



RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

DATE:	Monday, 14 October 2019
TIME:	7.30 pm
VENUE:	Council Chamber - Council Offices, Thorpe Road, Weeley, CO16 9AJ

MEMBERSHIP:

Councillor M Stephenson (Chairman)	Councillor Codling
Councillor Scott (Vice Chairman)	Councillor Griffiths
Councillor Allen	Councillor Morrison
Councillor Barry	Councillor Turner
Councillor Bray	

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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 Charlotte Cooper on 01255 686463

DATE OF PUBLICATION: Monday, 7 October 2019

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 - 10)

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on 29 July 2019.

3 Declarations of Interest

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

4 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 Recommendations Monitoring Report (Pages 11 - 12)

To present to the Committee the updated Recommendations Monitoring Report, outlining any recommendations the Committee have sent to Cabinet. The Committee is requested to consider the report and determine whether any further action is required on the recommendations submitted.

6 Scrutiny of Proposed Decisions (Pages 13 - 14)

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 those 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.

7 Performance Report Quarter 1 2019/20 (Pages 15 - 48)

To enable the Committee to scrutinise the performance monitoring system and whether it is capturing the right level of data to support delivery of the Corporate Plan and its priorities and projects, and to make recommendations thereon. In addition, to scrutinise whether there is performance, as identified in the monitoring data, that warrants scrutiny of an activity and to determine whether and how that scrutiny should take place; including it as appropriate in the work programme.

8 Review of the Work Programme (Pages 49 - 58)

To present to the Committee a draft detailed Work Programme 2019/20, to consider the detail and ordering of the Work Programme.

9 North Essex Garden Communities Joint Scrutiny Panel

Following from its meeting on 29 July 2019 (minute 15 refers) the Committee will be presented with an oral update regarding the membership, and any other relevant information, of the North Essex Garden Communities Joint Scrutiny Panel.

10 Corporate Plan (Pages 59 - 70)

To enable the Committee to undertake pre-decision scrutiny of the emerging Corporate Plan 2020/24 and Priorities and Projects 2020/21.

11 Corporate Budget and Financial Forecast Monitoring 2019/20 First Quarter (Pages 71 - 122)

To enable the Committee to undertake Scrutiny of the Corporate Budget and Financial Forecast Monitoring 2019/20 First Quarter, with particular attention to the detail as identified in the Work Programme as item 8 of this agenda.

12 Review of the Business Case for the future of publicly owned leisure centres within the District (Pages 123 - 138)

The Councils Corporate Director (Operational Services) and the Head of Leisure and Tourism will be in attendance to present to the Committee the Business Case for the Future of publicly owned leisure centres within the district to enable the Committee to scrutinise this forthcoming decision with respect to the detail identified in the work programme set out as item 8 of this agenda.

To also draw to the Committees attention the Joint Report of the Portfolio Holders for Corporate Finance and Governance and Leisure and Tourism – Business Plan for Clacton Leisure Centre, to be considered by the Cabinet 11 October 2019.

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 Offices, Thorpe Road, Weeley, CO16 9AJ at 7.30 pm on Thursday, 28 November 2019.

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.

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Your calmness and assistance is greatly appreciated.

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**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON MONDAY, 29TH JULY, 2019 AT 7.30 PM
IN THE COUNCIL CHAMBER - COUNCIL OFFICES, THORPE ROAD, WEELEY,
CO16 9AJ**

Present:	Councillors Scott (Vice-Chairman (in the Chair)), Allen, Barry, Bray, Codling, Griffiths and Miles
Also Present:	Councillor Ann Wiggins
In Attendance:	Keith Simmons (Head of Democratic Services and Elections), Richard Barrett (Head of Finance, Revenues and Benefits Services), Ian Taylor (Head of Public Realm), Trevor Mills (Open Space and Transport Manager), Charlotte Cooper (Committee Services Officer)

9. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for Absence were submitted on behalf of Councillors Stephenson (with Councillor Miles as a substitute), Morrison and Turner (with no substitutes).

In the Absence of the Chairman, the Chair was occupied by the Vice-Chairman,

10. MINUTES OF THE LAST MEETING

The minutes of the previous meeting held on 24 June 2019 were approved as a correct record and signed by the Vice-Chairman.

11. DECLARATIONS OF INTEREST

Councillors Allen and Scott each declared as a point of interest that they were members of the Planning Policy and Local Plan Committee.

Councillor Barry later declared that, with regards to consideration of agenda item 6 - Report of the Deputy Chief Executive, A.1 – Financial Outturn 2018/19 and Allocation of the General Fund Variance for the Year, he has a personal interest in respect of the Brightingsea Lido as there was a reference to funding in the report.

Councillors Allen and Miles later declared that with regards to agenda item 6 Report of the Deputy Chief Executive, A.1 – Financial Outturn 2018/19 and Allocation of the General Fund Variance for the Year, they each had a personal interest in respect of Walton Bowls Club which rented property from the Council as there was reference to rental income in the report.

12. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

There were none on this occasion.

13. RECOMMENDATIONS MONITORING REPORT

The Committee recalled that at its previous meeting it was agreed for a new agenda item to be added to all future meetings of the Committee (later called the Recommendations Monitoring Report) whereby a report will be presented outlining the recommendations this Committee has sent to Cabinet/Council and the response of Cabinet/Council to the recommendations.

The Committee had before it the current Recommendations Monitoring Report which set out one item for which this Committee had made recommendations to the Cabinet. The recommendations were from the Committee of 18 March 2019, and concerned the cost to the Council of two empty properties of the Council (Honeycroft and Spendells) and the allocation of funding in respect of costs of homelessness service.

In the discussion of the detail in the report, the following questions were raised concerning the response of the Portfolio Holder at Cabinet on 14 June 2019 (Minute 8 of that meeting refers) to the recommendations from this Committee as referenced above:

- (a) Another large building was mentioned for demolition together with the former Honeycroft sheltered housing scheme although the name of the other large building was not part of the response.
- (b) A proposal from a partner agency for the use of the former Spendells sheltered housing scheme building was mentioned although the name of the partner agency was not part of the response.

Officers agreed to seek answers to the other large property and the partner agency referred to above and to circulate those to Members of the Committee for information.

There was a desire for the Committee to examine the issue of homelessness by including such an item in its work programme. On this basis, Councillor Miles would be invited to attend the Committee's meeting.

The Committee noted the contents of the report.

It was then moved by Councillor Miles, seconded by Councillor Bray and **RESOLVED** to include in the Committee's work programme for 2019/20 the issue of maintenance arrangements for the portfolio of Council buildings.

[Note: Subsequent to the meeting, it was identified that the issue of scrutiny of homelessness was a matter for the Community Leadership Overview and Scrutiny Committee (as provided for by Article 6.02(i) of the Council's Constitution). As such homelessness was not added to the work programme of this Committee.]

14. REPORT OF THE DEPUTY CHIEF EXECUTIVE - A.1 - FINANCIAL OUTTURN 2018/19 AND ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR

The Committee had before it the Report of the Deputy Chief Executive (A.1) which provided it with an overview of the Council's financial outturn for the year 2018/19 and the allocation of the associated General Fund Variance for the year.

It was reported that on 31 May 2019 the Leader considered the Financial Outturn 2018/19 and made the following decision:-

That the Leader of the Council, on behalf of the Finance and Corporate Resources Portfolio Holder:

- (a) Noted the financial outturn position for 2018/19 as set out in the report and appendices;
- (b) Approves the financing of General Fund capital expenditure for 2018/19 as detailed in Appendix D;
- (c) Approves the movement in uncommitted and earmarked General Fund reserves for 2018/19 set out in Appendix E;
- (d) Approves the qualifying carry forwards totalling £18.716m (£9.762m Revenue and £8.954m Capital) as set out in Appendix K;
- (e) Agrees that all other carry forwards totalling £0.790m requested by services be transferred to the relevant earmarked reserve pending consideration by Cabinet at its July 2019 Meeting
- (f) Approves, subject to the above, that the overall General Fund Outturn Variance for the year of £0.843m be transferred to the Revenue Commitments reserve until Cabinet formally considers the allocation of this funding at its July 2019 meeting.
- (g) Approves in respect of the HRA the movement on the HRA balances for 2018/19 including any commitments set out within Appendices H and I along with recharges to the HRA from the General Fund of £2.429m for the year and the financing of the HRA capital expenditure set out in Appendix I; and
- (h) Approves that the Council's Section 151 Officer, in consultation with the Finance and Corporate Resources Portfolio Holder, be authorised to adjust the outturn position for 2018/19 along with any corresponding adjustment to earmarked reserves as a direct result of any recommendations made by the Council's External Auditor during the course of their audit activities relating to the Council's 2018/19 accounts.

It was also reported that on 19 July 2019, Cabinet considered the Outturn 2018/19 and the Proposed Allocation of General Fund Variance for the Year and made the following decision:-

That Cabinet:

- (a) Agrees that of the total of £0.790m requested by services, £0.475m can be retained by them via the associated carry forward requests as set out in Appendix A.
- (b) Approves the allocation of the General Fund Variance for the year of £1.158m as set out in table 1 of the report, of which £0.150m be allocated to a climate emergency budget.

The two officer reports submitted to the Leader and Cabinet referred to above were attached as appendices for the Committee's consideration.

During the discussion of this matter, there was reference to the following in the key departmental variances:

- (a) There had been a lower than budgeted Income from Bring Bank Recycling income – what could be done to improve this and whether the Council's private

sector partner was aware that, it was said, Sweden was looking to import more waste to recycle. The volatile nature of the market in certain recycled materials was reflected to the Committee as a reason why in one year income from certain recycled material was lower than budgeted.

- (b) There had been additional income achieved in the year from that budgeted for in respect of off street car parks – it was therefore disappointing to note that investment in the Walton Car Park had not proceeded.
- (c) The net overspend on Leisure Facilities included a reference to £20k being paid to Brightlingsea Town Council in respect of the transfer of the Brightlingsea Pool – the note did not say what the costs to this Council would have been if the transfer had not occurred; which it was said would have been higher.
- (d) There had been an overspend in defending Planning Appeals – the total cost for defending such appeals in 2018/19 was some £242K and understanding how some of these costs could be avoided in the future was important.

In respect of General Fund Position as at the end of March 2019 in the report in respect of Corporate Services, and specifically ‘Rents Received’, it was noted that there had been income received in excess of the budget in 2018/19 and this drew a number of questions on the charging practices for organisations in Council properties that were providing services that were otherwise in the power of the Council to provide directly. In this respect the position concerning the Walton Heritage Centre was referred to.

Officers agreed to provide further information to Members of the Committee on the charges for Council owned properties. Members could also look at the overall charging policies as part of its review of the Budget preparation at its meeting on 16 December 2019. In the meantime, individual instances could be raised through the usual channels.

In relation to the Qualifying General Fund Carry Forwards (Capital) it was highlighted that £3.1m related to Disabilities Facilities Grants. The Committee was advised on the inter-dependency for these Grants to be awarded on the District and County Councils in respect of assessing and allocating those funds. The Committee was further advised on this Council’s decision to establish two posts to mitigate any resulting backlog that could arise. The value of an All Member Briefing on Disability Facilities Grants was stated by a number of Members.

The Committee also considered the allocation of the General Fund Variance from 2018/19. In respect of this element of the report:

- (a) In response to a question, the Committee was advised that several items of elections equipment were in need of replacement (including Polling Booths which were costing an increasing amount to repair). The costs in previous years for additional scanning equipment were more concerned with electoral registration following the introduction of Individual Electoral Registration for which central government grants had been secured and offset the cost to the Council.
- (b) The detailed proposals for the allocation of £0.525m to the Clacton Leisure Centre in respect of the investment in that Centre was to be considered by the Cabinet (potentially in September 2019). As such, with this Committee’s work programme item for the 16 September 2019 meeting being Leisure Centre

provision in the District, the detailed proposals for the investment in Clacton leisure Centre could be considered then.

