditure / Inflationary Pressures**

This has become an increasing challenge given the significant impact of the 2018/19 and 2019/20 pay award. However as the recent pay offer was front loaded and to some extent reflected pay restraint in prior years, it may be the case that the longer term position will revert to more manageable increases such as the 1% commitment previously promoted by the Government, which is included from 2020/21 onwards within the forecast.

A number of activities remain on-going within the Council's overall financial framework such as reviewing the outturn position from prior years to identify possible budget reductions. The Council also continues to explore opportunities to bring services back in-house which has the potential to reduce overall increases in costs. It is also worth highlighting the proposed changes to the Waste, Recycling and Street Cleansing contract which reduces what would have seen a significant price increase down to a level that can be managed within the forecast.

Departments continue to take a proactive approach in delivering quality services against the context of the financial forecast in mind. Examples of actions taken include managing emerging issues within existing budgets wherever possible or reprioritising activities to reduce / limit pressures on the budget over the course of the year.

- **Savings and Efficiencies**

The allowance built into the forecast remains at **£0.300m** at the present time. Although there are pressures as set out elsewhere, they are currently expected to be able to be

managed via the longer term nature of the forecast. However it is recognised that this line of the forecast provides the 'safety valve' to the overall long term approach and may have to be increased if significant / on-going adverse issues emerged over the life of the forecast.

- **Delivering a favourable Outturn Position**

As set out last year, the Forecast Risk Fund relies upon in-year outturn contributions of **£0.500m** per annum to support the overall balance on the reserve which in turn underwrites the various risks to the forecast.

In respect of 2017/18, the requirement to contribute **£0.500m** to the Forecast Risk Fund was delivered. In respect of 2018/19 to date, a net contribution to the Forecast Risk Fund of **£0.081m** is proposed with expectations that additional contributions will be possible over the remaining quarters of the year.

- **Cost Pressure Mitigation**

Although discussed in more detail below, this line of the forecast presents one of the most significant risks, as in many instances it is outside the control the Council, such as reduced income from external bodies / the Government.

However, a recent example of where this approach has been successful relates to the renewal of the Council's insurance policies. The Council was facing increases of up to **£0.100m** in the cost of insurance but through analysis of historical claims etc. the excess for one of the major classes of cover has been increased to **£0.025m** from **£0.001m**. This change has reduced the overall cost pressure to a negligible amount and any excess payments that may be required will be met by reprioritising existing budgets to ensure that the Council can secure the saving from this revised approach.

The Council has also ensured that it has set aside money to meet one-off pressures by allocating money to reserves for example, and more specifically by allocating **£0.717m** from the outturn position for 2017/18. This amount was identified to support the delivery of the long term forecast and could for example be used to support a review of operational assets to identify likely cost pressures emerging over the life of the forecast which could be met from this fund rather than having to be accommodated within the forecast on an adhoc basis, which would present a significant financial challenge to the long term plan.

Other potential cost pressures were also recognised when further allocations from the money from the outturn position in 2017/18 were considered, which included **£0.300m** towards the office transformation project and **£0.200m** for a programme of health and safety work, which could both have emerged as additional items of expenditure that would otherwise have had to be accommodated within the long term forecast.

Other items included within the forecast for 2019/20 reflect known changes or previous decisions such as the reduction in the Revenue Support Grant, removal of one-off items from 2018/19, reductions in the level of grant to Town and Parish Councils, changes to the use of reserves and the savings accruing from earlier Portfolio Holder Working Party Initiatives.

In respect of the removal of one-off items from 2018/19, it is worth highlighting that the following items no longer appear within the on-going forecast and their continuation in 2019/20 and beyond will depend on either including them as future cost pressures or met via the identification of additional income or savings from elsewhere in the budget:

- Mental Health Hub Contribution - **£0.023m**

- Airshow Night Flight - **£0.010m**
- Sea and Beach Festival - **£0.020m**
- TV advert promoting the district - **£0.025m**

### **Sensitivity Testing of the Forecast**

There are numerous risks inherent in forecasting and **Appendix I** includes the potential impact if assumptions within the forecast change such as inflation, reduction in income, the level of costs pressures or underperformance in securing the required on-going savings.

Although there will always be a large number of permutations, all sensitivities tested are still expected to deliver an annual surplus within the life of the forecast.

The sensitivity test that would have one of the greatest impacts on the forecast is if council tax rises were 1% less than the base position. In aggregate, the annual deficits would be **£4.944m** compared with base position of **£1.890m**, but the budget would still return to an annual surplus by the last year of the forecast.

If a number of issues came together at the same time then it is possible that the forecast becomes unsustainable in the longer term. This will be monitored as the forecast continues to be developed as it may be that the level of savings required needs to be increased to ensure the long term sustainability of the Council's financial position or the Council reverts back to the historic short term approach to setting the budget which would require significant savings early in the process.

### **Risk Assessment of Individual Lines of the Forecast**

Given the inherent risks outlined within this report, additional work has been undertaken with commentary on the various issues set out in **Appendix J** for each line of the forecast.

Attention is drawn to the following key areas of the forecast which have been given a higher risk rating compared with other lines of the forecast:

- **£5 increase in Council Tax** – the ability to increase Council Tax to a point that does not require holding a referendum is based on permission from the Government which is only confirmed on an annual basis. Although it is expected that above inflationary increases are likely to feature in future financial settlements, this risk will need to be carefully monitored and if there is any indication from the Government that it will not be allowable in later years of the forecast then the necessary adjustment to the estimated position will need to be made, which could include increasing the required savings allowance above **£0.300m** per annum.
- **Inflation** – Given the recent significant increases from the pay award negotiations, this pressure on the forecast may have subsided in the immediate term with only 1% increases included in future years of the forecast. However annual increases are currently outside the direct control the Council and will be reviewed on an annual basis with comments provided to the relevant national negotiating body as necessary. Inflation for items such as utilities and other similar items have historically been managed on a corporate basis with increases in some service areas being met from reductions in other areas. It is expected that this approach will continue in the immediate term. Inflation for major contracts is included within the forecast based on the Bank of England's long term CPI target of 2%.
- **Ongoing Savings** – a target of **£0.300m** remains within the forecast. For 2019/20 the activities underway to deliver this amount include a review of the historic outturn position, taking a confident but cautious approach to income streams which

are currently or have historically outperformed the budget, along with securing on-going savings from re-organisational reviews. In terms of delivering against future year's targets, associated discussions will need to be commenced over the rest of the current year to be able to secure the required savings from 2020/21 and beyond. This approach is backed by money set aside to support spend to save initiatives as discussed earlier in this report.

- **Unmitigated Cost Pressures** – as highlighted within the appendix, this line of the forecast presents one of the more significant risks going forward. Some items are within the Council's control, such as repairs to assets etc., but many are not such as reduced income from outside bodies. One example is the continuing reduction in Housing Benefit Administration Grant from the Government which is expected to reduce at a faster rate than in previous years due to the workload transferring across to DWP following the continuing roll out of Universal Credit. In such circumstances, corresponding reductions in expenditure will be explored but it may not always be possible to fully offset such cost pressures on an on-going basis.

To date the Council has also refrained from using one-off money such as the New Homes Bonus to support the on-going budget. The forecast is based on this prudent principle continuing which supports the robust approach being developed.

Taking all of the above into account, the forecasted annual deficit or surplus as set out in **Appendix I** is summarised as follows compared with the forecast from last year:

Year	Net Budget Position Reported Last Year (including adjusting for prior use of reserves to balance the budget)	Net Budget Position as Set out in the Updated Forecast (including adjusting for prior use of reserves to balance the budget)
2018/19	£0.536m (Deficit)	£0.144m (Deficit)
2019/20	£0.650m (Deficit)	£0.725m (Deficit)
2020/21	£0.857m (Deficit)	£1.083m (Deficit)
2021/22	£0.652m (Deficit)	£0.790m (Deficit)
2022/23	£0.441m (Deficit)	£0.491m (Deficit)
2023/24	£0.225m (Deficit)	£0.182m (Deficit)
2024/25	£0.004m (Deficit)	£0.134m (Surplus)
2025/26	£0.223m (Surplus)	£0.458m (Surplus)
2026/27	£0.454m (Surplus)	£0.790m (Surplus)

Although the deficits have increased in the short term, the forecast moves to an annual surplus position within broadly the same timescales, with increased surpluses forecast towards the end of the forecast period.

**Appendix I** also sets out the annual change in the Forecast Risk Fund with increased balances on this reserve estimated over the life of the forecast compared with the figures reported last year.

As part of their value for money work, the Council's external auditors have drawn attention to the risks associated with use of reserves to balance the budget, namely that it is not sustainable. Although this is acknowledged, the use of the Forecast Risk Fund is on a controlled basis with underlying income expected to offset the net increases in expenditure in the long term, which provides for a more resilient approach to resisting potential

reductions in the provision of services if the more traditional annual approach was taken.

The approach to the forecast continues to be undertaken within a robust risk management framework which includes the regular reporting of a 'live' forecast as set out in this report which will enable timely actions to be taken in response to any adverse issues that may emerge. It is also important to highlight that delivery of the long term forecast in the early years will provide confidence to the revised approach being taken.

### Other Changes to the Forecast

For completeness, there are a number of other budget changes that do not have an overall net impact on the budget. These include the removal of one-off capital items where they are funded from reserves, along with other one-off budgets where reserves have also been used such as the three year pension deficit contribution.

In the above cases the expenditure will be removed along with the associated call on reserves with no overall impact on the forecast. These will be set out in more detail later on in the year when the detailed budget for 2019/20 is presented.

Based on the updated position, the initial 2019/20 budget is forecast to be as follows:

### Initial General Fund Budget 2019/20

	2018/19 Original  £m	2019/20 Initial Forecast  £m
Net Cost of Services	17.403	17.686
Revenue support for capital investment	0.100	0.100
Financing items	(4.632)	(4.632)
<b>Net Expenditure</b>	<b>12.871</b>	<b>13.154</b>
Contribution to /(from) Reserves	1.031	0.390
<b>Total Net Budget</b>	<b>13.902</b>	<b>13.544</b>
Business Rates ( <i>excl. S31 Govt. Grant</i> )	(4.578)	(4.680)
Revenue Support Grant	(1.070)	(0.422)
Collection Fund Surplus	(0.652)	(0.446)
<b>Council Tax Requirement</b>	<b>7.602</b>	<b>7.996</b>

Although this will be subject to revisions and updates as the year / forecast progresses, it does set out the estimated position for 2019/20 which includes a draw down from the Forecast Risk Fund of an estimated **£0.725m** to balance the budget in accordance with the long term forecast.

The council tax requirement figure of **£7.996m** is based on the forecast increase of £5 along with the property base assumptions as set out in the updated forecast. This represents an increase of **£0.394** compared to 2018/19 and would result in an average Band D council tax of **£167.64** compared to **£162.64** in 2018/19.

To deliver various elements of the forecast and to react to any changes as the forecast develops, it will require significant member and officer effort and focus. However the approach being taken continues to be a credible alternative to the more traditional approach of taking a shorter term view, which would require significant savings to be identified in both 2019/20 and 2020/21.

As set out last year, as money has already been set aside to deliver a range of projects that supports the Council in delivering its priorities, there is a reduced expectation that the longer term forecast needs to generate additional funding for significant investments.

Projects identified to date where funding has already been identified include:

<b>Project</b>	<b>2018/19 Budget</b>
Garden Communities	£1.750m
Harwich Public Realm	£1.000m
Housing in Jaywick Sands	£0.500m
Office Rationalisation	£1.460m
Business Investment and Growth	£2.324m

There is still scope to make further investment decisions from existing one-off funding without adversely impacting on the long term forecast which provides a strong foundation to work from. With this in mind it is important to highlight that where such future investment is made, it would be beneficial if it also demonstrated a positive impact on one of the 5 key strands of the forecast as part of a joined up financial approach to the challenge that lies ahead.

It is also worth highlighting that the forecast excludes any benefit that may continue to accrue from being a member of the Essex Business Rates Pool. At the present time the option to continue the pool in 2019/20 along with bidding to be a pilot area for the new retention of business rates model is currently being considered across Essex authorities.

To remain flexible and able to respond to the associated Government deadlines, it is proposed to delegate the decision to continue in the Essex Business Rate pool and bid for pilot status to the Portfolio Holder for Finance and Corporate Resources in consultation with the Chief Finance Officer. This is based on the underlying principle that the Council would only join a pool or pilot bid if it was advantageous to do so with no detriment on its overall financial position or unfavourably increased its financial risk.