It was **RESOLVED** that;

- (1) The Chief Executive be requested to consider the inclusion of a section on Disability Facilities Grants as part of a future All Member Briefing;
- (2) The Financial Outturn 2018/19 and Allocation of the General Fund Variance for the Year, the answers given to questions on the same and the requests for further information as outlined above be noted; and
- (3) Within its work programme for the year the detailed proposals for investment in the Clacton Leisure Centre item be included as part of the 16 September 2019 meeting item on Leisure Centre provision in the District generally.

15. REPORT OF THE HEAD OF DEMOCRATIC SERVICES AND ELECTIONS - A.2 - SCRUTINY OF THE NORTH ESSEX GARDEN COMMUNITIES BUSINESS PLAN 2018-19 AND BEYOND

The Committee had before it the report of the Head of Democratic Services and Elections (A.2) which invited the Committee to consider the appropriate arrangements to be adopted for Scrutiny of the North Essex Garden Communities Interim Business Plan 2018-19 and the future Business Plans. This Committee's approved work programme envisaged scrutiny of the NEGC Business Plan at this meeting and this report sought to respect the wish to undertake this scrutiny, to establish a revised timeframe for this scrutiny and address the appropriate arrangements for that scrutiny.

It was reported that the Community Leadership Overview and Scrutiny Committee at its meeting on 3 December 2018 resolved that the NEGC Business plan become a regular item on its agenda and that Committee's work programme scheduled a review of the NEGC Business Plan for the 2 December 2019.

It was further reported that there is a legitimate rationale for both this Committee and the Community Leadership Overview and Scrutiny Committee to scrutinise the NEGC Business Plan however this may not be efficient nor effective and could unduly lead to a drain on capacity of Members of the two Committees and Officers in supporting those Committees if both operate separately on this matter. This report was therefore submitted to invite the Committee to consider whether there was value in establishing specific scrutiny arrangements for the NEGC Business Plan that span both Overview and Scrutiny Committees. The Corporate Director (Planning and Regeneration) has indicated that it would be entirely reasonable to accommodate a meeting within August/September on the basis that the arrangements have been settled upon.

The Committee was reminded that its members had been sent an email on 26 July 2019 advising that the NEGC Business Plan 2019-22 had not yet been received.

Councillor Griffiths stated;

"I note that the North East Essex Garden Communities business plan has not been received by the Council. However my view is that since the 30th January 2017 when the NEGC LTD was formally established, the business plan would be purely for noting, as it is not a council document, but business plan of a limited company, whose four directors have already outlined the direction of travel, for something that is to all in tense and

purposes, an independent company of which we as a council, in effect have a quarter of the shares.

It is still my view, that the shareholder to the board, should be an appointed portfolio holder, who reports both to Cabinet and the Council, but in the event of any votes, declares an interest and withdraws from the meeting.

It is still my view, that the councils commitment to funding the delivery vehicle to deliver the garden city communities, should be within the framework of a policy document, which outlines both the councils expectations, and has targets and priorities contained within the policy framework, which allow those engaged within the scrutiny process, to be able to form a considered opinion regarding both affordability and value for money

It is also my view, that the establishment or the exploration of the potential to set up a locally led development corporation, should also be seated within the framework of a policy document, which outlines both the councils expectations, targets and priorities, and that within the context of the establishment or exploration of any delivery corporation, a scoping document should be put before the council, which outlines the councils financial responsibilities, liabilities and potential ongoing financial costs, associated with the development corporations, and any subsequent companies, which may evolve, after the main developments and constructions have ceased.

Policy statements regarding support from the council to long term public sector funding in relation to enabling delivery should also be published along with the breakdown of the councils contributions to providing the finances to provide, project management, planning, programming and communications, and evolving work on operational readiness, set within a policy framework, which provides both targets and measureable milestones, and an indicator to provide scrutiny with the financial instruments to gauge if both the project and investment is achieving value for money should also be produced.

Publication of stewardship arrangements for the long term maintenance of public amenities need to be set within a framework and policy document, and set alongside progressing work on a financial model, which should also include initiating discussions with government, regarding long term funding, soft financial testing and testing financial and scheme funding parameters.

Consideration to preparing individual concept frameworks for each garden city community that sets out the vision and policies for each garden city community and outlines the council's financial responsibility to each community."

In view of the issues in the statement from Councillor Griffiths, the Committee considered it appropriate in all the circumstances to include the full statement in these Minutes.

The Committee **RESOLVED** that;

- (1) That this Committee believes that the value of scrutinising the NEGC is demonstrated as it will:
 - the topic is of high local importance and reflects the concerns of local people about the delivery of sustainable growth/development and protection of the identity of existing settlements in the District.
 - there is a commitment from Members to the time to conduct the review.
 - the findings from the scrutiny can realistically influence and shape delivery against the business plan and future business plans.
 - the issue is relevant to all or large parts of the local area

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- the review would be in the council's interests to ensure that the investment in the scheme is independently overseen.
- (2) To record that the broad range of the NEGC, spanning the responsibilities of both of the existing Overview and Scrutiny Committees and the impact of the proposed Garden Community in the District necessitates a joint approach, unfettered by considerations as to whether the issues are internal to the Council or its partnership working. The creation of a new Joint Scrutiny Panel with a Membership drawn from the existing Overview and Scrutiny Committees would avoid work duplication; a key consideration in good scrutiny.
 - (3) To seek the views of Community Leadership Overview and Scrutiny Committee on the above and, particularly, the proposal for a new joint NEGC Scrutiny Panel.
 - (4) That, if there is agreement to the establishment of a Joint NEGC Scrutiny Panel, this be established with a view to its first meeting being held within a month of the Community Leadership OSC meeting and that the Chairmen of the two Committees be authorised to determine the Membership of the Joint Panel on the basis of equality of representation on the Panel from the two Committees and a broadly proportionate political representation. Such decisions will be subject to ratification by the respective OSCs.
 - (5) That, further to (4) above, the view of this Committee is that the members of the Joint Panel would not normally also be a member of the Planning Policy and Local Plan Committee.
 - (6) That, subject to the establishment of a NEGC Joint Scrutiny Panel being approved:
 - a. the Chief Executive be requested to identify any necessary amendments to the Constitution to facilitate the above and to submit the necessary reports to achieve this.
 - b. The issues set out in the statement from Councillor Griffiths recorded above in the Minutes be referred to the Joint Scrutiny Panel to consider.

16. REPORT OF THE HEAD OF PUBLIC REALM - A.3 - GROUND MAINTENANCE (INCLUDING WEED SPRAYING) IN TENDRING

The Committee had before the Report of the Head of Public Realm – A.3 – Ground Maintenance (Including Weed Spraying) in Tendring, which presented to the Committee the Council's procedure on Ground Maintenance (Including Weed Spraying).

The Council's Head of Public Realm and the Open Space and Transport Manager attended the meeting to present the report to the Committee and answer any questions Members raised.

The advantages generally for the District, its residents and visitors of key gateway sites and routes being well maintained was a focus for discussion at the Committee. These sites included the vicinity of Railway Stations.

The Committee was advised that many areas of land adjacent to the highway were the responsibility of the Highways Agency, others were directly the responsibility of the Essex County Council and others were the responsibility of the Council under its agreement with the County Council. In broad terms, of the £100K received from Essex County Council and referenced in the report, £20k related to highway weed spraying, £40K for highway verge maintenance and £40 to highway tree maintenance.

The Committee also considered the role of a range of parish and Town Councils in the area who undertook measures to maintain open spaces.

The Committee commended the Officers for the report.

After some deliberation of the Committee it was moved by Councillor Miles, seconded by Griffiths and **RESOLVED** that the Committee **RECOMMENDS TO CABINET** that;

- £50,000 should be available for works to be carried out in the Tendring District's area to improve the look of the area for visitors and improve the quality of life for residents.
- Discussions be held with Town and Parish Councils in the District about opportunities to best achieve the stated aims.

17. **REPORT OF THE HEAD OF DEMOCRATIC SERVICES AND ELECTIONS - A.4 - NEW STATUTORY GUIDANCE ON OVERVIEW AND SCRUTINY IN LOCAL AND COMBINED AUTHORITIES**

The Committee had before it the report of the Head of Democratic Services and Elections (A.4) New Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities.

It was reported that on the 7 May 2019, the Government published new statutory guidance on overview and scrutiny in local and combined authorities. The guidance itself follows the report of the House of Commons' Communities and Local Government Committee of 15 December 2017 into the 'Effectiveness of Local Authority overview and scrutiny committees'. The Council's Constitution already sets out its compliance with statutory requirements for overview and scrutiny committees, the appointment of Members of those Committees, the appointment of Chairmen and Vice-Chairmen of the same, the procedures for such matters as call-in, and work programming, access to information for Members of the committees and Member-Officer protocols etc. Officers will consider the statutory guidance in their work, through the Monitoring Officer, to ensure that the constitution is kept up-to-date.

The Committee were also made aware that training for officers who present or write reports for Committees and Cabinet is being proposed for the autumn and it is intended that this training will also reference the new statutory guidance.

It was **RESOLVED** that;

- the Committee receives the report and notes its content and Officers be requested to consider further training to be provided to Members to support the aims of the Statutory Guidance in achieving good scrutiny.

- Those who sit on the proposed Joint Scrutiny Panel for the NEGC (Minute above refers) should be provided with training on their role with an expectation that they participate in that training.

18. SCRUTINY OF PROPOSED DECISIONS

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

In response to a question, Officers agreed to seek further information regarding the proposed decision identified as 'Terms of removal of a Restrictive Covenant over land to the rear of Wayside, Rectory Road, Great Holland' and to provide that information to Councillors Allen and Miles.

The Committee noted the submitted list of published forthcoming decisions.

The meeting was declared closed at 22:04

Chairman

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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

29 JULY 2019

RECOMMENDATIONS MONITORING REPORT

Recommendation(s) Including Date of Meeting and Minute Number	Actions Taken and Outcome	Completed, follow-up work required or added to Work Programme
<p>Date of meeting; 18 March 2019 Minute number; 67 Recommendation; that this Committee recommends to Cabinet that –</p> <p>(1) The uncommitted grant income of £98,000 received from Government as New Burdens Funding be allocated to meet the rising costs of the homelessness service;</p> <p>(2) The Housing Portfolio Holder be urged to direct his Officers to demolish the former Honeycroft sheltered housing scheme building as a matter of urgency in view of the ongoing costs to this Council such as Council Tax on empty properties;</p> <p>(3) The previously carried feasibility studies be revisited in order to investigate the potential of the former Spendells sheltered housing scheme building being used for the homeless as a temporary alternative housing provision to bed and breakfast accommodation.</p>	<p>The Housing Portfolio Holder Responded as follows;</p> <p><i>“I would like to thank the Committee for its recommendation [number (1)] which I am happy to accept; I would like to thank the Committee for its recommendation [number (2)] and I can advise the Committee that officers are in the process of recruiting a surveyor to organise the demolition of this building in conjunction with the demolition of another large building in order to maximise value for money. Due to the complexity of the demolition it has not been possible to organise this within existing resources and the initial recruitment process was not successful. The new post holder will also be responsible for some new build projects following the recent retirement of the Building and Structures Manager; and I would like to thank the Committee for its recommendation [number (3)] and I can confirm that this is one of the options being considered alongside a parallel proposal from a partner agency which would like to lease the building for housing purposes.”</i></p> <p>It was moved by Councillor G V Guglielmi, seconded by Councillor P B Honeywood and RESOLVED that Cabinet notes the Resources and Services Overview and Scrutiny Committee’s recommendations and endorses the responses of the Housing Portfolio Holder.</p> <p>UPDATE FOR 14.10.19 ;</p> <ul style="list-style-type: none"> • The second recruitment exercise has not moved the process forward and so the Building and Engineering Manager is considering outsourcing the bulk of the process, whilst retaining overall monitoring within the department given the complexity of the demolition process • It is anticipated that a report will come to November’s Cabinet 	<p style="text-align: center;">Completed</p>

OVERVIEW AND SCRUTINY PROCEDURE RULE 13 – SCRUTINY OF PROPOSED DECISIONS

In presenting the following, the Committee’s attention is drawn to the agenda item notes in respect of Overview and Scrutiny Procedure Rule 13.

DESCRIPTION OF DECISION	KEY DECISION – YES/NO	DECISION MAKER
Financial Performance Update Quarter 2 2019/20	YES	DEPUTY EXECUTIVE CHIEF
LCTS and Council Tax Discounts and MRP Policy Statement 2020/21	YES	DEPUTY EXECUTIVE CHIEF
Updated Financial Forecast and Initial Budget Proposals 2020/21	YES	DEPUTY EXECUTIVE CHIEF
Freehold Purchase of a Property in Harwich	YES	CORPORATE DIRECTOR (OPERATIONAL SERVICES)
Future use of Spendells House, Walton-on-the-Naze	YES	CORPORATE DIRECTOR (OPERATIONAL SERVICES)
Terms for disposal of land at Vista Road and for acquisition of land at Rush Green	YES	DEPUTY EXECUTIVE CHIEF
Terms for Disposal of Land off Thorpe Road, Clacton	NO	DEPUTY EXECUTIVE CHIEF

The Council’s notice of forthcoming decisions can be found on the Council’s Website at:-

<https://tdcdemocracy.tendringdc.gov.uk/mgDelegatedDecisions.aspx?XXR=0&&DR=19%2f07%2f2004-19%2f07%2f2019&ACT=Find&RP=0&K=0&V=0&DM=0&HD=0&DS=1&Next=true&NOW=19072019151542&META=mgforthcomingdecisions>

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RESOURCES AND SERVICES COMMITTEE 14 OCTOBER 2019

REPORT OF THE DEPUTY CHIEF EXECUTIVE

A.1 PERFORMANCE REPORT APRIL - JUNE 2019 (Q1)

(Report prepared by Anastasia Simpson & Katie Wilkins)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present the Performance Report 2019/20 (*Resources & Services*) for the period April – June 2019 (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.

The Priorities and Projects for 2019/20 were agreed by Cabinet at its meeting of the 19th July 2019. Specific deliverables for the priorities and projects will now be developed in consultation with the relevant Portfolio Holders and will be incorporated into the Performance Report for the end of Quarter 2 (end September 2019). Once this process is complete the finalised Performance Reports will be put to the Cabinet, so Cabinet (as a whole) can confirm the deliverables for its Priorities and Projects before they are subject to scrutiny.

The Quarter 1 position demonstrates that of the 17 indicators and projects where performance is measured, that 10 (55%) are on, or above, their expected target, 5 (27%) are not currently in line with the expected performance and 2 (11%) we currently have no data available.

The purpose of this report is to submit the relevant performance data to the Overview & Scrutiny Committee so that it can undertake scrutiny of it in so far as:

- (a) Is the performance monitoring system capturing the right level of data to support delivery of the Corporate Plan and its priorities and projects – and to make recommendations thereon.
- (b) Is there performance as identified in the monitoring data that warrants scrutiny of an activity – and to determine whether and how that scrutiny should take place; including it as appropriate in the work programme.

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

The Transformation Project is running generally to plan. Building work is a little behind, training is progressing well and technology rollouts are progressing. Delaying factors have been nesting birds, heavy rain during June and competing priorities for the engineering team. Within the main strands of the project:

Human Resources

AMIDO services' training is working really well. 72% of trainees have rated it 5 with stars. Flexible working policies are established "Independence" Staff preparation for flexible working workshops are working really well, over 200 staff have now taken part and a lot more sessions are planned. Online training package is fully developed.

Information Technology

IT and Channel Shift: Redesigning of the IT Network and move onto the Cloud continues. Training on the new Firmsteps Interface and resolution of some teething issues is progressing well with the interface activated for two environmental functions and ready for activation once other service area applications are ready. All staff will be moving over to 365 and the Cloud next month, this change over should not cause any disturbance.

Customer Services and Support

New Customer Services Team is fully operational at Pier Avenue. Partner accommodation is also in use by a number of partners including the Probation Service. Good progress on scanning and Digitisation continues both at Weeley and Clacton and archiving old paperwork is being achieved. However, there is still a significant amount to do especially at the Town Hall. Two significant stocks of microfiche records have been identified and new equipment is being sourced to facilitate their digitisation by in house staff.

Building Works

Work on the ground and first floors Council Tax Building are complete. Full operation of the building, including new RBS/housing reception, began on 10 December 18. Work on the staircase and redecoration and carpeting on the second floor accommodation will not be completed until roofing work is finished. Nesting birds on the roof of the existing building will delay associated reroofing work of that building until at late July 19, leading to completion in late August 2019; two to three weeks behind schedule.

Gipping Construction are progressing with the Barnes House extension and link. The structure is complete including doors, roofs, floors and windows, all of the first fix is complete and plastering is in progress, next steps will be to complete the plastering and second fix joinery and services.

Work to create offices at Northbourne Depot is complete. Next stages are the provision of kennels and storage space for Environmental Services.

Westleigh House has been demolished. Quotations for revision and resurfacing of the car park are substantially in excess of budget. Some minor repairs to the former car park surface carried out so that it can be used in the summer. Revised quotations will be sought in the quieter period of the autumn.

All consents for work at the Town Hall have been granted. Part of the building is now vacated. Stripping out the location for the new Committee Room and the refurbishment of the office spaces above that had been completed and the first major structural opening has been completed. First fixing in the upper office is complete and plastering is under way. Other priorities have caused delay and work at the Town Hall is around six weeks behind schedule.

RECOMMENDATION
That the Resources and Services Committee notes the Council's Performance Report for the period April - June 2019 (Q1) and determines whether it has any comments or recommendations to put forward to Cabinet.
DELIVERING PRIORITIES
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.
FINANCE, OTHER RESOURCES AND RISK
<p>Resources The priorities highlighted within the Performance Report for the period April - June 2019 (Q1) can be delivered within the Council's existing budgets.</p> <p>Risk These priorities are all within the current TDC risk framework.</p>
LEGAL
The actions proposed in this report are within the Council's legal powers.
OTHER IMPLICATIONS
None.
APPENDICES
<p>Appendix A: Performance Report (Resources and Services) April - June 2019 (Q1).</p> <p>Appendix B: Cabinet Report (Circulated: 26 July 2019).</p>

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PERFORMANCE REPORT

(RESOURCES AND SERVICES)

Q1 JUNE 2019

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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

Introduction

The following pages include the Council's Corporate Plan 2016 - 2020 and Tendring District Council's Priorities and Projects 2019/20. 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

	Growing our Prosperous Economy		Building Sustainable Communities for Future Generations		Delivering High Quality Services
✓	<u>Economic Development Delivery</u> Page 4	✓	<u>Garden Communities</u> Page 7	✓	<u>Creating a Quality Environment for our Staff</u> Pages 12, 13, 14 & 15
✓	<u>Enhancing our Great Tourism Offers</u> Pages 5 & 6	!	<u>Jaywick Sands</u> Page 8	✓	<u>Cliff Stabilisation (Protecting our Coastline)</u> Pages 16
Page 22		✓	<u>Delivering the Local Plan</u> Page 9	✓	<u>Waste Contract</u> Page 17
		!	<u>Harwich and Dovercourt Public Realm</u> Page 10	!	<u>Holland Haven and Seafront Opportunities</u> Page 18
		✓	<u>Housing Strategy</u> Page 11		

TARGETS

!	<u>Fly Tipping</u> Page 19		
●	<u>Missed Bins</u> Page 20		Miscellaneous Indicators
●	<u>Recycling Rate</u> Page 20	-	<u>Sickness and Authorised Covert Surveillance</u> Page 22
↑	<u>Handling of Planning Applications</u> Page 21	✓	<u>Complaints</u> Page 23 & 24
!	<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	!
No Data	●

Economic Development Delivery

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(Growing our Prosperous Economy)



“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.”

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) were appointed in 2018 to prepare a Creative and Cultural Strategy for Tendring, focussed on business growth and job creation. Consultants have prepared a baseline assessment, staged a range of consultation events to inform their work, and submitted their 6th draft strategy for the Client Team’s comments. Work is currently being concluded on the revised draft Strategy and Implementation Plan, which will be presented to Cabinet for its consideration at its meeting in Oct 19.

The Council’s SME Growth Fund remains popular with business applicants, but has now been temporarily closed to new applicants pending the assessment and determination of applications in the pipeline.

Milestones	Current Position	To be Completed
Complete and launch Creative Cultural Strategy.	Consultants have all-but completed the draft Strategy, which will be considered by Cabinet in Oct 19.	Aug 19 *Revised Oct 19
Support 10 businesses through the Small Medium Enterprise Growth Fund programme.	The SME Growth Fund has been temporarily closed to new applicants pending the assessment and determination of project applications in the pipeline.	Ongoing

Exception: As part of managing the business of the new administration MT decided to defer consideration of the Creative and Cultural Strategy until Oct 19.

Enhancing our Great Tourism Offers

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(Growing our Prosperous Economy)

“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

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
<p>Mayflower 400: Series of events and projects to build up to the celebrations in 2020, including:-</p> <ul style="list-style-type: none"> - Agree projects and events for Mayflower 400. - Develop, with the Harwich Society, an interactive exhibition venue. - Work with partners to finalise the Harwich Mayflower Trail and a high quality physical tourism product by Mar 19. 	<p>A Mayflower 400 report and accompanying action plan was approved by Cabinet on 14 Dec 18. Project Planning is now taking place to ensure the projects are all complete in time for the commemorations. The projects include: A Welcome/Heritage Centre for Mayflower 400; The installation of a Mayflower Trail around Historic Harwich; A programme of M400 Events and wider promotion of the commemorations. An announcement has already been made about the house of Captain Christopher Jones, which will be opened up to visitors during 2020. Discussions are taking place with potential funders and private sector organisations for additional finance for the project.</p> <p>There are now 10 Mayflower tours on sale in the US, with Harwich in the itinerary. There has been a total of £500k awarded to the national group from Central Government, which has been allocated to spend on promoting the trail in the US and for digital resources for visitors. A national programme launch took place in Dec 18 at the House of Commons.</p> <p>The next National Partnership Meeting takes place in London in Jul 19 and the last meeting included a significant delegation from the US. They were able to articulate the scale of the anniversary in the US and the events programme which supports it. All approved projects are well underway and timings are on schedule. A project team to develop the historical content for the trail, visitor centre and house has been put in place and includes local historians and archivists. The trail and the Visitor Centre are due to open in Nov 19, prior to the commemoration year. A lease for house of Master Christopher Jones is now complete and work is underway to convert it to a tourist attraction. Plans for the 2019 Illuminate Festival are being progressed as this will be the event which launches the anniversary year in all the partner destinations, including the US and Holland. *The first Mayflower project has been complete, which comprised of a new Mayflower Sculpture being installed on the Port Roundabout in Harwich.</p>	<p>*May 19</p>
<p>Tour de Tendring.</p>	<p>The 2019 Tour de Tendring took place on Sun 2 Jun 19 & included a Harwich Skate Park Jam in the programme, (the skate park event was managed in partnership with Harwich Town Council). Approximately 650 riders took part in the event which was considered a great success. The Tour de Tendring is now run at zero cost and there was widespread positive news coverage in the aftermath of the event. It was managed safely and no incidents of note were recorded.</p>	<p>Complete Jun 19</p>
<p>Beside the Seaside.</p>	<p>The first 2019 Beside the Seaside Event took place on 9 June 19 in Clacton and attracted a good audience. This was largely a music related event, with a live music stage and a full programme of live acts. Although the event was largely considered a success, a full review will take place in the close season and consideration given to how it will be managed going forward. The next event takes place on 18 August 19 in Dovercourt Bay. Once again, the Harwich event will be managed in partnership with the Harwich Festival of the Arts Team. In addition, a further event will take place in Frinton on Thursday 25 July 19 which is organised by Frinton Beach Hut Association. This was very successful last year and was run very much as a community event.</p>	<p>Complete June 19 Jul 19 Aug 19</p>

Enhancing our Great Tourism Offers

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Continued...