## **BACKGROUND PAPERS FOR THE DECISION**

None

## **APPENDICES**

### **RELATING TO SECTION 1 OF THE REPORT**

Front Cover and Executive Summary

Appendix A – Summary by Portfolio / Committee

Appendix B – General Fund Budget Position by Department

Appendix C – Housing Revenue Account Budget Position

Appendix D – Capital Programme

Appendix E – Collection Performance – Council Tax, Business Rates, Housing Rent and General Debts

Appendix F – Treasury Activity

Appendix G – Income from S106 Agreements

Appendix H – Proposed Adjustments to the 2018/19 Budget

**RELATING TO SECTION 2 OF THE REPORT**

Appendix I – Updated Long Term Financial Forecast

Appendix J – Risk Analysis of Each Line of the Forecast



# ***Tendring*** **District Council**



## ***Appendices Included:***

<b>Executive Summary</b>	<b>A summary of the overall position.</b>
<b>Appendix A</b>	<b>A summary of the overall position by Portfolio/Committee split by GF and HRA</b>
<b>Appendix B</b>	<b>An analysis by Department of all General Fund Revenue budgets.</b>
<b>Appendix C</b>	<b>An analysis of Housing Revenue Account Revenue budgets.</b>
<b>Appendix D</b>	<b>The position to date for General Fund and HRA capital projects.</b>
<b>Appendix E</b>	<b>Collection Performance</b>
<b>Appendix F</b>	<b>Treasury activity.</b>
<b>Appendix G</b>	<b>Section 106 monies.</b>
<b>Appendix H</b>	<b>Proposed Adjustments to the 2018/19 Budget</b>

## **Corporate Budget Monitoring**

***July 2018***

*(The variance figures set out in these appendices that are presented in brackets represent either a net underspend to date position or additional income received to date)*

# Corporate Budget Monitoring - Executive Summary as at the end of July 2018

The tables below show the summary position for the General Fund, Housing Revenue Account, Capital, Debt and Treasury Activity.

## General Fund - Summary by Department Excluding Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Office of the Chief Executive	958,900	342,120	314,333	(27,787)
Corporate Services	(21,682,170)	(2,378,279)	(3,857,344)	(1,479,065)
Operational Services	14,381,190	2,365,970	2,217,437	(148,533)
Planning and Regeneration	6,342,080	931,031	443,317	(487,714)
<b>Total General Fund</b>	<b>0</b>	<b>1,260,843</b>	<b>(882,257)</b>	<b>(2,143,100)</b>

## Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
<b>Total HRA</b>	<b>0</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>

## Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	14,916,830	877,882	751,335	(126,547)
Housing Revenue Account	7,409,290	786,807	552,244	(234,563)
<b>Total Capital</b>	<b>22,326,120</b>	<b>1,664,689</b>	<b>1,303,579</b>	<b>(361,110)</b>

## Debt

	Collected to Date Against Collectable Amount
Council Tax	38.46%
Business Rates	39.12%
Housing Rents	98.00%
General Debt	89.17%

## Treasury

	£'000
Total External Borrowing	43,188
Total Investments	68,999

# Revenue Budget Position at the end of July 2018

## General Fund Portfolio / Committee Summary

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £
Leader	1,750,000	0	0	0
Finance and Corporate Resources	3,295,770	1,235,677	601,916	(633,762)
Environment	5,715,880	1,087,858	1,104,741	16,883
Housing	2,843,360	1,552,900	667,490	(885,410)
Health and Education	507,390	126,850	122,189	(4,661)
Corporate Enforcement	2,867,890	613,160	168,970	(444,190)
Investment and Growth	3,022,270	112,631	25,525	(87,106)
Leisure and Tourism	6,367,640	62,156	41,385	(20,771)
Budgets Relating to Non Executive Functions	744,260	62,663	34,817	(27,846)
	<b>27,114,460</b>	<b>4,853,896</b>	<b>2,767,034</b>	<b>(2,086,862)</b>
Revenue Support for Capital Investment	5,033,710	0	0	0
Financing Items	(4,632,450)	(34,556)	(90,142)	(55,585)
<b>Budget Before use of Reserves</b>	<b>27,515,720</b>	<b>4,819,340</b>	<b>2,676,893</b>	<b>(2,142,447)</b>
Contribution to / (from) earmarked reserves	(13,613,240)	0	0	0
<b>Total Net Budget</b>	<b>13,902,480</b>	<b>4,819,340</b>	<b>2,676,893</b>	<b>(2,142,447)</b>
<b>Funding:</b>				
Revenue Support Grant	(1,070,100)	(289,026)	(288,927)	99
Business Rates Income	(4,578,370)	(1,132,784)	(1,133,543)	(759)
Collection Fund Surplus	(652,300)	(195,690)	(195,690)	0
Income from Council Tax Payers	(7,601,710)	(1,940,997)	(1,940,990)	7
<b>Total</b>	<b>0</b>	<b>1,260,843</b>	<b>(882,257)</b>	<b>(2,143,100)</b>

## ***Revenue Budget Position at the end of July 2018***

### ***HRA Portfolio Summary***

	2018/19 Current Full Year Budget	2018/19 Profiled Budget to date	2018/19 Actual to date	2018/19 Variance to Profile
	£	£	£	£
Housing	(2,241,210)	(2,717,705)	(2,675,377)	42,328
	<b>(2,241,210)</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>
Revenue Support for Capital				
Investment	480,570	0	0	0
Financing Items	1,919,980	0	0	0
<b>Budget Before use of Reserves</b>	<b>159,340</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>
Contribution to / (from) earmarked reserves	(159,340)	0	0	0
<b>Total</b>	<b>0</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Office of Chief Executive

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	394,310	131,437	129,415	(2,022)	98,578	
Premises Related Expenditure	0	0	1,362	1,362	0	
Transport Related Expenditure	14,040	4,680	4,906	226	3,510	
Supplies & Services	608,190	218,164	199,764	(18,399)	125,603	
<b>Total Direct Expenditure</b>	<b>1,016,540</b>	<b>354,280</b>	<b>335,447</b>	<b>(18,833)</b>	<b>227,690</b>	
<b>Direct Income</b>						
Government Grants	0	0	(2,853)	(2,853)	0	
Other Grants, Reimbursements and Contributions	(9,070)	(9,070)	(15,173)	(6,103)	0	
Sales, Fees and Charges	(3,090)	(3,090)	(3,089)	1	0	
<b>Total Direct Income</b>	<b>(12,160)</b>	<b>(12,160)</b>	<b>(21,114)</b>	<b>(8,954)</b>	<b>0</b>	
<b>Net Direct Costs</b>	<b>1,004,380</b>	<b>342,120</b>	<b>314,333</b>	<b>(27,787)</b>	<b>227,690</b>	
<b>Net Indirect Costs</b>	<b>(45,480)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for Office of Chief Executive</b>	<b>958,900</b>	<b>342,120</b>	<b>314,333</b>	<b>(27,787)</b>	<b>227,690</b>	

## Department - Office of Chief Executive

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
Total for Chief Executive and Leadership and Community Support	958,900	342,120	314,333	(27,787)	
<b>Total for Office of Chief Executive</b>	958,900	342,120	314,333	(27,787)	

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Corporate Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	6,692,690	1,642,119	1,546,698	(95,421)	1,210,487	
Premises Related Expenditure	190,500	172,598	201,163	28,566	5,968	
Transport Related Expenditure	55,910	40,030	44,728	4,698	8,415	
Supplies & Services	7,836,220	1,243,189	968,966	(274,223)	798,435	
Transfer Payments	57,209,710	16,617,037	16,350,158	(266,879)	12,462,777	
Interest Payments	63,670	2,922	4,614	1,692	0	
<b>Total Direct Expenditure</b>	<b>72,048,700</b>	<b>19,717,894</b>	<b>19,116,326</b>	<b>(601,568)</b>	<b>14,486,082</b>	
<b>Direct Income</b>						
Government Grants	(61,151,860)	(17,711,512)	(18,539,650)	(828,138)	(12,933,023)	
Other Grants, Reimbursements and Contributions	(1,713,250)	(668,370)	(667,661)	709	(435,716)	
Sales, Fees and Charges	(16,660)	(1,250)	(2,811)	(1,561)	(930)	
Rents Receivable	(300)	(100)	(150)	(50)	(50)	
Interest Receivable	(428,160)	(156,445)	(204,249)	(47,804)	(119,365)	
RSG, Business Rates and Council Tax	(13,902,480)	(3,558,497)	(3,559,150)	(653)	(4,203,489)	
<b>Total Direct Income</b>	<b>(77,212,710)</b>	<b>(22,096,173)</b>	<b>(22,973,670)</b>	<b>(877,497)</b>	<b>(17,692,572)</b>	
<b>Net Direct Costs</b>	<b>(5,164,010)</b>	<b>(2,378,279)</b>	<b>(3,857,344)</b>	<b>(1,479,065)</b>	<b>(3,206,490)</b>	
<b>Net Indirect Costs</b>	<b>(2,904,920)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Contribution to/(from) Reserves</b>	<b>(13,613,240)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for Corporate Services</b>	<b>(21,682,170)</b>	<b>(2,378,279)</b>	<b>(3,857,344)</b>	<b>(1,479,065)</b>	<b>(3,206,490)</b>	

## Department - Corporate Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Corporate Director, PR and Electoral Services</b>	635,260	159,017	144,164	(14,853)	
<b>Total for Governance and Legal Services</b>	28,700	138,143	53,563	(84,580)	The Council has recently received a reimbursement of costs associated with a planning appeal.
<b>Total for Finance, Revenues and Benefits</b>	1,685,620	988,185	212,684	(775,501)	The variance to date reflects both the position against employee costs (vacancies and temporary staff as a response to the roll out of universal credit and for fraud and compliance initiatives supported by funding from the major preceptors) and the cash flow impact of housing benefit payments and the timing of the reimbursement of expenditure via the associated subsidy system.
<b>Total for Finance - Other Corporate Costs</b>	3,403,580	(1,036,661)	(1,503,383)	(466,722)	Income is currently running ahead of the profile for business rate grant income from the government, income from investments and new burdens funding. This position will be reviewed during quarter 2.
<b>Total for Finance - Financing Items</b>	(14,620,650)	116,580	108,591	(7,989)	
<b>Total for Finance - RSG, Business Rates and Council Tax</b>	(13,902,480)	(3,558,497)	(3,559,150)	(653)	



## Department - Corporate Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Total for Property Services	51,460	(44,323)	(23,714)	20,609	
Total for People, Performance and Projects	82,850	168,663	188,995	20,332	
Total for IT and Corporate Resilience	953,490	690,613	520,905	(169,708)	Due to the reactive nature of IT expenditure the timing is difficult to predict. However there may be possibilities to identify on-going savings as part of the continued roll out of a number of initiatives / projects.
Total for Corporate Services	(21,682,170)	(2,378,279)	(3,857,344)	(1,479,065)	

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Operational Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	8,748,160	2,920,707	2,957,918	37,211	2,170,729	
Premises Related Expenditure	3,073,090	1,360,989	1,324,622	(36,367)	524,332	
Transport Related Expenditure	446,450	127,041	126,373	(668)	87,115	
Supplies & Services	4,289,740	1,144,230	1,036,741	(107,488)	1,131,935	
Third Party Payments	4,629,740	1,130,207	1,128,005	(2,202)	1,185,687	
Transfer Payments	149,650	50,163	91,526	41,363	37,413	
<b>Total Direct Expenditure</b>	<b>21,336,830</b>	<b>6,733,336</b>	<b>6,665,186</b>	<b>(68,151)</b>	<b>5,137,210</b>	
<b>Direct Income</b>						
Government Grants	(410,720)	(353,350)	(353,350)	(0)	0	
Other Grants, Reimbursements and Contributions	(1,368,580)	(402,272)	(276,555)	125,717	(370,908)	
Sales, Fees and Charges	(8,051,090)	(3,426,061)	(3,653,518)	(227,457)	(1,698,564)	
Rents Receivable	(305,970)	(178,269)	(156,590)	21,679	(44,214)	
<b>Total Direct Income</b>	<b>(10,136,360)</b>	<b>(4,359,953)</b>	<b>(4,440,014)</b>	<b>(80,062)</b>	<b>(2,113,686)</b>	
<b>Net Direct Costs</b>	<b>11,200,470</b>	<b>2,373,384</b>	<b>2,225,171</b>	<b>(148,213)</b>	<b>3,023,524</b>	
<b>Net Indirect Costs</b>	<b>3,180,720</b>	<b>(7,413)</b>	<b>(7,734)</b>	<b>(320)</b>	<b>(95,070)</b>	
<b>Total for Operational Services</b>	<b>14,381,190</b>	<b>2,365,970</b>	<b>2,217,437</b>	<b>(148,533)</b>	<b>2,928,454</b>	

## Department - Operational Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Corporate Director and Administration Operational Services</b>	694,690	144,615	119,077	(25,538)	
<b>Total for Public Realm</b>	1,419,500	321,433	203,091	(118,342)	To date, income remains ahead of the profile against a number of service areas such as parking, the crematorium and cemeteries.
<b>Total for Environmental Services</b>	5,185,950	1,022,004	1,129,193	107,189	The primary reason for the variance at the end of July 2018 is due to no invoices being raised to ECC for recycling credits and food waste contributions so far in this financial year. This is currently being reviewed.
<b>Total for Customer and Commercial Services</b>	344,780	314,390	276,068	(38,322)	
<b>Total for Sports and Leisure</b>	2,576,880	(485,836)	(476,740)	9,096	
<b>Total for Housing</b>	1,184,320	142,236	136,806	(5,429)	
<b>Total for Building and Engineering</b>	2,975,070	907,130	829,943	(77,187)	There are a number of smaller variances contributing to the position at the end of July 2018, the most significant of which relates to income from street naming and numbering which is ahead of the profile and is already in excess of the annual budget for the year.
<b>Total for Operational Services</b>	14,381,190	2,365,970	2,217,437	(148,533)	

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Planning and Regeneration

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	2,229,410	729,433	701,180	(28,253)	547,075	
Premises Related Expenditure	28,430	17,257	15,477	(1,780)	4,190	
Transport Related Expenditure	35,300	11,767	10,451	(1,316)	8,825	
Supplies & Services	4,683,170	692,383	248,918	(443,466)	457,067	
Third Party Payments	870	0	0	0	0	
<b>Total Direct Expenditure</b>	<b>6,977,180</b>	<b>1,450,840</b>	<b>976,026</b>	<b>(474,814)</b>	<b>1,017,157</b>	
<b>Direct Income</b>						
Government Grants	(27,500)	(27,500)	(96,506)	(69,006)	0	
Other Grants, Reimbursements and Contributions	0	0	(16,242)	(16,242)	0	
Sales, Fees and Charges	(1,341,760)	(473,873)	(398,157)	75,716	(325,457)	
Rents Receivable	(55,340)	(18,435)	(21,804)	(3,368)	(13,713)	
<b>Total Direct Income</b>	<b>(1,424,600)</b>	<b>(519,809)</b>	<b>(532,709)</b>	<b>(12,900)</b>	<b>(339,171)</b>	
<b>Net Direct Costs</b>	<b>5,552,580</b>	<b>931,031</b>	<b>443,317</b>	<b>(487,714)</b>	<b>677,986</b>	
<b>Net Indirect Costs</b>	<b>789,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for Planning and Regeneration</b>	<b>6,342,080</b>	<b>931,031</b>	<b>443,317</b>	<b>(487,714)</b>	<b>677,986</b>	

## Department - Planning and Regeneration

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Corporate Director</b>	1,040	35,723	36,195	472	
<b>Total for Head of Planning and Customer Services</b>	131,100	539,463	417,876	(121,587)	
<b>Total for Planning and Development</b>	781,100	(318,213)	(121,265)	196,949	Recruitment challenges remain for the service which continue to rely on agency staff in the short term. Income from planning fees is also lower than budgeted by £100k, which is a reversal of previous year's trends. This will be reviewed as part of the long term forecast to see if this trend is likely to continue and will need to reflect latest the local plan position which as it moves on there may be fewer speculative developments coming forward.
<b>Total for Planning Policy</b>	1,764,800	402,010	(38,586)	(440,596)	Delivery of the Local Plan takes place over a number of years with the variance to date reflecting the timing of expenditure across financial years.
<b>Total for Building Control</b>	144,230	15,210	(17,939)	(33,149)	In contrast to the position against planning income, Building Control income is starting to reverse the adverse trend over recent years and is now running ahead of the profiled budget at the end of July 2018.
<b>Total for Regeneration</b>	3,519,810	256,838	167,035	(89,803)	The variance to date primarily reflects the receipt of flexible support grant funding which will be subject to commitments in future periods.
<b>Total for Planning and Regeneration</b>	6,342,080	931,031	443,317	(487,714)	

# Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of July 2018

## Housing Revenue Account

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	1,061,140	216,153	216,353	200	162,115	
Premises Related Expenditure	3,708,270	723,662	767,842	44,180	1,022,328	
Transport Related Expenditure	22,570	7,657	12,994	5,337	5,593	
Supplies & Services	469,470	150,537	126,588	(23,949)	61,680	
Third Party Payments	1,030	515	0	(515)	258	
Transfer Payments	17,000	5,667	8,731	3,064	4,250	
Interest Payments	1,452,960	418,053	418,832	779	293,269	
<b>Total Direct Expenditure</b>	<b>6,732,440</b>	<b>1,522,244</b>	<b>1,551,339</b>	<b>29,095</b>	<b>1,549,492</b>	
<b>Direct Income</b>						
Other Grants, Reimbursements and Contributions	(8,000)	0	(7,280)	(7,280)	0	
Sales, Fees and Charges	(568,860)	(159,015)	(147,496)	11,519	(111,293)	
Rents Receivable	(13,092,230)	(4,078,961)	(4,071,941)	7,020	(3,265,089)	
Interest Receivable	(51,600)	0	0	0	0	
<b>Total Direct Income</b>	<b>(13,720,690)</b>	<b>(4,237,976)</b>	<b>(4,226,716)</b>	<b>11,259</b>	<b>(3,376,381)</b>	
<b>Net Direct Costs</b>	<b>(6,988,250)</b>	<b>(2,715,732)</b>	<b>(2,675,377)</b>	<b>40,355</b>	<b>(1,826,889)</b>	
<b>Net Indirect Costs</b>	<b>7,147,590</b>	<b>(1,973)</b>	<b>0</b>	<b>1,973</b>	<b>(1,480)</b>	
<b>Net Contribution to/(from) Reserves</b>	<b>(159,340)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for HRA</b>	<b>0</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>	<b>(1,828,369)</b>	

## Housing Revenue Account

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Finance - Financing Items</b>	2,400,550	0	0	0	
<b>Total for Corporate Director and Administration Operational Services</b>	639,420	41,601	34,942	(6,658)	
<b>Total for Customer and Commercial Services</b>	(41,980)	0	(799)	(799)	
<b>Total for Housing</b>	(6,920,890)	(3,361,393)	(3,340,092)	21,301	Although there are no significant issues arising across the HRA at the end of July 2018, rental income remains slightly behind profile by £67k which represents approximately 0.5% of the total rental income budget for the year. As discussed in previous quarters, void / repairs periods have contributed to this position in the short term which should start to stabilise but this issue will remain as a key budgetary control focus over the second half of the year.
<b>Total for Building and Engineering</b>	3,922,900	602,087	630,571	28,484	
<b>Total for HRA</b>	0	(2,717,705)	(2,675,377)	42,328	

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b>Expenditure</b>					
<b>Corporate Enforcement Portfolio</b>					
Milton Road car park repairs	250,000	0	0	0	This project is being considered as part of the wider Harwich regeneration programme
Clacton Multi-Storey car park repairs	180,000	0	0	0	Project due to commence in Autumn 2018
<b>Total for Corporate Enforcement Portfolio</b>	<b>430,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Environment Portfolio</b>					
Cranleigh Close, Clacton, landscaping works	6,660	0	0	0	Project ongoing and expected to be finalised by end of this financial year
Environmental Health Database Migration	5,250	0	0	0	The Service is reviewing this project as part of wider Digital Transformation Project with the budget being reprofiled to 2019/20.
Public Access Module to CAPS	54,140	0	0	0	The Service is reviewing this project as part of wider Digital Transformation Project with the budget being reprofiled to 2019/20.
Laying Out Cemetery	170,120	1,650	1,650	0	Awaiting consultants report to finalise the layout before commencing with the construction phase of this project which has been reprofiled to 2020/21.



## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Crematorium and Cemeteries Road Works	150,000	0	0	0	The tender process for this scheme is set to begin in the next few weeks
Bath House Meadow Play Area, Walton	37,580	32,710	32,709	(1)	Minor works to be completed before project is finalised
Changing Place Facilities, Walton	62,000	47,060	47,056	(4)	Minor works to be completed before project is finalised
Resurfacing Works, Vista Road	40,000	40,000	0	(40,000)	Minor landscaping works to be carried out before the project is finalised. Resurfacing works have been completed with service awaiting an invoice from the Contractor.
<b>Total for Environment Portfolio</b>	<b>525,750</b>	<b>121,420</b>	<b>81,415</b>	<b>(40,005)</b>	
<b>Finance and Corporate Resources Portfolio</b>					
Audit management software	2,230	0	0	0	
Joint HR and Payroll System	1,780	0	0	0	
Westleigh House Demolish/additional parking provision	23,710	0	0	0	Demolition is scheduled for October/November 2018
Information and Communications Technology Core Infrastructure	152,400	13,100	(18,449)	(31,549)	This capital sum, together with the IT strategic Investment budget below will shortly be fully committed to the office transformation network re-design and investment works during 2018/19.

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
IT Strategic Investment	153,790	66,093	30,062	(36,030)	See Information and Communications Technology Core infrastructure comment re: office transformation network re-design.
Agresso e-procurement	84,000	0	0	0	Now that the necessary upgrade to Agresso has been completed, the next phase of this project will be considered in 2018/19.
Individual Electoral Registration - Scanning Equipment	1,560	0	0	0	
Enhanced Equipment replacement - Printing and Scanning	3,610	0	0	(0)	This is a replacement budget and has been rescheduled to 2021/22 in line with the expected end of the life of the equipment
Office Rationalisation	1,460,000	0	6,015	6,015	Statutory consents for work in Pier Avenue have been gained. Work began on 25 June 2018. Procurement of further work phases will take place through Autumn 18 with construction extending through to Autumn 19. The bulk of expenditure will occur during the construction phases between now and Autumn 2019. Retentions and set up costs will form a tail of expenditure from Autumn 19 for around a further 12 months. The budget has been reprofiled to reflect this schedule of works.
<b>Total for Finance and Corporate Resources Portfolio</b>	<b>1,883,080</b>	<b>79,193</b>	<b>17,628</b>	<b>(61,564)</b>	

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b>Housing Portfolio</b>					
Replacement of High Volume Printers	29,000	0	0	0	
Replacement debit and credit card payment facility	14,630	0	0	0	
Replacement Scan Stations	12,000	0	0	0	Following a review this scheme has been reprofiled to 2020/21
Alteration of Redundant Cash Office	29,260	0	0	0	The budget is proposed to be rolled into the office transformation budget as the work will form part of this wider scheme.
Housing in Jaywick	500,000	0	0	0	The Service have requested that the budget is re-profiled to reflect a higher spend profile in 2019/20. It is proposed that expenditure in 2018/19 will be allocated to a project officer/consultant to support the delivering of the project.
Private Sector Renewal Grants/Financial Assistance Loans	365,640	26,940	26,937	(3)	
Disabled Facilities Grants	4,009,320	403,310	401,854	(1,456)	
Private Sector Leasing	75,660	0	0	0	
Empty Homes funding	164,220	0	0	0	This project is being reviewed to identify alternative options / opportunities
<b>Total for Housing Portfolio</b>	<b>5,199,730</b>	<b>430,250</b>	<b>428,791</b>	<b>(1,459)</b>	

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b>Investment and Growth Portfolio</b>					
Regeneration Capital Projects	349,180	0	0	0	The Service is currently reviewing projects and initiatives which will be presented to Members for consideration.
SME Growth Fund Capital Grants	65,000	8,750	8,750	0	This is supported by external funding and will be committed as successful applications are made against the SME Scheme.
Harwich Public Realm	1,000,000	0	0	0	
<b>Total for Investment and Growth Portfolio</b>	<b>1,414,180</b>	<b>8,750</b>	<b>8,750</b>	<b>0</b>	
<b>Leisure and Tourism Portfolio</b>					
Replacement of beach hut supports - The Walings	11,620	0	0	0	This budget is to be reprofiled to 2022/23 based on the estimated remaining life of the asset.
Clacton Leisure Centre Air Handling Units	0	0	(4,300)	(4,300)	The outstanding credit is due to a retention payment which is expected to be paid at the end of 2018
Princes Theatre Toilets	40,000	0	0	0	This project will now be completed in 2019/20 as part of the scheduled works to the Town Hall that form part of wider Office Rationalisation project

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Town Centre Fountain	160,000	0	0	0	The Service is currently exploring options for the existing site
Princes Theatre Sound Equipment	42,240	0	0	0	Project to commence and be completed in August 2018
Coast Protection - Cliff Road Sea Wall	15,130	0	0	0	Project Completed with remaining budget requested to be used to support current Cliff Stabilisation Project
Venetian Bridge Clacton	108,140	108,140	109,204	1,064	Works finished, with service awaiting final invoices to finalise the project
New Beach Huts	64,600	0	0	0	The service have requested that the majority of this project be re-profiled to 2019/20 as a report is due this autumn with a small amount of expenditure planned in 2018/19.
Cliff Stabilisation Scheme	4,602,590	18,350	18,349	(1)	Following the tender process, a contractor has now been appointed with works due to start August 2018 and complete in 2019/20. The budget has been reprofiled to reflect this.
Public Conveniences Works	140,000	0	0	0	Works on the first Public Convenience expected to start in Autumn 2018, with plans for further works still to be finalised
Marine Parade West Clacton Cliff Works	57,270	0	(20,285)	(20,285)	Works due to be finalised after the 2018/19 summer period, credit amount relates to estimated accrual during Outturn 2017/18

## ***Corporate Budget Monitoring - General Fund Capital Programme Position at the end of July 2018***

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Flood Wall, Walton On The Naze	222,500	111,780	111,782	2	Following the appointment of a contractor, the scheme is now underway
<b>Total for Leisure and Tourism Portfolio</b>	<b>5,464,090</b>	<b>238,270</b>	<b>214,751</b>	<b>(23,519)</b>	
<b>Total Approved General Fund Capital Programme</b>	<b>14,916,830</b>	<b>877,882</b>	<b>751,335</b>	<b>(126,547)</b>	

## Corporate Budget Monitoring - Housing Revenue Account Capital Programme

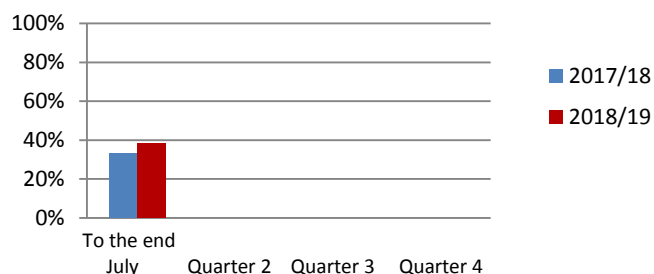
### Budget Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Improvements, enhancement & adaptation of the Council's housing stock	3,492,250	558,473	385,494	(172,980)	This budget covers a range of individual schemes which will be delivered as the year progresses and are subject to the appropriate procurement processes, which are planned, being progressed or are underway.
Upgrade & Replacement	79,030	5,000	1,015	(3,985)	
Disabled Adaptations	465,060	133,333	80,842	(52,491)	Similarly to the above, it is anticipated that works will be progressed over the remainder of the year.
Cash Incentive Scheme	60,000	0	0	0	
New Build Initiatives and Acquisitions	3,312,950	90,000	84,893	(5,107)	
*Within the budget of £3,312,950, £2,748,202 relates to projects supported by one for one capital receipts with spend by dates as follows:					
31/12/2019    £102,150    30/09/2020    £536,130					
31/03/2020    £413,570    31/12/2020    £1,270,100					
30/06/2020    £276,060    31/03/2021    £150,192					
Total Housing Revenue Account Capital Programme	7,409,290	786,807	552,244	(234,563)	

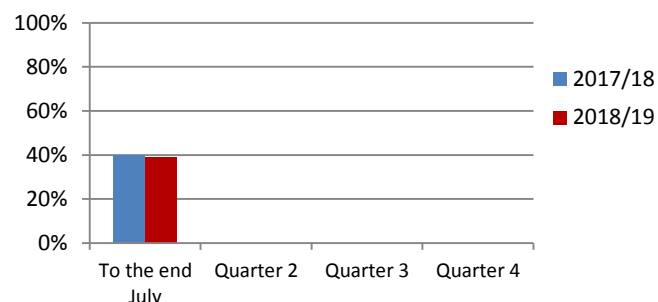
# Collection Performance : Position at the end of July 2018

The collection performance against Council tax, Business Rates, Housing Rents and General Debt collection are set out below.