(Growing our Prosperous Economy)

“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
Clacton Airshow Page 25	Planning for the 2019 Clacton Airshow is well underway and the first Multi Agency Planning meetings have taken place. The flight programme has been broadly finalised and a communications plan for promoting the line up has now commenced. The first flight to be announced is the Blades Display Team and the RAF representation was announced in the first week of Jun 19. There will once again be an evening display on the Thursday night to expand on the success of the last few years. Once again, security is a huge focus of the planning process and the organising team are working very closely with Essex Police on this area of the event.	Aug 19
District Wide Tourism Strategy.	Consultation to take place. It is anticipated that the final strategy will be presented to Cabinet in Aug 19 prior to adoption. *Due to the Elections and appointment of the new administration MT requested that the final strategy was deferred until Aug 19.	Cabinet Jun 19 *Revised Aug 19.
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.	Princes Theatre – Jun 19 The following took place at the Theatre in Jun 19: 4 x Professional Shows, 1 x School Prom, 1 x Large Wedding, 1 x Large Event Hire, 1 x Boxing, 1 week of local musical theatre hire with 5 shows, 2 x civic events, 1 x Audition for Young Local people to be involved in large musical project. Panto sales; £2,500 increase in ticket sales vs. previous year. £20,000 school performance bookings already taken	Ongoing

Garden Communities

(Building Sustainable Communities for Future Generations)



“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.”

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
Work with partners to develop a detailed proposal for A20 / A133 Link Road for submission to Government.	A Stage 2 Housing Infrastructure Fund (HIF) funding bid was submitted to Government in Mar 19. The bid, which was led by ECC in partnership with TDC and NEGC Ltd, seeks funding for the proposed link road and a rapid transit initiatives.	Complete Mar 19
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 *Revised Sept 19
Land Negotiations.	On-going.	Ongoing
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.	Ongoing

Jaywick Sands

(Building Sustainable Communities for Future Generations)



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

Milestones	Current Position	To be Completed
Commence development of one of the three identified preferred development sites and construct 10 houses.	Piling for the first 10 new homes is complete and progressing with construction of ring beam ready for up to first floor development.	Ongoing
Development vehicle/mechanism agreed.	Linked in with HAT project work – viability assessment, flood resilience and re-insurance work underway.	Currently on hold
Identify funding mechanisms.	As above.	Ongoing
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 national housing consultancy and Housing Finance Institute (HFI) and needs to be considered in context of potential spatial plan pause.	Currently on hold
Develop local lettings and sales plans for first 10 units.	(On-going) New Policy/Strategy manager now in post.	Ongoing
Place Plan and Infrastructure Assessment completed.	HAT has moved on to second phase with initial assumptions being tested – EA coastal team engaged and flood re-evaluating potential project initiation. Outline of scope explained to Jaywick sands Annual General Meeting.	Currently on hold

Exception: All Member Briefing took place 19th June 2019, whereby officers provided an update on the Jaywick project. Updated climate change modelling work is required from the Environment Agency to enable HAT to progress the Spatial Plan.

Delivering the Local Plan

(Building Sustainable Communities for Future Generations)



“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. The Local Plan Committee on 29 Jan 19 agreed a revised timetable, or Local Development Scheme(LDS), for delivery of the Local Plan. Key milestones in the revised LDS include examination of Section 1 in Autumn 2019; examination of Section 2 in Spring 2020 and adoption of the Local Plan in Winter 2020/21.

Update: Examination in Public (EIP) Inspector's request for further evidence in relation to the garden communities proposals and subsequent discussions between the North Essex Authorities (NEA's) has delayed completion of the examination process for Section 1 of the Local Plan. The Planning Policy and Local Plan Committee will consider a report recommending the additional sustainability appraisal, evidence and proposed amendments are approved for consultation before being submitted to the Secretary of State to enable the Local Plan examination to resume and conclude.

Milestones	Current Position	To be Completed
Section 1 Examination Public Outcome (Joint plan with Braintree and Colchester).	Additional evidence is being gathered for submission to the inspector to enable completion of the examination of Section 1.	Autumn 19
Section 2 Examination in Public (Tending sites specific).	Behind original but in line with revised timetable.	Spring 20
Local Plan adopted.	Behind original but in line with revised timetable.	Winter 20/21

Harwich and Dovercourt Public Realm

(Building Sustainable Communities for Future Generations)



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

Ewan Green – **Corporate Director**

Investment and Growth Portfolio Holder

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

Update: Consultants (Urban Initiatives Studio) have concluded their commission and have submitted proposals for Dovercourt Town Centre as part of a revised Masterplan. The draft Masterplan will be reviewed by Cabinet at its meeting on 19 Jul 19.

Milestones	Current Position	To be Completed
Detailed project proposals completed.	Project proposals (The Dovercourt Twenty) are detailed within the draft Dovercourt Town Centre Masterplan.	Current
Delivery plan agreed by Cabinet.	The draft Masterplan, which includes site development recommendations and public realm improvements will be considered by Cabinet at its meeting on 19 Jul 19.	Jun 19 *Revised Jul 19
Project site start.	Dependant on Above.	To be Determined
Project completion.	Dependant on Above.	Mar 20

Exception: Deferring to July was a Management Team decision – to accommodate the new Cabinet after the Local elections (Jun 19 being the first Cabinet after the formation of the new administration).

Housing Strategy

(Building Sustainable Communities for Future Generations)

“Revised and updated Housing Strategy.”



Paul Price – **Corporate Director**

Housing Portfolio Holder

Delivery Mechanism: Consultation with relevant officers and other key stakeholders to produce Housing Strategy to be agreed by Full Council.

Update: Research has been undertaken and other Council’s housing strategies have been reviewed. The Government published its Housing Green paper in August 18 which provides some indication on the Governments future policy direction. The Executive Projects Manager is now in post and working on a project plan to include the key milestones in the development of the strategy.

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Milestones	Current Position	To be Completed
Develop draft Housing Strategy. *Housing Green Paper, will inform strategy.	The draft housing strategy was presented to Management Team on 25 Jun 19 and ICAB on 28 Jun 19.	Complete Jun 19
Seek Cabinet approval.	The strategy will go to Cabinet on 19 Jul 19 to seek approval to go out to consultation.	Cabinet - Jun 19 *Revised Jul 19

Exception: The delay in the finalisation of the draft document can be attributed to the uncertainty from government around their housing strategy, this made it difficult to draft a document that could require major revisions should the policy direction alter significantly. However, the now published Green Paper and announcement on the proposed lifting of the Housing Revenue Account borrowing cap has helped to address some of

Creating a Quality Environment for our Staff

(Delivering High Quality Services)

“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

Office Accommodation

Milestones	Current Position	To be Completed
Westleigh House site in use as car park.	The contract for demolition work including demolition of adjoining redundant public convenience has been started. *At the time of writing demolition due to complete on 10 July 19. Quotations for revision and resurfacing of the car park have been received but are substantially in excess of budget. Revised Quotations for resurfacing will be sought with a view to completion in the autumn.	Apr 19. *July 19 *Revised resurfacing Oct 19
Barnes House extension complete.	All consents and arrangements are in place. Construction began on 25 Feb 19. At the time of writing all structure and fabric is complete. Related reroofing of the existing building has been delayed by nesting birds and the whole project is now likely to complete in Aug 19.	Apr 19 *Revised Aug 19

Exception: Revised dates represent previously reported exceptions, nesting birds and the potential need to redesign and procure the car parking work.

Customer Experience

Milestones	Current Position	To be Completed
Self serve portal online and first services available to Customers.	Workstream 2 completed. Garden Waste service available on My Tending portal and has already been used over 350 times. Missed Bins still not live as issues with Veolia data. Workstream 3 to start later this year after Northgate migration to cloud.	Work stream 2 Complete .
Back scanning and secure disposal of existing documentation.	Focus will move onto microfiche scanning as soon a device procured. On target.	Jul 19 *Extended to 1 Jul 20

Exception: Currently cleaning data received from Veolia.

Creating a Quality Environment for our Staff

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(Delivering High Quality Services)



“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

People

Milestones	Current Position	To be Completed
‘Transformation’ Manager training programme to be delivered across the organisation (Training will continue as the project progresses and different training needs are identified).	AMIDO services’ training is working really well. 72% of trainees have rated it 5 with stars. Flexible working policies are established.	Ongoing
‘Transformation’ Staff training programme to be delivered across organisation (Training on-going as needs identified. Date changed in line with project timetable).	“Independence” Staff preparation for flexible working workshops are working really well, over 200 staff have now taken part and a lot more sessions are planned. Online training package is fully developed.	Aug 19
IIP Gold Accreditation Re-assessment.	IIP assessment report received and shared with Management Team	Complete Apr 19
Equality Impact Assessments prepared and kept under regular review across services.	Ongoing.	Ongoing

Creating a Quality Environment for our Staff

(Delivering High Quality Services)

“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

Digital		
Milestones	Current Position	To be Completed
<p>Events App developed</p> <p>Page 33</p>	<p>Development has now been completed for both Apple IOS and Android operating system App. The Head of Sport & Leisure Services is ensuring that when the App does go live it contains information and 'breaking news' on a large number of events for 2019. The App is ready to go live however the Council's communication plans for the App have identified that strategically we should delay launch until Tuesday 23 Jul 19 so that the launch doesn't get diluted by other key press releases w/e 19 Jul 19. Some event content and Airshow information will be released on this platform first, as opposed to the more traditional means. This will drive users to download the app in the early days.</p>	<p>Mar 19</p> <p>*Revised May 19</p> <p>*Revised 24 Jun 19</p> <p>*Revised 12 Jul 19</p> <p>Scheduled 23 Jul 19</p>
<p>Town Hall & Pier/ Barnes network low level design (cabled & Wi-Fi) completed and implementation commenced.</p>	<p>The re-cabling works and roll-out of new Cisco Meraki WiFi is being carefully coordinated to support the Office Transformation works and programme. Pier Avenue staff have been live Cisco Meraki WiFi users since Jan 19. Clacton Leisure Centre and Northbourne were upgraded to Cisco Meraki WiFi at the end of Mar 19 coinciding with a network upgrade to increase their data network link speed from 2Gbt/sec to 10Gbt/sec. Temporary re-cabling Works to facilitate removal/ relocation of the server cabinet in the new Town Hall Committee room is also completed. Re-cabling of the South side (carpark side) of the Town Hall is expected to commence in earnest w/c 22 Jul 19.</p>	<p>Ongoing</p> <p><i>(each office area is being re-cabled with new WiFi installed as per Office Transformation plan).</i></p>
<p>Compliance achieved against Public Services Network (PSN) (audit renewal).</p>	<p>Every year the Council undertakes an intensive period of cyber security testing to achieve compliance with stringent National Cyber Security Centre (NCSC) standards to certificate us to connect to the Public Services Network (PSN). The PSN network facilitates connection into central government and is crucial to the provision of a number of statutory services. We were last certified in Jul 18 and work is now ongoing to achieve re-certification for 2019/20. Due to both our ongoing cloud migration programme and a refresh and consolidation of our Firewall infrastructure earlier this year we advised NCSC that we would be making our annual PSN cyber security submission a little later than normal as we wanted to ensure that we tested our new security Firewall configuration as opposed to one shortly to be changed. We anticipate making our submission in Aug 19. Whilst this is an annual process it should be noted that the IT team routinely undertaking cyber security scanning using 'in house' cyber security skills and cyber security monitoring/ testing and enhancement works are always ongoing.</p>	<p>Jul 19</p> <p>*Revised - Estimated NCSC submission Aug 19</p>

Creating a Quality Environment for our Staff

(Delivering High Quality Services)