## Council Tax (against annual amounts)

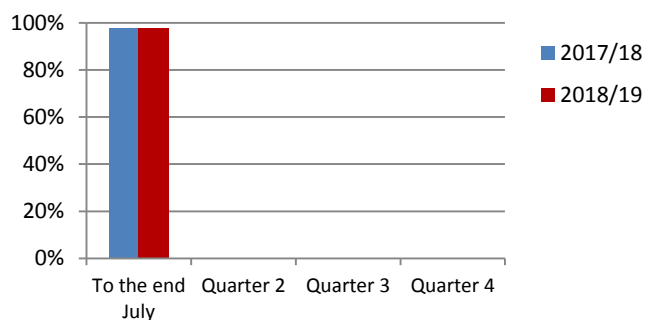


## Business Rates (against annual amounts)

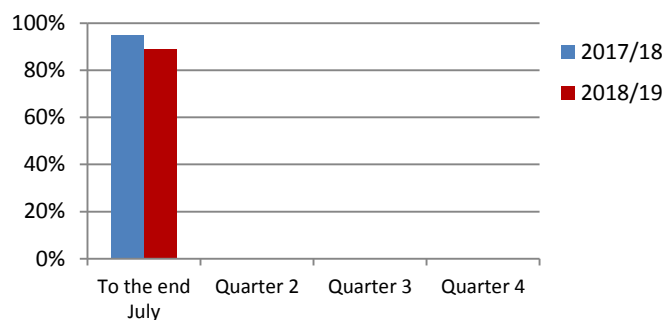


	2017/18	2018/19		2017/18	2018/19
To the end July	32.88%	38.46%	To the end July	39.97%	39.12%
Quarter 2			Quarter 2		
Quarter 3			Quarter 3		
Quarter 4			Quarter 4		

## Housing Rents



## General Debt



	2017/18	2018/19		2017/18	2018/19
To the end July	97.80%	98.00%	To the end July	94.77%	89.17%
Quarter 2			Quarter 2		
Quarter 3			Quarter 3		
Quarter 4			Quarter 4		



## Treasury Activity : Position at the end of July 2018

Key Treasury Management Performance Data and Prudential Indicators are set out below.

### TREASURY ACTIVITY

Borrowing	Opening Balance 1 April £'000	Borrowing to date £'000	Borrowing Repaid to date £'000	Balance to Date £'000	Comments
Long Term PWLB Borrowing - GF	464	0	3	461	
Long Term PWLB Borrowing - HRA	43,434	0	707	42,727	
<b>TOTAL BORROWING</b>	<b>43,898</b>	<b>0</b>	<b>710</b>	<b>43,188</b>	
Investments	Opening Balance 1 April £'000	Investments to date £'000	Investments Repaid to date £'000	Balance to Date £'000	Comments
<i>Investments less than a year</i>					
Investments with UK Government via Treasury Bills/Investments with DMO, and Local Authorities and other public bodies	46,000	123,500	121,700	47,800	Net investments have increased over the reporting period due to the timing of the Council's cash flow such as expenditure budgets behind profile or income being received ahead of expenditure.
Investments with UK financial Institutions (including Money Market Funds)	9,440	24,703	12,944	21,199	At the end of the period, investments were held with 10 counterparties.
Investments with non-UK Financial institutions	0	0	0	0	
<b>Total Investments for less than a year</b>	<b>55,440</b>	<b>148,203</b>	<b>134,644</b>	<b>68,999</b>	
<i>Investments for longer than a year</i>	0	0	0	0	
<b>TOTAL INVESTMENTS</b>	<b>55,440</b>	<b>148,203</b>	<b>134,644</b>	<b>68,999</b>	
Interest Paid / Received	Full Year Budget £'000	Profiled Budget to Date £'000	Actual to Date £'000	Variance to date £'000	Comments
Interest Paid on Borrowing - GF	56	3	3	0	The weighted average rate of interest on the Council's GF borrowing is currently 7.95%. (on an accrued basis)
Interest Paid on Borrowing - HRA	1,453	93	87	(6)	The weighted average rate of interest on the Council's HRA borrowing is currently 3.37%. (on an accrued basis)
Interest Received on Investments	(236)	(87)	(133)	(46)	The weighted average rate of interest being received on the Council's investments is currently 0.56%. (on an accrued basis)

### PRUDENTIAL INDICATORS

	Approved Indicator £'000	Highest amount reached in the period £'000	Comments
Authorised limit for external borrowing	74,298	43,898	Borrowing has remained within approved limits.
Operational boundary for external borrowing	66,868		
Debt Cap - HRA	60,285		

## Income from S106 Agreements

Information in respect of S106 income has been split across two areas below - Where money has been formally allocated / being spent and where money remains unallocated / uncommitted.

Where related to capital schemes - see Appendix D for overall scheme progress.

### ALLOCATED / BEING SPENT

Scheme	Amount Committed / Planned to be Spent in 2018/19 (including accrued interest as appropriate) £'000
<b>Capital Schemes</b>	
Cranleigh Close, Clacton - landscaping works	7
Clacton Bowls and Rugby Club, Car Park Resurfacing	40
<b>Revenue Schemes and other Contributions</b>	81
<b>TOTAL</b>	<b>128</b>

### UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date			
	Less than 1 Year £'000	1 to 2 Years £'000	2 to 4 Years £'000	4 years + £'000
Regeneration Programme and Other Initiatives	0	0	0	73
Affordable Housing	0	0	0	649
Town Centre Improvements	0	0	0	43
Open Space*	7	5	39	888
<b>TOTAL</b>	<b>7</b>	<b>5</b>	<b>39</b>	<b>1,653</b>

\* For schemes with a 'spend by' date of less than one year, this money must be spent as follows:

£4,000 by October 2018

£2,000 by November 2018

£1,000 by December 2018

## Proposed Adjustments to the 2018/19 Budget July 2018

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
<b>GENERAL FUND REVENUE</b>			
<i>The following items have no net impact on the overall budget</i>			
Clacton Leisure Centre - Membership Income Reduced		20,000	This adjustment forms part of the managed response to changes in income or expenditure where other budgets are adjusted accordingly with the aim of managing the position within the overall net budget for the year.
Management of Sports Facilities Expenditure Reduced	(20,000)		
Sports Facilities Various Expenditure Budgets Reduced	(22,410)		
Management of Sports Facilities Expenditure Increased	22,410		
Sport Facilities - Building Repairs Budget Reduced	(35,320)		The associated work is now being undertaken in-house with this adjustment reflecting the required changes to the budget
Engineering Salaries and Salary Related Costs Increased	35,320		
Print Unit Expenditure Budgets and Members Printing Reduced	(32,810)		This adjustment reflects reduced member printing costs and the associated reduction in income to the print unit.
Print Unit Income Reduced		32,810	
<b>Total General Fund Revenue with no net impact on the overall budget</b>	<b>52,810</b>	<b>(52,810)</b>	
<i>The following items will be adjusted against the Forecast Risk Fund</i>			
Employee Costs	(100,000)		This represents the level of vacancy 'saving' accrued to date
Jaywick Sands Site Clearance Cost	18,870		
Contribution to Forecast Risk Fund	81,130		Net total of above adjustments contributed to this reserve

GENERAL FUND CAPITAL			
Following recommendations from the LGA Peer Review, a review of the General Fund Capital Programme has been undertaken and requests have been made for the following schemes to be reprofiled to future years to reflect the anticipated / revised spending profile.			
Housing in Jaywick	(430,000)		It is estimated that some expenditure will not take place on these schemes until 2019/20
Environmental Health Database Migration	(5,250)		
Public Access Module to CAPS	(54,140)		
Princes Theatre Toilets	(40,000)		
New Beach Huts	(44,600)		
Cliff Stabilisation Scheme	(602,590)		
Replacement Scan Stations	(12,000)		It is estimated that expenditure will not take place on these schemes until 2020/21.
Laying Out Cemetery	(168,470)		
Office Rationalisation	(551,590)		It is estimated that some expenditure will not take place on this scheme until 2019/20 (£519,830) and 2020/21 (£31,760).
Enhanced Equipment replacement - Printing and Scanning	(3,610)		It is estimated that expenditure will not take place on this scheme until 2021/22
Replacement of beach hut supports - The Walings	(11,620)		It is estimated that expenditure will not take place on this scheme until 2022/23
Capital Commitments Reserve		245,550	Corresponding adjustments to financing of Capital Programme (including associated Direct Revenue Financing adjustment) to reflect estimated year of expenditure as set out for the above capital schemes.
Building for the Future Reserve		551,590	
Direct Revenue Contributions		470,000	
Use of Capital Receipts		54,140	
Government Grant Coast Protection		602,590	
<b>Other Changes to General Fund Capital Programme</b>			
Alteration of Redundant Cash Office Scheme Merged with Office Rationalisation Scheme below	(29,260)		Budget moved to support the associated works to Pier Avenue currently in progress as part of the wider Office Transformation Budget
Office Rationalisation Budget - Scheme Increased	29,260		
Coast Protection - Cliff Road Sea Wall Scheme Removed	(15,130)		The Cliff Road Scheme is now complete and it is proposed to add the residual budget to the Cliff Stabilisation Project to ensure that the external funding is still used for coast protection.
Cliff Stabilisation Scheme - Scheme Increased	15,130		
<b>Total General Fund Capital Adjustment with no net impact on the overall budget</b>	<b>1,923,870</b>	<b>(1,923,870)</b>	

**UPDATED LONG TERM FINANCIAL FORECAST**

APPENDIX I

	Budget 2017/18 £	Budget 2018/19 £	Estimate* 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Estimate 2022/23 £	Estimate 2023/24 £	Estimate 2024/25 £	Estimate 2025/26 £	Estimate 2026/27 £
<b>Underlying Funding Growth in the Budget</b>										
Council Tax Increase 1.99%	(0.136)	(0.147)	(0.151)	(0.154)	(0.157)	(0.160)	(0.164)	(0.167)	(0.170)	(0.174)
Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.090)	(0.086)	(0.082)	(0.079)	(0.076)	(0.073)	(0.070)	(0.067)	(0.063)	(0.060)
Growth in Business rates - Inflation	0.000	(0.131)	(0.092)	(0.093)	(0.095)	(0.097)	(0.099)	(0.101)	(0.103)	(0.105)
Growth in Business rates / council tax - general property growth	(0.148)	(0.293)	(0.171)	(0.181)	(0.191)	(0.200)	(0.210)	(0.220)	(0.230)	(0.239)
Collection Fund Surpluses b/fwd	(0.218)	(0.652)	(0.446)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
	<b>(0.592)</b>	<b>(1.309)</b>	<b>(0.942)</b>	<b>(0.607)</b>	<b>(0.619)</b>	<b>(0.630)</b>	<b>(0.643)</b>	<b>(0.655)</b>	<b>(0.666)</b>	<b>(0.678)</b>
<b>Net Cost of Services and Other Adjustments</b>										
Reduction in RSG	0.914	0.580	0.648	0.422	0.000	0.000	0.000	0.000	0.000	0.000
Remove one-off items from prior year	(0.155)	(0.315)	(0.112)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Remove one-off items from prior year - Collection Fund Surplus	(0.020)	0.218	0.652	0.446	0.100	0.100	0.100	0.100	0.100	0.100
Inflation - Employee Costs (including annual review adjustments)	0.125	0.514	0.608	0.264	0.266	0.268	0.269	0.271	0.272	0.274
Inflation - Other	0.000	0.088	0.107	0.109	0.111	0.113	0.115	0.118	0.120	0.122
First / Second / Third year impact of PFH WP Savings	(0.268)	(0.055)	(0.115)	(0.090)	0.000	0.000	0.000	0.000	0.000	0.000
LCTS Grant To Parish Council's	0.000	(0.049)	(0.055)	(0.036)	0.000	0.000	0.000	0.000	0.000	0.000
Beach recharge - Set aside full budget in one year	0.000	(0.150)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Revenue Contrib. to Capital Programme	(0.100)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Specific change in Use of Reserves	0.287	0.374	(0.060)	0.081	0.000	0.000	0.000	0.000	0.000	0.000
On-going savings required	(0.879)	(0.290)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)
Unmitigated Cost Pressures	1.046	0.114	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Other Adjustments	0.000	(0.134)	0.000	(0.081)	0.000	0.000	0.000	0.000	0.000	0.000
	<b>0.950</b>	<b>0.895</b>	<b>1.523</b>	<b>0.965</b>	<b>0.327</b>	<b>0.331</b>	<b>0.335</b>	<b>0.338</b>	<b>0.342</b>	<b>0.346</b>
<b>Net Total</b>	<b>0.358</b>	<b>(0.414)</b>	<b>0.581</b>	<b>0.358</b>	<b>(0.292)</b>	<b>(0.299)</b>	<b>(0.309)</b>	<b>(0.317)</b>	<b>(0.324)</b>	<b>(0.332)</b>
Add back General Use of Reserves in Prior Year to Balance the Budget	0.200	0.558	0.144	0.725	1.083	0.790	0.491	0.182	(0.134)	(0.458)
<b>Net Budget Position</b>	<b>0.558</b>	<b>0.144</b>	<b>0.725</b>	<b>1.083</b>	<b>0.790</b>	<b>0.491</b>	<b>0.182</b>	<b>(0.134)</b>	<b>(0.458)</b>	<b>(0.790)</b>
Use of Forecast Risk Fund to support the Net Budget Position	(0.558)	(0.144)	(0.725)	(1.083)	(0.790)	(0.491)	(0.182)	0.134	0.458	0.790
Use of Forecast Risk Fund to support the Net Budget - Forecast From Last Year		(0.536)	(0.650)	(0.857)	(0.652)	(0.441)	(0.225)	(0.004)	0.223	0.454

\* See separate RAG risk assessment for further consideration of forecast risks for each line of the forecast

**Use of Forecast Risk Fund to Support the Net Budget Position Above**

Outturn b/fwd from prior years	(0.558)	(1.934)	(2.290)	(2.065)	(1.482)	(1.192)	(1.201)	(1.518)	(2.153)	(3.111)
Applied in year as set out in the forecast above	0.558	0.144	0.725	1.083	0.790	0.491	0.182	(0.134)	(0.458)	(0.790)
Additional contributions generated in year	(1.934)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
<b>Balance to Carry Forward</b>	<b>(1.934)</b>	<b>(2.290)</b>	<b>(2.065)</b>	<b>(1.482)</b>	<b>(1.192)</b>	<b>(1.201)</b>	<b>(1.518)</b>	<b>(2.153)</b>	<b>(3.111)</b>	<b>(4.400)</b>
<b>Balance to Carry Forward Forecast From Last Year</b>		<b>(1.398)</b>	<b>(1.248)</b>	<b>(0.891)</b>	<b>(0.739)</b>	<b>(0.798)</b>	<b>(1.073)</b>	<b>(1.569)</b>	<b>(2.292)</b>	<b>(3.246)</b>

FORECAST SENSITIVITIES		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Totals
		£	£	£	£	£	£	£	£	£
Forecast Budget Gap / (Surplus) from table Above (BASE Position)		0.725	1.083	0.790	0.491	0.182	(0.134)	(0.458)	(0.790)	1.890
<b>Revised Forecast Budget GAP / (SURPLUS) in the event of the following possibilities</b>										
Council Tax Increase are lower by 1% per annum compared to the base		0.801	1.239	1.030	0.818	0.600	0.379	0.153	(0.077)	4.944
Property Growth does not grow over the life of the forecast		0.896	1.264	0.981	0.691	0.392	0.086	(0.228)	(0.551)	3.532
Property Growth is lower by 5% compared to the base		0.735	1.101	0.817	0.526	0.225	(0.082)	(0.397)	(0.721)	2.205
Inflation increases at a rate of +1% faster than the base		0.930	1.300	1.013	0.720	0.417	0.108	(0.210)	(0.526)	3.753
Inflation decreases at a rate of 1% slower than the base		0.520	0.866	0.567	0.262	(0.053)	(0.376)	(0.706)	(1.054)	0.027
Savings achieved are lower by 10% per annum compared to the base		0.755	1.143	0.880	0.611	0.332	0.046	(0.248)	(0.550)	2.970
Savings achieved are lower by 20% per annum compared to the base		0.785	1.203	0.970	0.731	0.482	0.226	(0.038)	(0.310)	4.050
Unmitigated Cost Pressures are greater by 10% per annum compared to the base		0.740	1.113	0.835	0.551	0.257	(0.044)	(0.353)	(0.670)	2.430
Unmitigated Cost Pressures are greater by 20% per annum compared to the base		0.755	1.143	0.880	0.611	0.332	0.046	(0.248)	(0.550)	2.970

Relevant line of the Forecast	RAG Assessment of Risk	Comments
<b>Underlying Funding Growth in the Budget</b>		
Council Tax Increase 1.99%		Although this is subject to future Government policy, it is expected that an inflationary uplift will always be a feature in the annual finance settlement and associated Council Tax referendum principles
Ctax increase by £5 (amounts set out are over and above the 1.99% above)		Although similar to the above, there is less certainty around the level of increase that the Government may allow over and above a 'base' inflationary uplift. However it is expected that such increases will be allowable in the short term without invoking the need to hold a referendum. This will remain subject to on-going review.
Growth in Business rates - Inflation		Similar to Council Tax above, based on the historic trend of inflationary uplifts in the poundage applied to rateable values, modest inflationary increases are relatively certain over the life of the forecast.
Growth in Business rates / council tax - general property growth		Growth in business rates and Council Tax are expected to remain stable and robust over the life of the forecast. The two main risks relate to major economic changes and future Government Policy, especially in relation to business rates where the Government remains active in developing the full retention model across the public sector.
Collection Fund Surpluses b/fwd		Based on the outturn position for 2017/18, there is a collection fund surplus of £446k brought forward into 2018/19. Based on the collection performance to date and the level of collectable Council Tax and Business Rates, it is expected that this money will be available to support the budget in 2019/20. More modest amounts are included in future years of the forecast with a high degree of confidence in their delivery. (The forecast excludes any benefit from being a member of the Essex Business Rates Pool as it is accounted for on an actual basis rather than building it into the base budget given its one-off nature and complexities in the overall business rate calculations)
<b>Net Cost of Services and Other Adjustments</b>		
Reduction in RSG		There is only limited uncertainty in respect of the next two years given the Government's commitment to a four year deal which the Council signed up to.
Remove one-off items from prior year		These are known adjustments
Remove one-off items from prior year - Collection Fund Surplus		These are known adjustments based on the assumptions set out above concerning the year on year change in the collection fund position
Inflation - Employee Costs (including annual review adjustments)		2018/19 and 2019/20 reflects the significant / adverse impact from the recent pay settlement, which includes significant increases on the lower pay scales across the Council. It could be argued that such increases reflect the years of previous pay restraint which may see only modest inflationary rises in 2020/21 and beyond. Annual increases of 1% have been included in these later years of the forecast which compares with 1.5% initially included last year.
Inflation - Other		Although the Government's target inflation is 2%, this is a long term target which will inevitably see fluctuations over short financial cycles. However 2% remains the basis for calculating an inflationary allowance given the longer term nature of the current forecast.
First / Second / Third year impact of PFH WP Savings		These are known adjustments which will be delivered in total but is recognised that the timing may differ to that originally anticipated which will be reflected in the forecast.
LCTS Grant To Parish Council's		These are known adjustments based on the Council's agreed policy of reducing support in line with it's own reduction in Government funding. The Government have raised the issue of Councils not passporting on the relevant funding which may require the existing policy to be revisited but this is only a limited risk.
Specific change in Use of Reserves		Changes in the use of reserves primarily reflect other changes elsewhere in the budget/ forecast so are not a significant risk in isolation. One reserve that will be 'exhausted' by the end of 2019/20 is the homelessness reserve which will require a corresponding adjustment to the expenditure that this reserve is currently supporting to ensure there is no net impact on the budget. This will have to be reviewed in light of the on-going pressure on the delivery of homeless services and prevention activities.

Relevant line of the Forecast	RAG Assessment of Risk	Comments
On-going savings required		This line of the budget fundamentally acts as the 'safety valve' for other changes elsewhere in the forecast and would need to be increased if adverse issues were experienced or estimates were not in line with predictions. Based on the improved overall position set out in the revised forecast, there is flexibility in the delivery of such savings over the life of the forecast. However it is important that on-going savings are secured to meet the amounts set out in the forecast.
Unmitigated Cost Pressures		<p>It is recognised that of the various lines of the forecast, this presents the highest risk, with on-going revenue items being the most difficult items to deal with. Although one-off items, such as those associated with repairing / refurbishing assets could also have a significant impact on the forecast, one-off funding is available elsewhere in the budget to support these costs which therefore changes the risk.</p> <p>One of the most significant risk within this line of the budget relates to external income, especially from elsewhere in the public sector where similar financial pressures are being experienced. Such items include the funding from the major preceptors in respect of the Council Tax Sharing agreement, which totals over £800k each year and is subject to annual review.</p> <p>To support the management of risks, the Council continues to resist using one-off money to support the on-going base budget such as the New Homes Bonus.</p>



## RESOURCES AND SERVICES COMMITTEE

17 SEPTEMBER 2018

### REPORT OF DEPUTY CHIEF EXECUTIVE

#### **A.2 PERFORMANCE REPORT APRIL 2018 – JUNE 2018 (QUARTER 1)**

*(Report prepared by Anastasia Simpson & Katie Wilkins)*

#### **PART 1 – KEY INFORMATION**

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

To present the Performance Report 2018/19 (*Resources & Services*) for the period April – June 2018 (Q1).

##### **EXECUTIVE SUMMARY**

The Performance Report sets out the detailed actions and targets for the delivery of the Council's priorities for the coming year that relate to resourcing and delivery of services.

The Performance Report includes both the Corporate Plan and Priorities and Projects 2018/19.

Of the 18 indicators and projects where performance is measured, the first quarter's position demonstrates that 14 (78%) are on, or above, their expected target and 4 (22%) are not currently in line with the expected performance.

This report was presented to members of Cabinet (Appendix B) on the 14<sup>th</sup> September 2018. Any feedback from the Resources and Services Committee will be presented to a future meeting of the Cabinet as a separate reference report.

##### **TRANSFORMING TENDRING**

At the end of June, statutory consents had been obtained in respect of work at Pier Avenue and Barnes House. Work started on the internal refurbishment of the Council Tax Building on 25 June 2018 with staff decanted to the first floor and a temporary reception created at the Town Hall.

Work on customer service portal and on printing and postal initiatives continues generally on schedule although a minor technical issue within the printing element caused some delay. Work on the backscanning of old records is complete at the Pier Avenue sites and has moved on to the Town Hall and Weeley campuses. Throughout the Council staff are encouraged to consider processes and streamlining of paperwork and archiving in preparation for new working methods.

IT consultants continue to develop designs for a replacement network and Direct Access is replacing Citrix on a phased team by team basis.

The HR team are developing training programmes and preparing for the updating of internal rules and procedures to support flexible working.

<b>RECOMMENDATION</b>
That the Resources and Services Committee notes the Council's Performance Report for the period April – June 2018 (Q1) and determines whether it has any comments or recommendations to put forward to Cabinet.
<b>DELIVERING PRIORITIES</b>
The report shows the high-level projects that are being undertaken to deliver key objectives for the Council. The Performance Indicators show key areas of performance in detail, how each is progressing, along with charts and tables to present the ongoing position.
<b>FINANCE, OTHER RESOURCES AND RISK</b>
<p><b>Resources</b> The priorities highlighted within the Performance Report for the period April - June 2018 (Q1) can be delivered within the Council's existing budgets.</p> <p><b>Risk</b> These priorities are all within the current TDC risk framework.</p>
<b>LEGAL</b>
The actions proposed in this report are within the Council's legal powers.
<b>OTHER IMPLICATIONS</b>
None.
<b>APPENDICES</b>
<p><b>Appendix A: Performance Report (Resources and Services) April – June 2018 (Q1).</b></p> <p><b>Appendix B: Cabinet Report (14<sup>th</sup> September 2018).</b></p>

# PERFORMANCE REPORT

(RESOURCES AND SERVICES)

Q1 JUNE 2018

APPENDIX A

Page 59

# Introduction

The following pages include the Council's Corporate Plan 2016 - 2020 and Tendring District Council's Priorities and Projects 2018/19. There is a clear link between the aspirations, detailed in the Plan, and Priorities and Projects noted. Furthermore, this performance report details our performance against these key projects and targets, as well as headline performance in dealing with complaints and our staff's absence rate. Projects and Performance Indicator targets sit under the following headings:-

## PROJECTS

	Council and Community		Health and Housing		Employment and Enjoyment
✓	<u>Transforming the way we work</u> Page 4, 5 & 6	✓	<u>Holland Haven and Seafront Opportunities</u> Page 8	!	<u>Local Plan</u> Page 12
!	<u>Property Management</u> Page 7	✓	<u>Jaywick Regeneration and Renaissance</u> Page 9	!	<u>Harwich and Dovercourt Public Realm</u> Page 13
Page 60		✓	<u>Cliff Stabilisation (Protecting our Coastline)</u> Page 10	✓	<u>Economic Development Delivery</u> Page 14
		✓	<u>Venetian Bridge</u> Page 11	✓	<u>Maximising Tourism and Leisure Opportunities</u> Page 15 & 16
				!	<u>Garden Community</u> Page 17
				✓	<u>Waste Recycling and Street Cleaning Contract Renewal</u> Page 18

## TARGETS

↑	<u>Fly Tipping</u> Page 19		Miscellaneous Indicators
↑	<u>Missed Bins</u> Page 20	-	<u>Sickness and Authorised Covert Surveillance (Influencing)</u> Page 22
	<u>Recycling Rate</u> Page 20	✓	<u>Complaints</u> Page 23 & 24
↑	<u>Handling of Planning Applications</u> Page 21		
↑	<u>5 Year Housing Land Supply Approvals</u> Page 21		

### Current Position

On each project and target, a colour icon is placed as a quick visual identifier regarding the current position.