“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



Digital

Milestones	Current Position	To be Completed
Website integration with new customer portal completion.	The new customer portal is now live and available via the website and in use for mediated services by Customer Service Assistants (CSAs). The re-design work has effectively become a re-iterative process which will remain ongoing indefinitely as we create/ refine more and more self-service opportunities using the Firmstep 'My Tending Portal'. Work is also ongoing on website re-design to improve accessibility in accordance with the new EU public sector website directive. The new look Recycling and Rubbish pages went live on 10 Jun 19 and new fully automated 'green waste' self-service sign up is gaining new subscriptions daily.	Ongoing
Customer Portal integration with ID, X, Northgate and E Payment systems.	E-Payments integration is live within the Garden Waste process. Northgate related services (C/Tax balance, Housing Repairs, Council property rent balance) are now scheduled in 'delivery train three' which is likely to be delivered in Autumn to coincide with moving Northgate to the Cloud, as the investigation work has identified technical issues with Northgate themselves. In the interim we are utilising resource on different aspects/areas for example 'missed bin' reporting, check recycling/waste collection day, stray dogs and vehicle licensing.	Feb 19 *Revised May 19 *Revised Autumn 19
Cyber awareness training and security initiatives.	Our continued network investment includes a range of new security monitoring tools. As our Cloud migration plans and knowledge develop we are adopting yet further Cyber Security protection tools available via the Microsoft Azure platform to enhance our network security and data protection. Our managed cyber security/ Firewall contract renewal was completed end Jun 19 and we are currently testing two new high speed, high availability Firewalls predicted to go-live 31 Jul 19. We are finalising arrangements with Essex Police cyber security experts to undertake further cyber security staff awareness sessions at all staff briefings scheduled for Oct 19 and likewise in a future All Members Briefing yet to be finalised.	Ongoing
Cloud migration programme planning complete & 40% of services migrated.	Migration programme approved. Migration and testing of 2018/19 applications (Agresso/ Exchange/ Office 365/ Skype for business) is ongoing with the IT Team migrated/ testing/ learning the differences working in the Cloud. To ensure that our migration is managed well, we will be conducting a data purge campaign to identify and destroy any records that do not comply with the council's retention schedule. Migration of Email and Skype telephony will be carried out in Aug 19 to allow our new Firewall cyber security arrangements to embed before-hand.	Apr 19 *Revised May 19 *Revised Jul 19 *2 year strategy completion due Apr 2020.

Cliff Stabilisation

(Delivering High Quality Services)



“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
Completion of priority area 1.	The Contractor has programmed to construct phase 1 and 2 together and they are both due for completion Jul 19. The completion date has moved in accordance with the contractors programme, the completion date within the contract is Sep 19, so although the date has been moved back we are still within the original contractual date.	Nov 18 *Revised Jul 19
1a King post wall and filter drains.	All drainage has now been completed in this area. Topsoiling and hydro seeding has been started and will be completed once the lay down area in this section has been removed later in July 19. Preparation work has also commenced on the top promenade and should be completed ready for tarmac in the later stages of July 19. Repairs to the existing kerb line on the lower prom have also started and are due to be completed by the end of July 19 with the aim of opening the lower promenade on the 29 July 19.	Jun 19 *Revised Jul 19
2 slope regrade and drainage.	The new zig zag path is in the final stages of construction with the last 30m of handrail being installed and the shrubs being planted. Work continues on the new cycle path on the top promenade, grading the levels ready for tarmac and handrail installation due for completion at the end of July 19. Grading of the greensward and hydro seeding due to be completed later in July 19.	Jul 19
1b Sheet piled wall and filter drains.	Trimming and filling of the cliff continues into its final stages due for completion later in July 19. Repairs to the existing kerbs and slope by the toilets has started and is also due to be completed by late July 19. The hotel path is in the process of being levelled ready for tarmac starting in mid July 19. Work has also started widening the top promenade by the hotel to allow for a better cycle route. This area will be ready for tarmac with section 1a by the end of July 19.	Jul 19

Waste Contract

(Delivering High Quality Services)

“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.

Milestones	Current Position	To be Completed
Completed negotiations and contract signed.	Current street sweeping and Waste and Recycling contract along with contract extensions signed.	Dec 18 Contracts signed 29 Mar 19
Procurement of wheeled bins for roll out (dependent upon agreement of extension of contract).	60,000 bins procured via framework. Successful bidder; mgb straights. Pre delivery of 12,000 bins prior to roll out to ensure suitable stock levels during 10 week roll out are maintained in case of manufacturing down time or transport issue. Delivery of bins to individual households sub contracted to JETT.	Jul 19
Delivery of 58,000 bins to households over a 10 week period.	<p>Delivery started on Monday 10 Jun 19, with 6851 bins delivered in week 1, 4758 bins week 2, 6499 bins week 3, 5016 bins week 4 and 6,665 bins week 5. Total of 30,079 bins delivered.</p> <p>HGV deliveries of stock (1792) being delivered to Weeley on daily basis remain on track to ensure sufficient stock, with minimum levels dropping to 2780 bins. Missed bin delivery currently running at 1.40% but this includes reports of missed bin deliveries to roads which have not even been delivered to yet and properties staying on black sacks. Once bin delivered to household the new service goes live the following week, with all households to place black wheeled out for collection on their Green plastics week.</p>	16 Aug 19

Exception: 2 delivery crews both require TDC pilots to ensure that correct roads and properties are delivered to. Typical working day starting at 06.30 and finishing as late as 17.00 this places strain on the team. All members of the team are involved with the delivery of the bins, as well as processing authorised side waste applications and email/telephone enquires which like the CSA teams are at elevated levels.

Holland Haven and Seafront Opportunities

(Delivering High Quality Services)

“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: Progress report in production.





Milestones	Current Position	To be Completed
Initial project scope (PID) developed and project team in place.	The initial scoping of projects and related constraints mapping requires to be considered further in order to develop a viable set of projects for potential delivery. This has delayed further project development as the technical challenges with the site(s) are more complex than initially thought. A review of this project will be undertaken in the next three months to determine viability and next steps.	Mar 19 *Revised Aug 19
Identify a longlist of potential projects and opportunities.	Draft progress report in development drawing on the recommendations prepared by Planning Solutions. Project under review to assess potential public realm and development options.	Mar 19 *Revised Aug 19
Projects developed to outline stage.		Oct 18 *Revised TBC
Place Plan completed for Cabinet consideration.		Dec 18 *Revised TBC

Exception: Additional temporary professional resource has been approved, and it is envisaged that this individual will have specific responsibility to work up physical regeneration projects to a stage where the Council can submit bids for funding (Government, South East Local Enterprise Partnership (SELEP), etc.), and/or make investment decisions linked to its own resources. This will include project proposals for Dovercourt, Clacton, Harwich and (unless directed otherwise) Holland Haven. The work completed last year will therefore be revisited and any development opportunities will be explored in more detail.

TARGETS

REFUSE & RECYCLING SUMMARY

Key:

Above target	
On target	
Below target	
No Data	

	18/19 Q4	19/20 Q1
Recycling Rate (Target 29%)	27%	No Data Available - see exception
Flytipping (Target 90%)	94.6%	87.5%
Missed Bins (Target 95%)	96%	No Data Available - see exception

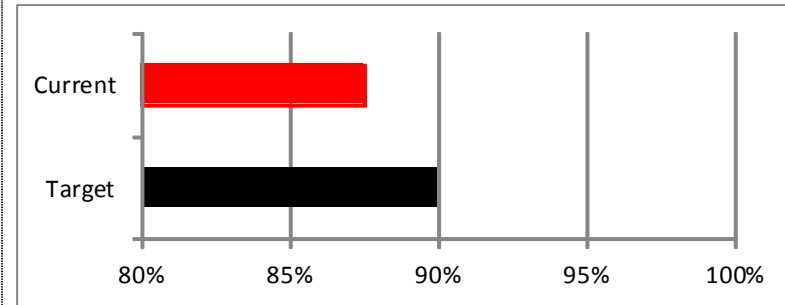
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Fly Tipping

(Delivering High Quality Services)

To ensure that 90% of all reported incidents of fly tipping are removed within 72 hours of notification.

Monthly Performance Data



Data does not include asbestos fly tipping which is outsourced to a specialist contractor (PHS) and is not subject to 72 hours clearance.

Fly tipping data excludes vehicles, caravans or asbestos; all of which have to be removed by specialist contractors.

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.

Month	A	M	J	J	A	S	O	N	D	J	F	M
No. of incidents	81	89	80									
No. r'mvd <72hrs	80	83	70									
Performance (%)	98.7%	93.3%	87.5%									

For the month of June there were two fly tipped caravans and two fly tipped asbestos incidents. Failure to remove 90% of fly tipping with 72 hours is a direct result of Hit Team used to deliver recycling containers to Town Hall and other collections points as a result in increased demand due to the roll out of the new waste service.

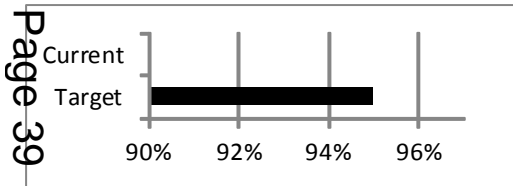
Missed Bin Collection

(Delivering High Quality Services)

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



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	98.1%	95.5%	No Data Available									

Last reported figure demonstrated a on target position. 37 Missed Red box collections, 66 missed green box collections, 33 missed food collections. 236 missed refuse collections. No data available as Customer Support Assistants do not have the capacity to populate the missed collection on Uniform. Increased number of reported refuse collections due to roll out of the new service, some will be justified and some will be due to collection day changes and/or collection times changing as collection routes changed with new service.

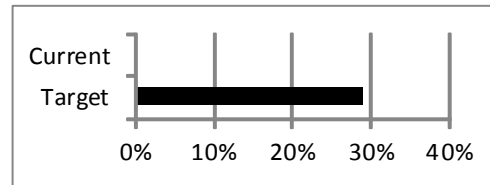
Recycling Rate

(Delivering High Quality Services)

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 2 month delay.

Monthly Performance Data



Month	F	M	A	M	J	J	A	S	O	N	D	J	F	M
Target (%)	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%
Performance	29%	27%	No Data Available											

Last reported figure demonstrated a behind target position. Data still to be approved by ECC for April.

Proactive Planning Approach

(Building Sustainable Communities for Future)

[Back to Top](#)



Handling of Planning Applications : Speed			
To ensure that the following types of planning application are processed during the assessment period as follows:			
2019 Assessment Period (01.10.16 - 30.09.18)			
Major 50% within 13 weeks		Non-Major 65% within 8 weeks	
Major	74.25%	Non-Major	90.94%
2020 Assessment Period (01.10.17 - 30.09.19)			
Major 60% within 13 weeks		Non-Major 70% within 8 weeks	
Major	77.53%	Non-Major	89.02%

Handling of Planning Applications : Quality			
Decisions Overturned On Appeal.			
2020 Assessment Period (01.04.17 - 31.03.19)			
Major <10%		Non-Major <10%	
Major	3.22%	Non-Major	1.92%

5 YEAR HOUSING SUPPLY

Following changes to the National Planning Policy Framework in Feb 19, the Council is required to use the government's 'standard method' for calculating housing need until its locally-derived housing figures are adopted through the new Local Plan. Under the standard method, the Council can demonstrate a 4 year supply of deliverable housing land.

The alternative method that takes account of attributable population change in Tendring and was examined and accepted at the Examination in Public into the Local Plan, the Council can demonstrate in excess of 5 years of housing land supply.