Above target	↑
On target	✓
Below target	!

# Corporate Plan 2016-2020

## Our Council Our Community

What we will achieve:

- Deliver high quality affordable services
- Balance our budget
- Good governance
- Transform the way we work
- Make the most of our assets
- Engagement with the community
- Support the vulnerable
- Support rural communities
- Effective partnership working

## Health and Housing

What we will achieve:

- Promote healthier lifestyles and wellbeing
- Support improved community health
- Deliver a quality living environment
- Local regeneration
- Council house building

# Community Leadership

## Employment and Enjoyment

What we will achieve:

- Support business growth
- Enable better job prospects
- Facilitate improved qualification and skills attainment
- First rate leisure facilities
- Attractive events programme

## Our Vision

To put community leadership at the heart of everything we do through delivery of high quality, affordable services and working positively with others.

## Our Values

- Councillors and staff uphold **personal integrity, honesty** and **respect** for others
- **Innovative, flexible, professional** staff **committed** to delivering excellence
- Recognising the **diversity** and **equality** of individuals
- Working **collaboratively**

## Our Challenges

- Poor health
- Pockets of high unemployment
- Low economic activity
- Reducing budgets while delivering key services
- Poor infrastructure

## Our Opportunities

- Clear vision for economic growth and prosperity
- Our coast
- Tourism, culture and sport
- Sea, road and rail connectivity



# Our Priorities & Projects 2018/19

## Chief Executive

- Strategic lead and corporate interface
- External and partnership engagement
- Essex wide board leadership
- Strategic finance
- Community Safety Hub

## Deputy Chief Executive (Corporate Services)

- Transforming the way we work
- Digital
- Customer experience
- Office Accommodation
- People
- Finance
- Deliver 10 year Financial Strategy
- Capital Strategy / profiling
- Management of financial risks
- Governance
- Effective financial management
- Development of programme and project management
- Information security

## Corporate Director (Operational Services)

- Jaywick Sands regeneration and renaissance
- Revised and updated Housing Strategy
- Waste, recycling and street sweeping contract renewal
- Cliff stabilisation
- Complete repairs to the Venetian Bridge
- Produce a long term sustainable scheme around Sport England grant funding
- Contribute to Mayflower 400 commemorations

## Corporate Director (Planning and Regeneration)

- North Essex Garden Communities
- Local Plan
- Ensure delivery of improved Broadband coverage
- Effective outcomes from the Corporate Enforcement Group
- Lobby for road and rail crossing improvements at Manningtree
- Strategy and plan for Harwich and Dovercourt public realm
- Holland Haven and seafront opportunities
- Economic Growth

## Community Leadership

- Delivery of high quality, affordable services
- Working positively with others - including partnership working on education, health, community safety and housing

# Transforming the way we work (Council and Community)

*“Deliver the agreed elements of the Transformation Programme relating to office accommodation, digital transformation, customer service and people effectively, on time, on quality and on budget.”*

Martyn Knappett – **Deputy Chief Executive**

Finance and Corporate Resources Portfolio Holder

On  
Target

## Office Accommodation

Milestones	Current Position	To be Completed
Westleigh House site in use as car park.	Tenders for demolition work are being prepared. Demolition of adjoining redundant public convenience to be added. Tracing of services is causing some initial delay.	Nov 18
Pier Avenue refurbishment complete.	Planning Permission and Building Control Consent have been gained. Work on site started on 25 June 18.	Dec 18
Barnes House extension complete.	Planning permission has been granted. Tender documents are being prepared.	Apr 19

## Customer Experience

Milestones	Current Position	To be Completed
Access to the Print and Post Hub as a default print facility to enable a complete support service for all print and post requirements.	IT have not been able to find a solution with Xerox so will now approach all 'bulk users' in order to add the link directly to their computer.	Complete May 18
Close Pier Avenue reception and relocate to the Town Hall.	The Contact Centre moved to the first floor on 19 June 18 and Revenues and Benefits Service moved their reception to the Town Hall on 25 June 18.	Complete May 18
Review service needs and create a roadmap for the digitisation of processes with consultants.	Scoping sessions completed. Consultants to recommend software and roadmap during July 18.	Jul 18
Self serve portal online and first services available to Customers.	Work due to begin on portal once software is purchased.	Oct 18
Amalgamation of the contact centre/switchboard, building repairs/housing reception and the admin function within Environmental to create a Customer Service Team.	Schematic created for possible structure of team. New job descriptions and job evaluations need to be written before report to Management Team.	Dec 18
Back scanning and secure disposal of existing documentation.	Careline and Licensing team completed. Revenues and Council Tax also now completed. Moving on to Housing. Planning underway.	Jul 19

# Transforming the way we work (Council and Community)

[Back to Top](#)

*“Deliver the agreed elements of the Transformation Programme relating to office accommodation, digital transformation, customer service and people effectively, on time, on quality and on budget.”*

Martyn Knappett – **Deputy Chief Executive**

Finance and Corporate Resources Portfolio Holder

On  
Target

People		
Milestones	Current Position	To be Completed
‘Transformation’ training programme to be drafted and agreed by Project Board. This will be based on training priorities identified by Managers and Officers.	The Organisational Development Manager has developed a training plan which was presented to the Board at the June meeting. Further in-depth discussions will be taking place at the July meeting.	Aug 18
Manager training programme to be delivered across the organisation.	As above.	Dec 18
Staff training programme to be delivered across organisation.	As above.	Mar 19
‘Transformation’ Communications Plan to be agreed by Project Board to ensure effective communication with Public/Officers and Councillors.	Communication plan was presented to the Transformation Board on 21 May 18. Completed	Jul 18
IIP Gold Accreditation Re-assessment.	Initial assessment briefing meeting with the Lead Assessor: 7 June 18. Feedback from the Lead Assessor is that the Council is on track for re-assessment at Gold level in December 18. Scoping meeting for the full re-assessment process to take place in October 18.	Dec 18
Equality Impact Assessments (EQIA) prepared across services.	Review of current practices is ongoing. Work continues on benchmarking against the National Inclusion Standards and following this review they will be revised and updated.	Aug 18
- Revised policy agreed.		
- Training delivered.	Meeting with Management Team to be arranged to discuss initial ideas for policy updates.	Oct 18
- Equality Impact Assessments prepared and kept under regular review across services.		Dec 18



# Transforming the way we work (Council and Community)

[Back to Top](#)

*“Deliver the agreed elements of the Transformation Programme relating to office accommodation, digital transformation,*

*Martyn Knappett – Deputy Chief Executive*

*Finance and Corporate Resources Portfolio Holder*

On  
Target

Digital

Milestones	Current Position	To be Completed
General Data Protection Regulation (GDPR) compliance achieved against Information Commissioner's Office (ICO) action plan.	Tendring District Council achieved GDPR/ UK Data Protection Regulation 2018 compliance on 25 May 18 as required by legislation. There is work on-going to maintain/ monitor compliance standards through our Information Governance regime.	Complete 25 May 18
Self-service portal procured and technical implementation complete.	Consultants' customer portal solution market re-evaluation of technology offerings during their 're-discovery phase' continues and they will be reporting findings to officers' Senior Managers' Forum on 26 July 18.	TBC - Aug 18
<i>Events App developed (if agreed)</i> . Smartphone App further feasibility work complete and “decision to proceed”.	Following a feed-back session to Management Team and key Heads of Service on 11 June 18 and given the costs and unknown elements/ risks associated with this new media proposal the consultants have been re-tasked with re-evaluating the possible income streams so that a better informed return on investment decision can be made. This is now likely to take place in July 18.	15 Jun 18 *Revised TBC Jul 18
Town Hall & Pier/ Barnes network low level design (cabled & Wi-Fi) completed and implementation commenced.	High Level Design complete and re-cabling costs also received. The Low Level Design is well advanced in accordance with timescales for Pier Avenue works. To support the transformation programme and following a successful technology partnership over the past 12 months, officer's have awarded the corporate network support and maintenance contract to Intergence for a two and a half year period (published decision 26 June 18) on the basis that the incumbent provider BT could not provide the flexibility and fast responses that the programme needs to support staff moves and network changes during this period of flux.	Jul 18
Compliance achieved against Public Services Network (PSN) (audit renewal).	The Council's annual PSN audit documentation was initially submitted on time to the Whitehall National Security Cyber Centre (NCSC) on Wed 12 June 18. Following challenge to the Council's IT Health Check remediation plan (a key element of our annual submission) our PSN submission has been validated and passed to an assessor for detailed inspection. Work remains on-going to complete our action plan by due dates.	Jul 18
Website integration with new customer portal completion.	Being programmed currently.	Aug 18
Customer Portal integration with IDOX, Northgate and E Payment systems.	Not yet scheduled.	Dec 18
Cyber awareness training and security initiatives.	Members and officers have received cyber awareness training. Video training being disseminated. Work on-going. Members may wish to note that for the first time ever our recent PSN IT Health Check found no 'critical' nor 'high' weaknesses from an external attack perspective but did identify some 'high' cyber security risks from an internal perspective that we are remediating.	Mar 19
Cloud migration programme planning complete & 40% of services migrated.	Contractor investigating IT migration priorities before bringing forward programme.	Apr 19

# Property Management (Council and Community)

[Back to Top](#)



*“Strategic management of the Council’s land assets.”*

Martyn Knappett – **Deputy Chief Executive**

Finance and Corporate Resources Portfolio

**Delivery Mechanism:** The team will be seeking to take forward the management acquisition of property with a more strategic commercial focus in order to address community needs and the Council wide financial position.

**Update:** This month’s progress comments are noted next to each individual milestone in the table below.

Milestones	Current Position	To be Completed
Secure the construction and use of the new sports facilities at Eastcliff, Holland on Sea.	Completed. Building handed over to tenant on 18 May 18. Some external work remains to be completed as the pitch establishes during the growing season. Formal opening to be held by the Club in July 18.	Complete 18 May 18
Disposal initiative to identify £1m of further asset disposals.	Planning application in respect of first site is currently pending. Long list of potential properties completed. Reports in respect of initial tranche of 10 further sites in preparation for formal decision.	Jun 18
<i>Review stock take in the light of the Property Strategy:</i> <ul style="list-style-type: none"> <li>Issue updated list of properties to service units.</li> <li>Provide “Asset Challenge” call for identification of properties no longer required by service units.</li> </ul>	Drafting completed. Accompanying notes are being prepared.  Request and guidance on management to be issued together with listing above.	Jun 18  Sep 18
Complete action plans for the disposal of poor quality sites at Main Road, Dovercourt and Station Yard, Walton.	Main Road site is currently being considered by a public sector partner: currently investigating feasibility. Portfolio Holder has report on Station Yard, Walton proposing to discontinue freehold disposal consideration in the light of difficulties and increasing car park demand.	Nov 18  Jun/Jul 18

**Exception:** Elements of these actions are around a month behind schedule although early work on one disposal is ahead of schedule. Officers will reprioritise some other work items in order to refocus resources.

# Holland Haven and Seafront Opportunities

## (Health and Housing)

On  
Target

*“Explore potential Holland Haven and Seafront Opportunities”.*

Ewan Green – **Corporate Director**

*Investment and Growth Portfolio Holder*

**Delivery Mechanism:** Commission study and present options for Members to consider.

**Update:** Site visit undertaken. Constraints map in development. Project Team meeting to discuss constraints and development opportunities taken place. More detailed work now in progress.

Page 67

Milestones	Current Position	To be Completed
Initial project scope (PID) developed and project team in place.	Preliminary investigative work underway, constraints map nearing completion.	Jun 18
Identify a longlist of potential projects and opportunities.	On-going.	Jun 18
Projects developed to outline stage.		Oct 18
Place Plan completed for Cabinet consideration.		Dec 18

# Jaywick Sands Regeneration and Renaissance

## (Health and Housing)

On  
Target

*"To increase the stock of new affordable/Council homes."*

Paul Price – **Corporate Director**

Housing Portfolio Holder

**Delivery Mechanism:** Bring forward at least one development at Jaywick. Work with Essex County Council (ECC) and other potential partners to develop options for residential and other development. Develop options for consideration to establish a housing company to facilitate development. Work with Planning to develop urban design layout.

**Update:** Jaywick Stakeholder Forum organised for June 18 to agree appropriate approach to funding and Development vehicle/mechanism.

Milestones	Current Position	To be Completed
Commence development of one of the three identified preferred development sites and construct 10 houses.	Site has been cleared and top stripped. UK Power Network have removed poles. Tenders being sought for base for sub station.	Complete Apr 18  Aug 18
Development vehicle/mechanism agreed.	Work continues to develop vehicle/mechanism. Work is now underway on developing an Investor/Developer Prospectus whilst parallel discussions take place with a Development Manager and other potential development partners on smaller scale developments.	May 18 *Revised Jun 18
Identify funding mechanisms.	As above.	On-going
Work with Jaywick Sands Renewal Advisory Panel (JSRAP) and Coastal Community Team (CCT) to develop project plan.	On-going. This is on hold pending the development of the prospectus - being produced in collaboration with a legal company and national housing consultancy.	Jul 18
Develop local lettings and sales plans for first 10 units.	On-going. New Policy/Strategy manager commences work 9 July 18 and will focus on this piece of work.	Jul 18
Place Plan and Infrastructure Assessment completed.	On target - procurement exercise May 18.	Oct 18

# Cliff Stabilisation (Protecting our Coastline)

## (Health and Housing)

[Back to Top](#)

On  
Target

*“To protect 5km of coastline and 3,019 properties and businesses from coastal erosion for the next 100 years.”*

Paul Price – **Corporate Director**

Leisure and Tourism Portfolio Holder

**Delivery Mechanism:** Appoint consultant, via Environment Agency’s Government led framework, to undertake ground stabilisation works to a section of coastal fringe along Holland on Sea (stabilise ground re-profiling and installing drainage), also protecting coast road and residential properties.

**Update:** This month’s progress comments are noted next to each individual milestone in the table below.

Milestones	Current Position	To be Completed
Tender period.	Updated tenders were received by 11 May 18.	Deadline 9 Apr 18 Complete *Revised 11 May 18
Tender evaluation.	Tenders Evaluation has been carried out by the panel. The evaluation model is the ratio of price (60%) and quality (40%) and Jackson Hyder was identified as the preferred supplier.	Complete May 18
Appointment of contractor.	Letter of intent sent to contractor on 4 June 18. Contractor was appointed 4 June 18.	Complete Jun 18
Planning permission approval.	Natural England requested an extension of time to resound to the Planning Application, as they are a statutory consultee the extension of time was given. Planning Permission was granted 28 June 18.	Complete Jun 18
Start of contract.	Contract started on 4 June 18.	Complete Jun 18
Translocation of reptiles.	Translocation completed, now in the monitoring stage.	Complete Jun 18
Start of construction on site.	Construction work is programmed to start on the 28 August 18, this will allow the beach hut to be accessed and promenade to be open for the air show and the contractor to carry out the relevant surveys.	Jul 18
Completion of priority area 1.	The Contractor has programmed to construct phase 1 and 2 together and they are both due for completion June 19.	Nov 18

# Venetian Bridge (Health and Housing)

[Back to Top](#)

**“Complete repairs to Venetian Bridge.”**

Paul Price – **Corporate Director**

*Leisure and Tourism Portfolio Holder*


On  
Target

**Delivery Mechanism:** Working with contractors to deliver the necessary repairs and improvements.

**Update:** This month's progress comments are noted next to each individual milestone in the table below.

Milestones	Current Position	To be Completed
Undertake concrete and reinforcement stabilisation works to the bridge to prevent concrete spall and make bridge structurally safe.	The works are substantially complete, there is some minor snagging work to be completed.	Complete 31 May 18

# Local Plan (Employment and Enjoyment)



Behind  
Target

*“Ensure a robust Local Plan is adopted within the timeframe stipulated.”*

Ewan Green – **Corporate Director**

Corporate Enforcement Portfolio Holder

**Delivery Mechanism:** The timetable will coincide with that of Colchester Borough Council and Braintree District Council, as far as possible, to support the Council's duty to co-operate.

**Update:** Examination in Public (EIP) of Section 1 of the Local Plan has been completed. A letter was sent to the North Essex Authorities (NEA's) by the Inspector on 8 June 18. It set out the further steps that he considers necessary in order for the Section 1 Plan to be made sound and legally compliant. He also sets out 3 options for progressing this work which the NEA's are currently considering. The need to provide this additional evidence will result in some delay to the programme to adopt the Local Plan. On 27 June 18 the EIP Inspector sent a letter to the NEA's dealing with Chapter 4 of the Plan, meeting the need for new homes. Having considered recently published 2016-based sub-national population projections, as well as evidence discussed during the EIP, he has concluded that the housing requirement figures for each of the NEA's set out in the submitted policy SP3 represent objectively assessed housing needed. This figure for Tendring is 550 dwellings per annum.

Milestones	Current Position	To be Completed
Section 1 Examination Public Outcome (Joint plan with Braintree and Colchester).	Inspector's report received June 18	Complete Jun 18
Section 2 Examination in Public (Tendring sites specific).	Behind.	Oct 18
Local Plan adopted.	Behind.	Mar 19

# Harwich and Dovercourt Public Realm

## (Employment and Enjoyment)

*“Strategy and plan for Harwich and Dovercourt public realm.”*

Behind  
Target

Ewan Green – **Corporate Director**

*Investment and Growth Portfolio Holder*

**Delivery Mechanism:** Project options to be developed via appointed ‘Design’ team.

**Update:** Urban Initiatives Studio (UIS) have been appointed to refresh the Council's Dovercourt Masterplan (Dovercourt Rediscovered) and to bring forward development scenarios for the Starlings site and Milton Road Carpark. Consultants have completed their baseline analysis and have prepared four costed design solutions for the two sites identified. this concludes Modules One and Two of the Four Module commission. UIS and the Client Team has identified one additional and previously unspecified work, which needs to be undertaken to further inform this work. Proposals to be presented to Management Team and ICAB. The next phase of work will include public consultation the format of which will be discussed with Management Team and ICAB to secure corporate guidance.

Milestones	Current Position	To be Completed
Detailed project proposals completed.	Consultants appointed. Development scenarios prepared and costed. Public consultation to be scheduled in consultation with Management Team and ICAB.	Jun 18
Delivery plan agreed by Cabinet.	To be determined. This will be informed by the work of the Council's external professional team (Urban Initiatives Studio).	Jul 18
Project site start.	Dependant on Above.	Jan 19
Project completion.	Dependant on Above.	Mar 20



# Economic Development Delivery

[Back to Top](#)

## (Employment and Enjoyment)

*“To deliver against the objectives of the Council’s Economic Development Strategy. The Council’s approach focuses on the development and delivery of projects already in the pipeline and on those linked to the opportunities afforded by: Offshore Renewables in Harwich; the A120 Growth Corridor; and links with the University of Essex and it’s Knowledge Gateway.”*

Ewan Green – **Corporate Director**

Investment and Growth Portfolio Holder

On  
Target

**Delivery Mechanism:** Projects and other interventions will be developed and delivered in-house and in partnership with the Council’s key public and private sector partners.

**Update:** Consultants (Black Radley Limited) have been appointed to prepare a Creative and Cultural Strategy for Tendring, focussed on business growth and job creation. Consultants have prepared a baseline assessment and have staged a range of consultation events to inform their work. Consultants have submitted their 1st draft strategy for the Client Team’s initial commentary.

Milestones	Current Position	To be Completed
Complete and launch Creative Cultural Strategy.	Baseline assessment undertaken. Consultation has taken place. First draft of strategy submitted for Client Team scrutiny.	Oct 18
Support 10 businesses through the Small Medium Enterprise Growth Fund programme.	Programme extended by Cabinet in April 18. Work to update the scheme’s procedure manual and associated marketing collateral is underway. Expressions of interest received from new applicants.	Mar 19

# Maximising Tourism and Leisure Opportunities

[Back to Top](#)

## (Employment and Enjoyment)

*“To deliver our key events to a high standard, working with partners to showcase the District and encourage tourism and inward investment. These high-profile events should contribute towards the Council’s aspiration to stage a year round tourism programme.”*



**Delivery Mechanism:** The Clacton Air Show will be delivered by the Council’s Tourism and Events Team, with support from our partners in the emergency services and private and voluntary sectors. Tendring are the primary organiser of the Tour de Tendring. The Mayflower 400 will involve working with private and voluntary sector partners, together with the other key destinations involved in the Mayflower story.

**Update:** This month’s progress comments are noted next to each individual milestone in the table below.

Milestones	Current Position	To be Completed
Mayflower 400: Series of events and projects to build up to the celebrations in 2020, including:- - Agree projects and events for Mayflower 400. - Develop, with the Harwich Society, an interactive exhibition venue. - Finalise proposals and present Mayflower 400 report for consideration by Cabinet by May 18. - Deliver Illuminate Festival by November 18. - Work with partners to finalise the Harwich Mayflower Trail and a high quality physical tourism product by March 19.	The report and accompanying action plan are complete and ready to present for consideration. As some of the projects are still commercially sensitive, the submission date for Cabinet is now anticipated for August 18, which is a month later than was anticipated. This was due to negotiations on specific projects which were not progressed enough to allow a report to be brought forward. In partnership with the national Mayflower Compact, a significant number of US journalists have visited and are scheduled to visit Harwich, to review the tourism offer. To date, all reviews have been very positive.	May 18 Nov 18 Mar 19
Tour de Tendring.	The Tour de Tendring (TDT) took place on 13 May 18 and the event ran smoothly. The peripheral entertainment was scaled back for this year, as it has not been a feature for participants in recent years. The exact number of cyclists is not yet known, but it is anticipated that is down on the previous year.	Complete May 18
Beside the Seaside.	The Harwich Festival Team are once again leading on the Beside the Seaside Events. There will be more of a focus on trade stands this year, to add value to the event. The live music programme, which is a key feature has started to be announced as the event dates get closer. The events will take place in July 18 in Clacton and August 18 at Dovercourt Bay. The Council is also working with the Frinton Beach Hut Association and other community groups for an event to take place in Frinton in July, under the Beside the Seaside banner.	July 18 & Aug 18

# Maximising Tourism and Leisure Opportunities

## Continued...

[Back to Top](#)



## (Employment and Enjoyment)

*“To deliver our key events to a high standard, working with partners to showcase the District and encourage tourism and inward investment. These high-profile events should contribute towards the Council’s aspiration to stage a year round tourism programme.”*

Paul Price – **Corporate Director**

Leisure and Tourism Portfolio Holder

**Delivery Mechanism:** The Clacton Air Show will be delivered by the Council’s Tourism and Events Team, with support from our partners in the emergency services and private and voluntary sectors. Tendring are the primary organiser of the Tour de Tendring. The Mayflower 400 will involve working with private and voluntary sector partners, together with the other key destinations involved in the Mayflower story.

**Update:** This month’s progress comments are noted next to each individual milestone in the table below.

Milestones	Current Position	To be Completed
Clacton Air Show, with a theme relating to the 100 <sup>th</sup> anniversary of the end of WW1.	The first three planning meetings for the 2018 event have now taken place with multi agency partners. The Red Arrows have been confirmed for both days, as have the Great War Display Team who will commemorate the 100th anniversary of WW1. Trade stand space continues to be a positive feature in planning, where as sponsorship continues to be challenging to attract. There will be a continued focus on security and adaptations for Civil Aviation Authority (CAA) recommendations. The evening flights are being progressed and further announcements will be made in the coming weeks about the exciting dusk line up.	Aug 18
District Wide Tourism Strategy.	The tourism strategy is largely complete in draft form and will be presented for initial consideration in summer 18. The final strategy will be subject to consultation.	TBC
Princes Theatre - Delivery of Annual Pantomime. - Deliver two events/exhibitions. - Work towards continual service Improvements of the Theatre under a regime of self sufficiency and impact on the local tourism offer. - Replacement of the main Princes Theatre PA system.	In June the theatre has hosted: 5 x Professional Shows 3 x Large Private Hires 2 x Hires from local amateur performing groups 1 x Staff Benefits event Chorus auditions for local youths taken place for dancers and actors in Pantomime In addition the following has occurred: Celebrity announced for Panto (Marcus Collins) Contractor chosen for Theatre PA and work is scheduled to commence in August 18.	Dec 18 Aug 18

# Garden Community (Employment and Enjoyment)

*“Innovative joint work with Colchester Borough Council (CBC), Braintree District Council (BDC) and Essex County Council (ECC) to develop a number of communities in North Essex based on Garden City principles.”*

Ewan Green – **Corporate Director**

Leader

**Behind  
Target**

**Delivery Mechanism:** Selection of locations to be part of the Local Plan process. The Leader (supported by the Chief Executive) sits on North Essex Garden Communities Ltd board (NEGC). The Corporate Director and Head of Planning Services sit on senior officer Steering Group and Legal, Finance and Planning Officers participating in topic work streams. Close collaboration on Local Plan process re Garden Communities approach. A shared Chapter 1 of the Plan and specific requirements of any proposed Garden Community proposals across North Essex agreed by each Council. NEGC Ltd has formed Local Delivery Vehicles to progress each Garden Community Area allocated in the Local Plan (although potential Development Corporation could change the role of the LDVs).