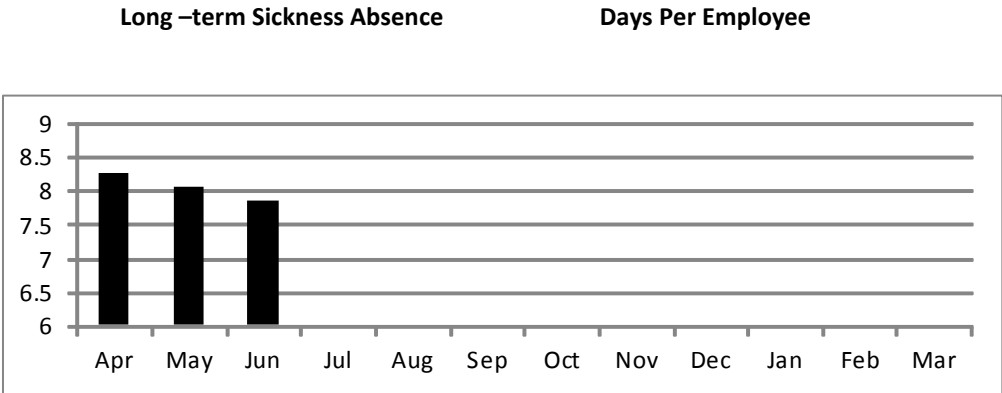
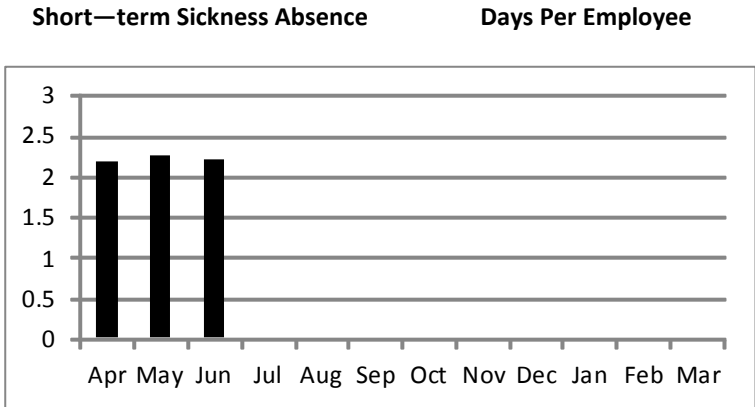
Note : This figure is updated monthly but some information that contributes to the calculation is only available periodically and so the figure may not be wholly accurate.

Exception: The Handling of Planning Applications is measured in line with the Government's Planning Performance Framework.

Sickness (Delivering High Quality Services)

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	2.18	8.27
May	2.26	8.07
Jun	2.20	7.86
Jul		
Aug		
Sep		
Oct		
Nov		
Dec		
Jan		
Feb		
Mar		



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.

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									
Covert Human Intelligence Source	0	0	0									

Complaints (Delivering High Quality Services)



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.	12	4	9									
% Time	100%	100%	100									

**Stage 2
Complaints
Performance**

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
No.	2	3	1									
% Time	100%	100%	100%									

Notes: For June 19 it has been reported that there was 1 Stage 2/3 complaint and 1 ombudsman's complaint for Planning.

Complaints (Delivering High Quality Services)

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.



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Q1 April 19 - June 19	Stage 1	Stage 2	Ombudsman
Governance & Legal			
Finance, Revenues & Benefits			
Property			
People, Performance & Projects			
IT and Corporate Resilience			
Public Realm			
Customer and Commercial	4		
Sport & Leisure			
Housing & Environmental	5	2	1
Building and Engineering	8		
Planning & Regeneration	8	4	2
Leadership Support			
Total	25	6	3

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Key Decision Required:	No	In the Forward Plan:	No
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**CABINET
9 AUGUST 2019**

REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER

PERFORMANCE REPORT APRIL – JUNE 2019 (Q1)

(Report prepared by Anastasia Simpson & Katie Wilkins)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present the Performance Reports (2019/20) for the period April – June 2019 (Q1).

EXECUTIVE SUMMARY

The Performance Reports (*Resources & Services & Community Leadership*) set out the detailed actions and targets for the delivery of the Council’s priorities throughout the year.

Current Performance

The Performance Reports include both the Corporate Plan and Priorities and Projects 2018/19.

The Priorities and Projects for 2019/20 were agreed by Cabinet at its meeting of the 19th July 2019. Specific deliverables for the priorities and projects will now be developed in consultation with the relevant Portfolio Holders and will be incorporated into the Performance Report for the end of Quarter 2 (end September 2019). Once this process is complete the finalised Performance Reports will be put to the Cabinet, so Cabinet (as a whole) can confirm the deliverables for its Priorities and Projects before they are subject to scrutiny.

The Quarter 1 position demonstrates that of the 17 indicators and projects where performance is measured, that 10 (55%) are on, or above, their expected target, 5 (27%) are not currently in line with the expected performance and 2 (11%) we currently have no data available. The indicators and projects highlighted in the Community Leadership report are deemed ‘non measurable’ as Tending’s role is that of influence only.

The respective report/s will be presented to the Community Leadership Committee: 7 October 2019 and Resources and Services Committee: 14 October 2019.

TRANSFORMING TENDRING

The Transformation Project is running generally to plan. Building work is a little behind, training is progressing well and technology rollouts are progressing. Delaying factors have been nesting birds, heavy rain during June and competing priorities for the engineering team. Within the main strands of the project:

Human Resources

AMIDO services’ training is working really well. 72% of trainees have rated it 5 with stars. Flexible working policies are established “Independence” Staff preparation for flexible working workshops are working really well, over 200 staff have now taken part and a lot more sessions are planned. Online training package is fully developed.

Information Technology

IT and Channel Shift: Redesigning of the IT Network and move onto the Cloud continues. Training on the new Firmsteps Interface and resolution of some teething issues is progressing well with the interface activated for two environmental functions and ready for activation once other service area

applications are ready. All staff will be moving over to 365 and the Cloud next month, this change over should not cause any disturbance.

Customer Services and Support

New Customer Services Team is fully operational at Pier Avenue. Partner accommodation is also in use by a number of partners including the Probation Service. Good progress on scanning and Digitisation continues both at Weeley and Clacton and archiving old paperwork is being achieved. However, there is still a significant amount to do especially at the Town Hall. Two significant stocks of microfiche records have been identified and new equipment is being sourced to facilitate their digitisation by in house staff.

Building Works

Work on the ground and first floors Council Tax Building are complete. Full operation of the building, including new RBS/housing reception, began on 10 December 18. Work on the staircase and redecoration and carpeting on the second floor accommodation will not be completed until roofing work is finished. Nesting birds on the roof of the existing building will delay associated reroofing work of that building until at late July 19, leading to completion in late August 2019; two to three weeks behind schedule.

Gipping Construction are progressing with the Barnes House extension and link. The structure is complete including doors, roofs, floors and windows, all of the first fix is complete and plastering is in progress, next steps will be to complete the plastering and second fix joinery and services.

Work to create offices at Northbourne Depot is complete. Next stages are the provision of kennels and storage space for Environmental Services.

Westleigh House has been demolished. Quotations for revision and resurfacing of the car park are substantially in excess of budget. Some minor repairs to the former car park surface carried out so that it can be used in the summer. Revised quotations will be sought in the quieter period of the autumn.

All consents for work at the Town Hall have been granted. Part of the building is now vacated. Stripping out the location for the new Committee Room and the refurbishment of the office spaces above that had been completed and the first major structural opening has been completed. First fixing in the upper office is complete and plastering is under way. Other priorities have caused delay and work at the Town Hall is around six weeks behind schedule.

RECOMMENDATION

That Cabinet considers the Performance Reports for the period April - June 2019 (Q1).

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The reports show the high-level projects that are being undertaken to deliver key objectives for the Council. Each project shows details of the objective, how it is being delivered and an update on progress. Furthermore, milestones detail the timeframe that is being worked to, along with the added benefit of any slippage being highlighted.

The performance indicators show key areas of performance in detail, how each is progressing, along with charts and tables to present the ongoing position.

FINANCE, OTHER RESOURCES AND RISK**Resources**

The priorities highlighted within the Performance Reports for the period April – June 2019 (Q1) can be delivered within the Council's existing budgets.

Risk

These priorities are all within the current TDC risk framework.

LEGAL

The actions proposed in this report are within the Council's legal powers.

OTHER IMPLICATIONS

None.

APPENDICES

Appendix A: Performance Report (Resources and Services) April – June 2019 (Q1).

Appendix B: Performance Report (Community Leadership) April – June 2019 (Q1).

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Resources and Services Overview and Scrutiny Committee
Work Programme 2019/2020 (Officer Version)

Meeting Calendar

Meeting Date	Topics	Detail	Lead Officer	Deadline for Reports / Agenda Detail
14 October 2019	Performance Report 2019/2020 First Quarter	To undertake scrutiny of: (a) Is the performance monitoring system capturing the right level of data to support delivery of the Corporate Plan and its priorities and projects – and to make recommendations thereon. (b) Is there performance as identified in the monitoring data that warrants scrutiny of an activity – and to determine whether and how that scrutiny should take place; including it as appropriate in the work programme. The performance data could be an improving position where scrutiny can look for lessons that may have a service or broader implication for the future, an unchanging position and scrutiny may be appropriate because of further resource changes that would on the face of it suggest performance would change or declining performance where the scrutiny may be about how this has happened and what	Katie Wilkins Anastasia Simpson	

	<p>Corporate Budget and Financial Forecast Monitoring 2019/20 first Quarter</p>	<p>needs to be done to improve performance.</p> <p>To present the financial performance report for the First quarter of 2019/20 to consider:</p> <p><i>In respect of the in-year budget position to date:</i></p> <ul style="list-style-type: none"> • Any adverse issues emerging during the quarter and the action taken to manage / mitigate the associated risk. • Any emerging issues / themes that may have an impact on future quarters / years and what information the Committee requires to help them support the Council in responding to the associated risk. <p><i>In respect of the updated financial forecast:</i></p> <ul style="list-style-type: none"> • Key assumptions within the forecast to gain assurance that the forecast is broadly robust / resilient. • External influences – have they been reflected within the forecast. • Achievement against the 	<p>Richard Barrett</p>	
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		<p>savings delivery plan.</p> <ul style="list-style-type: none"> • Cost pressures and mitigation action taken to support the overall forecast • Strategic review of service areas and the potential impact any associated plans on the forecast / detailed budget 		
	<p>Review of the Business Case for the future of publicly owned leisure centres within the District</p>	<p>To present to the Committee the Business Case for the Future of publicly owned leisure centres within the district to enable the Committee to scrutinised this forthcoming decision</p> <ul style="list-style-type: none"> - Gain assurances of the future sustainability of the sports facility service - evaluate how the councils sport facility service impacts on public health - Review the maintenance programme and the balance between planned preventative and reactive maintenance - Does the activity programme reflect the needs of residents? - How does the council work 	<p>Mike Carran</p>	

RSOSC

		with its key partners I the delivery of its sports facility service e.g. schools and public health.		
	Corporate Plan (Subject to agreement)	To enable the Committee to undertake pre-decision scrutiny of the emerging Corporate Plan 2020-24 and Priorities and projects for 2020/21.	Martyn Knappett	
28 November 2019	Performance Report 2019/20 Second Quarter	To enable the Committee to scrutinise the performance monitoring system and identify from the relevant performance data future work programme scrutiny items. (see fuller detail for 14 October meeting)	Katie Wilkins Anastasia Simpson	20 November 2019
	Corporate Budget and Financial Forecast Monitoring 2019/20 Second Quarter	To present the financial performance report for the second quarter of 2019/20 to consider: <i>In respect of the in-year budget position to date:</i> <ul style="list-style-type: none"> • Any adverse issues emerging during the quarter and the action taken to manage / mitigate the associated risk. • Any emerging issues / themes that may have an impact on future quarters / years and what information the Committee 	Richard Barrett	

		<p>requires to help them support the Council in responding to the associated risk.</p> <p><i>In respect of the updated financial forecast:</i></p> <ul style="list-style-type: none"> • Key assumptions within the forecast to gain assurance that the forecast is broadly robust / resilient. • External influences – have they been reflected within the forecast. • Achievement against the savings delivery plan. • Cost pressures and mitigation action taken to support the overall forecast • Strategic review of service areas and the potential impact any associated plans on the forecast / detailed budget 		
16 December 2019	Initial Budget 2020/21 and Financial Forecast Scrutiny Detailed Review	<p>To present the Detailed Budget proposals for 2020/21 to consider:</p> <ul style="list-style-type: none"> • Key assumptions within the budget to gain assurance that it is broadly robust / 	Richard Barrett	6 December 2019

RSOSC

		<p>resilient.</p> <ul style="list-style-type: none"> • Deliverability of the savings included within the detailed budget • Robustness of the cost pressure forecasts • Adequacy of reserves to support the budget / forecast • Does the budget deliver against / reflect Corporate Priorities • Any relevant issues raised by the Council's External Auditor 		
8 January 2020 TBC	Initial Budget 2020/21 and Financial Forecast Scrutiny Detailed Review	See above text - follow on from 16 December Meeting	Richard Barrett	N/A – follow on from 16 December meeting
17 February 2020	Annual Capital and Treasury Strategy Scrutiny	<p>To present the Annual Strategy for XX/XX to consider:</p> <ul style="list-style-type: none"> • Key changes since last year • Adequacy of resources / internal expertise to deliver against the Strategy • Key Investment and borrowing assumptions • Advice from external treasury advisors • The level of accepted risk 	Richard Barrett	7 February 2020

		<ul style="list-style-type: none"> • Key investment / borrowing criteria 		
	Performance Report 2019/20 Third Quarter	To enable the Committee to scrutinise the performance monitoring system and identify from the relevant performance data future work programme scrutiny items. (see fuller detail for 14 October meeting)	Katie Wilkins Anastasia Simpson	
	Scrutiny of the implementation of the new waste and recycling collection service	<ul style="list-style-type: none"> • Emphasis should be on the implementation and planning of the roll out of the service. • Focus on the results that we have -recycling performance data compared to expected data, • waste minimisation, • And overview of the roll out of the service. 	Jonathon Hamlet	
23 March 2020	Corporate Budget and Financial Forecast Monitoring 2019/20 Third Quarter	<p>To present the financial performance report for the third quarter of 2019/20 to consider:</p> <p><i>In respect of the in-year budget position to date:</i></p> <ul style="list-style-type: none"> • Any adverse issues emerging during the 	Richard Barrett	13 March 2020

		<p>quarter and the action taken to manage / mitigate the associated risk.</p> <ul style="list-style-type: none"> • Any emerging issues / themes that may have an impact on future quarters / years and what information the Committee requires to help them support the Council in responding to the associated risk. <p><i>In respect of the updated financial forecast:</i></p> <ul style="list-style-type: none"> • Key assumptions within the forecast to gain assurance that the forecast is broadly robust / resilient. • External influences – have they been reflected within the forecast. • Achievement against the savings delivery plan. • Cost pressures and mitigation action taken to support the overall forecast • Strategic review of service areas and the potential impact any associated plans on the forecast / detailed budget 		
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	Review of the Year and Work Programme 2020/21	To review this year’s work and to seek Members’ approval to a draft programme of work for the Resources and Services Overview and Scrutiny Committee for the coming municipal year for recommendation to the Annual Council meeting 2020.	Keith Simmons Charlotte Cooper
	Energy Efficiency	To enable the Committee to scrutinise the work that the Council has undertaken in respect to Climate Change and Energy efficiency. The main focus should be on <ul style="list-style-type: none"> • Scrutiny of the work undertaken by the Climate Change Working Party. • Home energy efficiency, in particular the Eco3 initiative. 	

To be programmed;

Topic	Detail and Comments	Lead Officer(s)
Review of the Councils Public Convenience Strategy		Richard Barrett

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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

14 OCTOBER 2019

REPORT OF THE DEPUTY CHIEF EXECUTIVE

A.2 NEW CORPORATE PLAN 2020-24

(Report prepared by Charlotte Cooper)

PURPOSE OF THE REPORT

To enable the Committee to undertake pre-decision scrutiny of the emerging Corporate Plan 2020/24 and Priorities and Projects 2020/21.

BACKGROUND

On 13 September 2019 Cabinet considered a Report of the Leader of the Council – New Corporate Plan 2020-24 (and accompanying appendices) which is attached as **Appendix A**.

The Committee will be aware that the Corporate Plan, alongside the 10 year financial strategy, the Annual Budget and the Local Plan, sets out the long term strategic framework of policies, priorities and projects for the benefit of the Tendring District. It provides a clear lead to direct the deployment of the Council's finances, staff and other resources, allowing long term planning and forming the cornerstones of the Council's planning, policies and performance management.

The Community Leadership Overview and Scrutiny Committee have also received this report.

RECOMMENDATION

That the Committee;

- **Note the New Corporate Plan 2020-24**
- **Determines whether it has any comments or recommendations it wishes to put forward the relevant Portfolio Holder or Cabinet.**

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Key Decision Required:	No	In the Forward Plan:	No
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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

14 OCTOBER 2019

REPORT OF THE DEPUTY CHIEF EXECUTIVE

A.1 NEW CORPORATE PLAN 2020-2024

(Report prepared by Martyn Knappett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek comments and feedback from Resources and Services, Overview and Scrutiny Committee, to Cabinet in relation to the draft Corporate Plan 2020/24 and its initial proposals.

EXECUTIVE SUMMARY

The Council's Corporate Plan – alongside the 10 year financial strategy, the Annual Budget and the Local Plan – sets out the long term strategic framework of policies, priorities and projects for the benefit of the Tendring District.

It provides a clear lead to direct the deployment of the Council's finances, staff and other resources, allowing long term planning and forming the cornerstone of the Council's planning, policies and performance management.

At its meeting on 19 July 2019 the Cabinet agreed to "instruct officers to work with Portfolio Holders to bring forward proposals for a new Corporate Plan for the period 2020 to 2024. Initial proposals were presented to Cabinet on 13 September 2019.

It also agreed that the current strategic Performance Management arrangements should remain in place. Consisting of

- A high level, strategic, long term Corporate Plan agreed by Council.
- An annual programme of Priorities and Projects to deliver the Corporate Plan aspirations agreed by Cabinet.
- Clear milestones and deliverables for the Priorities and Projects set out in the Performance Dashboard.
- Quarterly reporting of the Performance Dashboard to Cabinet and the two Overview and Scrutiny Committees.
- Monthly monitoring of the Performance Dashboard by Management Team.

The attached draft Corporate Plan (Appendix A) follows the principles which were also agreed at the last Cabinet meeting, namely

- A "Plan on a Page"
- With Community Leadership at its heart
- With other cross-cutting themes identified such as Tendring4Growth,
- And with a clear statement of the Council's overall vision and values.

A number of major topics and themes – such as **Jaywick, Garden Communities** and support for **local businesses**, carried forward from the previous Corporate Plan into this new draft because they are very long term and ongoing. Some key points for Members to be

aware of are as follows

- **Community Leadership** remains as the predominant cross cutting theme.
- Economic growth - “**Tendring4Growth**”- is also highlighted as a theme which cuts across a wide range of the Council’s service activities and projects.
- Transformation – of the way we work – no longer features as a separate heading but is embedded as “**modern facilities**” and “**24 hour digital services**”.
- The Council’s commitment to work towards **Carbon Neutrality** is included – alongside – “**minimise waste; maximise recycling**”.
- **Effective regulation and enforcement, a proactive Planning service and effective planning policies** reflect the key importance of these activities to have a positive impact on the wider district and residents – hopefully with the benefit of an adopted Local Plan in the first year of the life of the new Corporate Plan.
- More emphasis and detail is provided regarding **working with partners** as a Community Leader – setting out not just some of the key partnerships but what we aspire to achieve through that approach.
- The plan to embark on **new housebuilding** is included, as is the desire to see **town centres** in Tendring revitalised.
- **A Growing and inclusive economy** includes developing and supporting **existing businesses** as well as attracting **new businesses** and a commitment to promoting not just the major **Tourism** attractions of Tendring but also the **Heritage and Cultural** offers.

The success of the whole plan requires a **sound financial position** over the long term and continued commitment to the **10 year financial plan** is vitally important. We are currently in year 3 of the Plan and the period of this Corporate Plan will see four years, when steady but significant reductions in the Council’s base, ongoing budget are required. This will be very challenging in a time when central government funding will be fully withdrawn, but the long term financial plan holds out the prospect of the Council’s budgets becoming balanced and self-financing without the need for further reductions in the following years.

The success of the whole plan also requires **effective and positive governance** to ensure the Council and its various resources – **people, assets, IT and finances** - are well managed to enable the Corporate Plan priorities and the full range of the Council’s services to be delivered.

The **Vision and Values of the Council** have been reviewed and considered in the light of changing circumstances – both in the world of local government and more widely – and it is felt that they remain appropriate and relevant so they remain unchanged from the previous plan.

The **timetable** for completion of the Corporate Plan, with it ultimately being approved by Full Council early in 2020 is set out in Appendix B.

A Corporate Plan is very much something which is for the Council to set out for itself. So it is appropriate to seek views on the Initial Proposals from the wider membership of the Council through the Overview and Scrutiny Committees.

Wider **community engagement** will also be undertaken with a consultation period from 16 September to 21 October. The plan will be sent to key public sector partners, businesses and community organisations. The Initial Proposals will also be posted on the Council’s Website and a press release will invite any interested Members of the public to comment.

Comments from the various sources will be incorporated into a report to Cabinet in November to enable Cabinet to determine its Final Proposals for the new Corporate Plan.

The Final Proposals will be Cabinet's recommendation to Council in January 2020.

RECOMMENDATION(S)

It is recommended that:

Resources and Services, Overview and Scrutiny Committee reviews the content of the draft Corporate Plan 2020 – 24 as set out in Appendix A and provides Cabinet with any comments or recommendations.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Corporate Plan sets out high level priorities for the Council 2020-2024.

FINANCE, OTHER RESOURCES AND RISK

There are no financial implications in setting out the Council's aspirations in a Corporate Plan. Individual projects still need to be fully and properly assessed and formally approved prior to commencing. One of the priorities from the LGA Peer Challenge carried out in 2018 was that an enhanced approach to project management, project delivery and performance reporting be brought into use. This will encompass a full assessment of resources and risk.

LEGAL

The Corporate Plan forms part of the Council's Policy Framework which means it must be approved by Full Council following a process involving both Cabinet and Overview and Scrutiny.

The legal implications of individual projects will be assessed when they are brought forward for formal decisions to be made.

OTHER IMPLICATIONS

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

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

The implications of individual projects will need to be fully and properly assessed and approved prior to commencing. As with resources and risk assessment of other implications will be included as part of enhanced project delivery arrangements.

It is proposed that partners and stakeholders should be consulted on the draft Corporate Plan.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Corporate Plan 2020-2024

The Council's Corporate Plan sets out the Council's vision and values together with key strategic long term aims and priorities. It has a key focus on Community Leadership being "at the heart of everything we do". Once adopted by the Full Council it is part of the Council's Budget and Policy framework and thus sets the direction and context for the Council's work for the period of the Plan. For further information on the Budget and Policy Framework Members are referred to Article 4 of the Council's Constitution.

Initial proposals for a Corporate Plan were prepared and agreed by Cabinet on 13 September 2019; they are now being reported to the Overview and Scrutiny Committees for consideration and comment back to Cabinet; Cabinet then agrees final proposals which are

recommended to Full Council for approval.

Given the importance of the Corporate Plan for the long term focus of the Council there should also be a degree of public engagement and the opportunity should be provided to key partners of the Council and other stakeholders to feed into the process. Initial proposals for external consultation are outlined in Appendix C. This includes public service partners, business and community representatives. This is being undertaken in parallel with the review of the initial proposals by the Overview and Scrutiny Committees.

The Council's performance management arrangements seek to establish a clear linkage – sometimes referred to as a “golden thread” between the long term aims of the Corporate Plan, the medium term priorities and projects, the deliverables identified for those priorities and projects and the more detailed service aims set out in Departmental Plans and ultimately in the individual performance aims set for individual officers.

Having a clear statement of the Vision of the Council and the values it expects all Members and staff to adhere to also have a wide and deep influence on the day to day working of the Council.

Finally, with regard to the content and structure of the Corporate Plan and the Council's Performance Management arrangements this report suggests that the set of arrangements currently in place, and which has evolved over a number of years, is fit for purpose and works well, and should continue to be the basis used by the Council.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

APPENDIX A – DRAFT CORPORATE PLAN

APPENDIX B – TIMETABLE

APPENDIX C – CONSULTATION PROPOSALS

**MARTYN KNAPPETT
DEPUTY CHIEF EXECUTIVE, CORPORATE SERVICES**

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.