**Update:** This month’s progress comments are noted next to each individual milestone in the table below.

Milestones	Current Position	To be Completed
Council approval of North Essex Garden Communities Ltd Business Plan.	NEGC Ltd has developed draft Business Plan and this will be the subject of a report to Cabinet in September 18.	Jun 18
Work with partners to develop a proposition and mandate for a North Essex Garden Communities Development Corporation.	Dialogue and engagement between LA partners, NEGC Ltd and Government is ongoing. LA partners are working through a range of related issues in order to inform a draft proposition for future consideration of Members.	Dec 18
Work with partners to develop a detailed proposal for A120 / A133 Link Road for submission to Government.	Initial application for Housing Infrastructure Fund (HIF) support has been approved and TDC now working with ECC (project lead) on the preparation of detailed proposals and costings.	Nov 18
Land Negotiations.	On-going.	On-going
Continue to engage with communities as part of the on-going process for the preparation of Development Plans.	Work on development plan documents for the garden communities will be programmed to follow gathering further evidence about the garden communities proposals in Section 1 of the Local Plan that has been requested by the EIP Inspector.	On-going

# Waste, Recycling and Street Sweeping Contract Renewal (Employment and Enjoyment)

*“Extend and vary existing contract to commence variation of contract service from Summer 2019.”*

Paul Price – **Corporate Director**

Portfolio Holder for Environment



**Delivery Mechanism:** Work with contractor to deliver contract variation and service improvements.

**Update:** This month's progress comments are noted next to each individual milestone in the table below.

P a u l P r i c e 7 7	Milestones	Current Position	To be Completed
	Extension and variation documents to be confirmed by TDC and agreed by Veolia.	2nd meeting with White Young Green and Head of Governance and Legal Services, taken place with draft documents sent to Veolia for comment. Works on street sweeping change notice in progress. On target for October 18.	Oct 18
	Completed negotiations and contract signed.	Head of Governance and Legal Services, is finalising existing contracts for sign off by Veolia following which will complete variation and extension documents. On target for December 18.	Dec 18
	Procurement of wheeled bins for roll out (dependent upon agreement of extension of contract).	Further competition template has been sent to all suppliers within the framework. Deadline for tender returns is 10 August 18 with anticipated award date of October 18.	Jul 19

## Fly Tipping (Health and Housing)

### Monthly Performance Data



ECC have agreed to cover the additional costs incurred by WCAs in clearing fly-tips, which can be directly attributed to the recent operational changes at the sites'. In providing this support there is an expectation that if increases are noted the WCA will work with ECC to make the necessary investigations and take action against the perpetrators.

[illegible]

# Missed Bin Collection

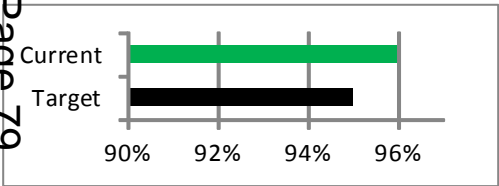
## (Health and Housing)

To ensure that 95% of missed bins are collected within 24 hours of being

With approximately 65,000 homes in Tendring, and each property having two bins collected per week, there is over half a million bins collected per month in Tendring.

### Monthly Performance Data

Page 79



Ahead  
of  
Target

Month	A	M	J	J	A	S	O	N	D	J	F	M
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Performance	97%	98%	96%									

### Details for missed collections:

Refuse 94.3%, Food 97.5% Green box 97.8% Red box 95.8%

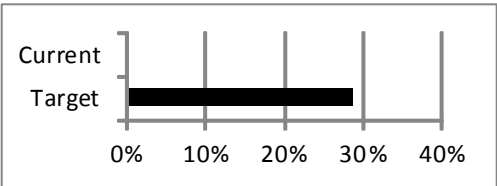
# Recycling Rate

## (Health and Housing)

Ensure that waste and recycling is disposed of in the most environmental and economically advantageous manner with 29% of household waste sent for reuse, recycling or composting.

Subject to 1 month delay.

### Monthly Performance Data



Mon th	F	M	A	M	J	J	A	S	O	N	D	J	F	M
Tar get (%)	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Per form ance	25.6%	23.3%	No data	No Data	No Data									

Recycling data currently being entered by ECC as migrating on to a new system and resulting in delay in access to data. February and March recycling data low as a consequence of the snow and Beast from the East disruption. Garden waste tonnage is typically low which also affects the overall recycling rate.

# Handling of Planning Applications

## (Health and Housing)

Ahead  
of  
Target

Handling of Planning Applications : Speed			
To ensure that the following types of planning application are processed during the assessment period as follows:			
<b>2019 Assessment Period (01.10.16 - 30.09.18)</b>			
<b>Major 50% within 13 weeks</b>		<b>Non-Major 65% within 8 weeks</b>	
Major	74.01%	Non-Major	90.87%
<b>2020 Assessment Period (01.10.17 - 30.09.19)</b>			
<b>Major 60% within 13 weeks</b>		<b>Non-Major 70% within 8 weeks</b>	
Major	86.79%	Non-Major	91.27%
Handling of Planning Applications : Quality			
Decisions Overturned On Appeal.			
<b>2020 Assessment Period (01.04.17 - 31.03.19)</b>			
<b>Major &lt;10%</b>		<b>Non-Major &lt;10%</b>	
Major	3.20%	Non-Major	1.66%

### 5 YEAR HOUSING SUPPLY

The Council can demonstrate a 5.45 year supply of deliverable housing land based on an Objectively Assessed Need (OAN) of 550 dwellings per annum and a 6.79 year supply based on an OAN of 480. In both scenarios, the Council is able to demonstrate a five year supply of deliverable housing land.

Note : This figure is updated monthly but some information that contributes to the calculation is only available periodically and so the figure may not be wholly accurate.



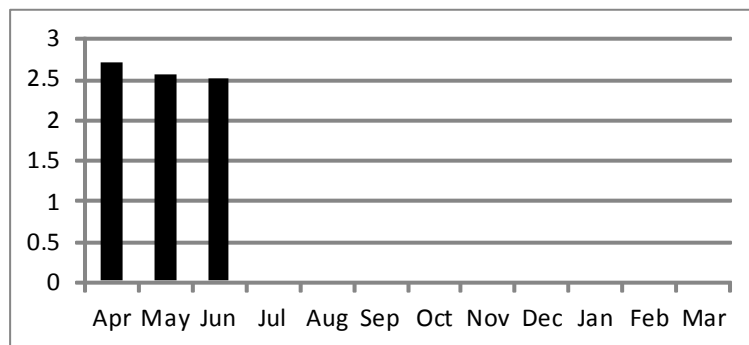
# Sickness (Council and Community)

To measure the sickness absence rate of the Council. **Objective:** To measure the rate of sickness absence at TDC.

Mth	S/T	L/T
Apr	2.69	7.39
May	2.56	8.11
Jun	2.51	8.20
Jul		
Aug		
Sep		
Oct		
Nov		
Dec		
Jan		
Feb		
Mar		

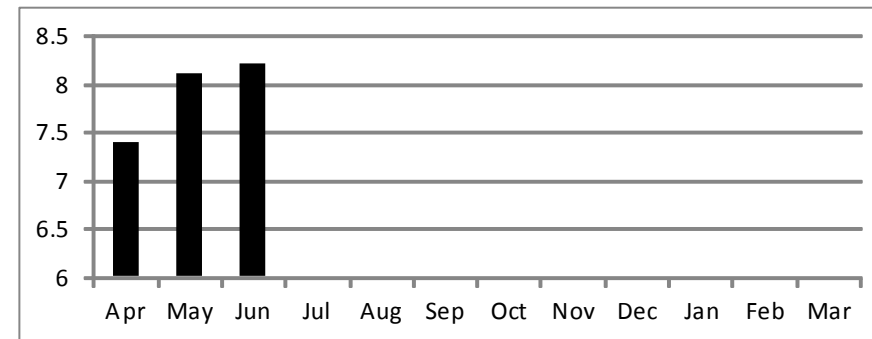
Short-term Sickness Absence

Days Per Employee



Long-term Sickness Absence

Days Per Employee



**Notes:** Data displayed as both Short-Term (under 28 days) & Long Term (28 days & over).

**Notes:** - Staff sickness absence is monitored by the HR Committee, who undertake a detailed analysis of all reported figures.

**The 2016 CIPD (Chartered Institute of Personnel and Development) absence management publication reports national absence levels in Local Government at 10.5 days per employee.**

## Authorised Covert Surveillance (Council and Community)

Record of number of approved surveillances under the Regulation of Investigatory Powers Act 2000 (RIPA). **It is important to note that this does NOT apply to all enforcement activity and therefore, it is likely that nil or low returns will be recorded.** Council officers are in the course of investigating frauds and certain regulatory criminal offences within the district may be required to undertake covert monitoring operations to gather evidence to present to a court. In doing so, those officers must comply with the relevant legislation i.e., the Regulation of Investigatory Powers Act 2000 (RIPA) and the associated regulations and codes of practice. RIPA provides a strict authorisation mechanism for public authorities to undertake covert surveillance in compliance with the [Human Rights Act 1998](#). Lawful interference with Article 8 (right to respect for private and family life) rights is only permissible, if it is necessary and proportionate to do so, therefore can only be undertaken in accordance with the Council's Policy and Procedures, approved by an Authorising Officer and the Magistrates' Court. The Council is required to report the number of authorisations granted on an annually basis to the Office of Surveillance Commissioners.

Type of Surveillance	Number of Approved Authorisations											
	Monthly											
	A	M	J	J	A	S	O	N	D	J	F	M
Directed Surveillance	0	0	0	0								
Covert Human Intelligence Source	0	0	0	0								

# Complaints (Council and Community)

To measure the number of complaints received and handling of them within the prescribed time limits.



**Objective:** To measure the standard of performance in responding to complaints against the TDC standards.

**Target:** 100% within the specified timeframes for each stage of complaint.

## Stage 1 Complaints Performance

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
No.	8	2	6									
% Time	100%	100%	100%									

## Stage 2 Complaints Performance

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
No.	0	0	0									
% Time	100%	100%	100%									

**Notes:** For June 18, it has been reported that there were no Stage 2 complaints. There were two ombudsman complaints, one for Planning and one for Leadership Support.

# Complaints (Council and Community)

To measure the number of complaints received and handling of them within the prescribed time limits.

**Objective:** To measure the standard of performance in responding to complaints against the TDC standards.



## Complaints Summary April 2018 to June 2018.

Q1 April-June	Stage 1	Stage 2	Ombudsman
Governance & Legal			1
Finance, Revenues & Benefits			
Property			
People, Performance & Projects			
IT and Corporate Resilience			
Public Realm	1		
Customer and Commercial			
Sport & Leisure	3		
Housing & Environmental	4		
Building and Engineering	6		
Planning & Regeneration	2		4
Leadership Support & Community			1
<b>Total</b>	<b>16</b>		<b>6</b>

This page is intentionally left blank

## **OVERVIEW AND SCRUTINY PROCEDURE RULE 13 – SCRUTINY OF PROPOSED DECISIONS**

DESCRIPTION OF DECISION	KEY DECISION – YES/NO	DECISION MAKER
Sports Facilities' Wet Side Improvements – Clacton Leisure Centre	YES	Cabinet
Agree terms for the disposal of the Council owned site at Weeley	YES	Cabinet
Tourism Strategy	YES	Cabinet
Potential acquisition of land south of Main Road, Dovercourt	YES	Cabinet
Freehold disposal of a small area of land adjacent to Elmstead Market Car Park	NO	Finance & Corporate Resources Portfolio Holder

This page is intentionally left blank

## RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE

<b><i>Meeting Date</i></b>	<b><i>Topic</i></b>
21 May 2018  <b><u>MEETING HELD</u></b>	<ul style="list-style-type: none"> <li>◆ Performance Report 2017/18 Fourth Quarter and Outturn</li> <li>◆ Deciding the items that will be considered by the Resources and Services Overview and Scrutiny Committee; those should be looked at by a Task and Finish Working Group; and those that should be the subject of an All Member Briefing</li> <li>◆ Deciding the terms of reference etc. for the Task and Finish Working Groups</li> </ul>
2 July 2018  <b><u>MEETING HELD</u></b>	<ul style="list-style-type: none"> <li>◆ Final Budget Position/Finance Update</li> <li>◆ Review of Environmental issues in light of the Waste Contract changes and also Recycling Rates</li> <li>◆ Update on Transformation Project</li> </ul>
30 July 2018  <b><u>MEETING HELD</u></b>	<ul style="list-style-type: none"> <li>◆ Homelessness Provision</li> <li>◆ LGA Action Plan Reference from Cabinet</li> <li>◆ Update on production of a new District wide Tourism Strategy</li> </ul>
17 September 2018	<ul style="list-style-type: none"> <li>◆ Performance Report 2018/19 First Quarter</li> <li>◆ Corporate Budget Monitoring 2018/19 First Quarter (including Initial Financial Baseline Scrutiny)</li> <li>◆ Review of Work Programme 2018/2019</li> </ul>
19 November 2018	<ul style="list-style-type: none"> <li>◆ Performance Report 2018/19 Second Quarter</li> <li>◆ Corporate Budget Monitoring 2018/19 Second Quarter</li> <li>◆ Review of Clacton Air Show 2018</li> <li>◆ Review of the implementation of the new overview and scrutiny arrangements – are they working?</li> </ul>
17 December 2018	<ul style="list-style-type: none"> <li>◆ Initial Budget and Financial Baseline Scrutiny Detailed Review (Chief Officers)</li> </ul>
3 January 2019 (TBC)	<ul style="list-style-type: none"> <li>◆ Initial Budget and Financial Baseline Scrutiny Detailed Review (Portfolio Holders)</li> </ul>
11 February 2019	<ul style="list-style-type: none"> <li>◆ Annual Treasury Strategy Scrutiny</li> <li>◆ Performance Report 2018/19 Third Quarter</li> <li>◆ Review of Beside the Seaside Festivals 2018</li> </ul>
18 March 2019	<ul style="list-style-type: none"> <li>◆ Corporate Budget Monitoring 2018/19 Third Quarter</li> <li>◆ Review the impact of the Public Convenience Strategy and future plans for a charging model.</li> <li>◆ Review of the year and Work Programme for 2019/2020</li> </ul>