Delivering High Quality Services

- Modern, high quality buildings and facilities for customers and staff
- 24 hour a day digital services – My Tendring
- Minimise waste; Maximise recycling
- Proactive Planning Service
- Public spaces to be proud of
- Effective regulation and enforcement
- Carbon Neutral by 2030

Tendring District Council Corporate Plan 2020-2024



Community Leadership Through Partnerships

- Health and wellbeing - for effective services and improved public health
- Education - for improved outcomes
- Law and Order - for a safer community
- Sport England and Active Essex- for physical activity and wellbeing
- Joined up public services for the benefit of our residents and businesses
- Influence and lobby - for Tendring's future

Community Leadership Tendring4Growth

Building Sustainable Communities for the Future

- North Essex Garden Communities
- Jaywick Sands - more and better housing; supporting the community
- Vibrant Town Centres
- Building and managing our own homes
- Effective planning policies

Strong Finances and Governance

- Balanced annual budget
- 10 year financial plan
- Effective and positive Governance
- Strong and focused leadership
- Use assets to support priorities

A Growing and Inclusive Economy

- Develop and attract new businesses
- Support existing businesses
- More and better jobs
- Promote Tendring's tourism, cultural and heritage offers
- Maximise our coastal and seafront opportunities

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**

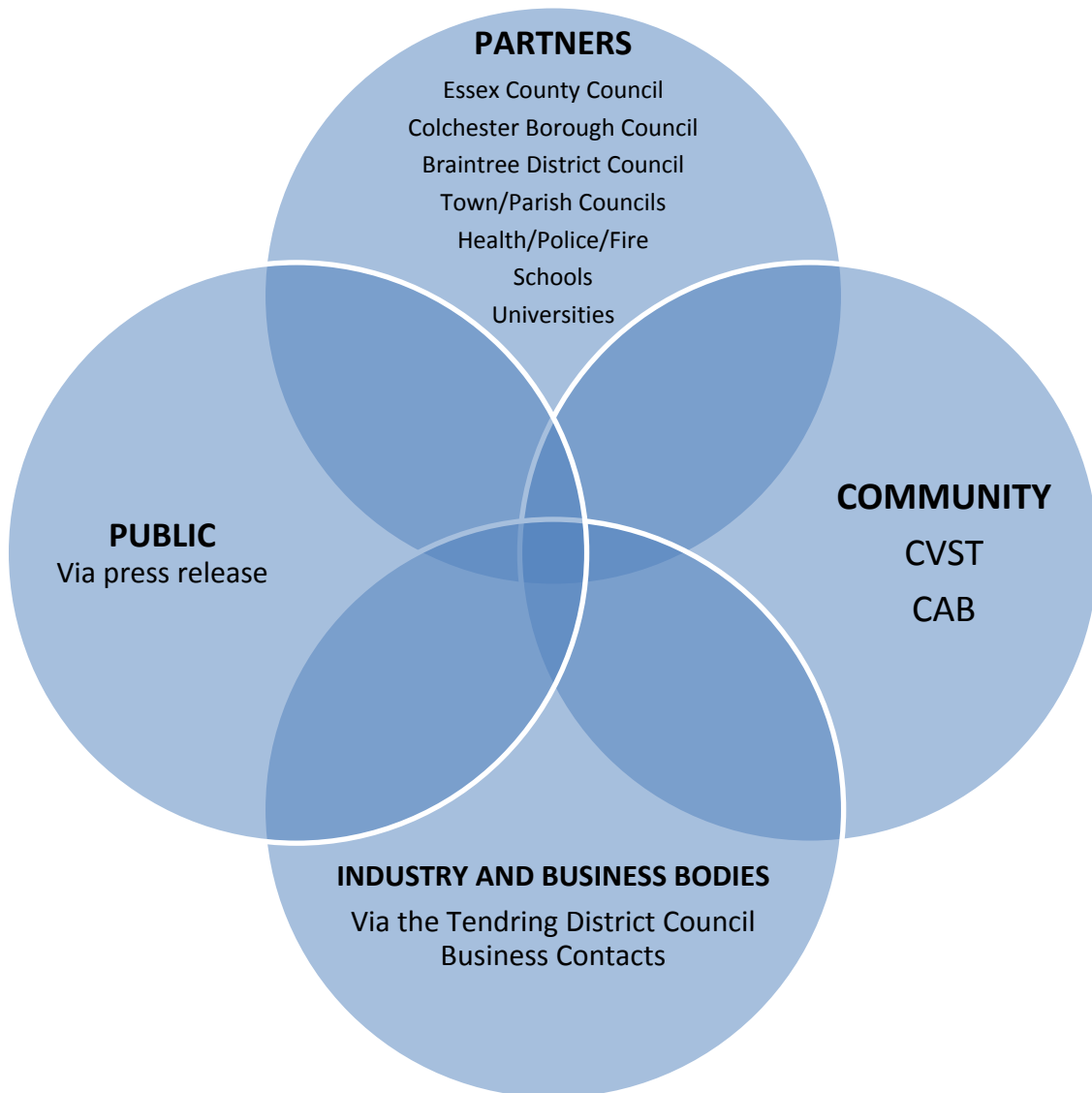
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A.1 APPENDIX B**CORPORATE PLAN TIMETABLE**

<u>Date</u>	<u>Activity</u>	<u>Committee/Meeting</u>
13 September 2019	Initial proposals agreed	Cabinet
16 September 2019	Consultation commences/letters to consultees	
7 October 2019		Community Leadership Overview and Scrutiny Committee
14 October 2019		Resources and Services Overview and Scrutiny Committee
21 October 2019	Consultation closes	
13 December 2019	Review of consultation comments and determination of Final Proposals	Cabinet
21 January 2020	Decision on the Corporate Plan	Full Council

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CORPORATE PLAN – CONSULTATION PROPOSALS



Please Note - The above list is not exclusive or exhaustive

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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

14 OCTOBER 2019

REPORT OF THE DEPUTY CHIEF EXUECTUTIVE

A.3 FINANCIAL PERFORMANCE REPORT – IN-YEAR PERFORMANCE AGAINST THE BUDGET AT END OF THE FIRST QUARTER 2019/20 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 June 2019 and to present an updated forecast on an on-going basis as part of developing the budget for 2020/21 and beyond.

BACKGROUND / CURRENT POSITION

On 13 September 2019 Cabinet considered a Financial Performance Report which is attached as **Appendix A**.

At the above meeting, Cabinet resolved:

- (1) in respect of the financial performance against the budget at the end of June 2019:
 - (a) The position be noted; and
 - (b) The proposed in-year adjustments to the budget, as set out in Appendix H to the report, be approved, with the additional requirement that the fund of £1.134million set aside for investment in the Council's property assets be spent in such a way as to reduce future cost pressures and to contribute to the Council's commitment to carbon reduction.
- (2) In respect of the Updated Long Term Forecast, the updated forecast be agreed and that the Resources and Services Overview and Scrutiny Committee be consulted on the latest position.

RECOMMENDATION

That the Committee:

- a) **Considers the in-year financial position as at the end of June 2019 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.

Tendring **District Council**



Appendices Included:

Executive Summary	A summary of the overall position.
Appendix A	A summary of the overall position by Portfolio/Committee split by GF and HRA
Appendix B	An analysis by Department of all General Fund Revenue budgets.
Appendix C	An analysis of Housing Revenue Account Revenue budgets.
Appendix D	The position to date for General Fund and HRA capital projects.
Appendix E	Collection Performance
Appendix F	Treasury activity.
Appendix G	Income from S106 Agreements.
Appendix H	Proposed Adjustments to the 2019/20 Budget

Corporate Budget Monitoring

June 2019

(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 June 2019

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	598,870	200,388	185,792	(14,596)
Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041
Operational Services	16,070,650	1,163,111	1,091,197	(71,914)
Planning and Regeneration	6,602,780	703,794	179,310	(524,485)
Total General Fund	0	1,279,603	1,739,650	460,046

Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Total HRA	0	(1,824,168)	(1,804,421)	19,748

Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	12,994,520	1,196,108	1,255,655	59,548
Housing Revenue Account	6,711,690	1,025,540	925,303	(100,237)
Total Capital	19,706,210	2,221,648	2,180,958	(40,689)

Debt

	Collected to Date Against Collectable Amount
Council Tax	30.64%
Business Rates	30.21%
Housing Rents	97.99%
General Debt	90.50%

Treasury

	£'000
Total External Borrowing	41,536
Total Investments	68,795

Revenue Budget Position at the end of June 2019

General Fund Portfolio / Committee Summary

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £
Leader	5,034,700	482,110	(28,156)	(510,266)
Environment and Public Space	6,977,370	926,886	824,399	(102,487)
Housing	3,342,260	1,053,364	2,355,178	1,301,813
Independent Living	345,170	164,923	172,241	7,318
Leisure and Tourism	6,132,580	(517,369)	(393,624)	123,745
Business and Economic Growth	2,885,910	124,817	106,055	(18,762)
Corporate Finance and Governance	2,563,000	721,413	401,584	(319,829)
Partnerships	646,360	123,518	119,632	(3,886)
Budgets Relating to Non Executive Functions	788,390	199,700	212,462	12,762
	28,715,740	3,279,363	3,769,772	490,409
Revenue Support for Capital Investment	4,855,930	0	0	0
Financing Items	(5,829,790)	(90,712)	(122,156)	(31,444)
Budget Before use of Reserves	27,741,880	3,188,651	3,647,617	458,965
Contribution to / (from) earmarked reserves	(14,185,310)	0	0	0
Total Net Budget	13,556,570	3,188,651	3,647,617	458,965
Funding:				
Revenue Support Grant	(421,920)	(75,974)	(75,945)	29
Business Rates Income	(4,469,610)	(662,230)	(661,186)	1,044
Collection Fund Surplus	(709,650)	(141,930)	(141,930)	0
Income from Council Tax Payers	(7,955,390)	(1,028,914)	(1,028,906)	8
Total	0	1,279,603	1,739,650	460,046

Revenue Budget Position at the end of June 2019

HRA Portfolio Summary

	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile
	£	£	£	£
Housing	(1,831,450)	(1,824,168)	(1,804,421)	19,748
	(1,831,450)	(1,824,168)	(1,804,421)	19,748
Financing Items	1,756,120	0	0	0
Budget Before use of Reserves	(75,330)	(1,824,168)	(1,804,421)	19,748
Contribution to / (from) earmarked reserves	75,330	0	0	0
Total	0	(1,824,168)	(1,804,421)	19,748

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Office of Chief Executive

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	305,190	76,298	72,343	(3,954)	76,298	
Transport Related Expenditure	13,840	3,460	1,849	(1,611)	3,460	
Supplies & Services	468,240	120,630	113,137	(7,493)	121,430	
Total Direct Expenditure	787,270	200,388	187,329	(13,059)	201,188	
Direct Income						
Other Grants, Reimbursements and Contributions	0	0	(1,537)	(1,537)	0	
Total Direct Income	0	0	(1,537)	(1,537)	0	
Net Direct Costs	787,270	200,388	185,792	(14,596)	201,188	
Net Indirect Costs	(188,400)	0	0	0	0	
Total for Office of Chief Executive	598,870	200,388	185,792	(14,596)	201,188	

Department - Office of Chief Executive

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Chief Executive and Leadership Support and Community	598,870	200,388	185,792	(14,596)	
Total for Office of Chief Executive	598,870	200,388	185,792	(14,596)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	6,983,560	1,325,685	1,311,574	(14,111)	1,339,965	
Premises Related Expenditure	259,000	80,680	114,308	33,628	103,350	
Transport Related Expenditure	61,030	24,105	22,878	(1,227)	24,095	
Supplies & Services	7,843,950	1,003,643	975,764	(27,879)	822,874	
Transfer Payments	39,889,980	8,816,670	10,281,278	1,464,608	8,816,670	
Interest Payments	63,670	7,749	5,973	(1,776)	31,484	
Total Direct Expenditure	55,101,190	11,258,532	12,711,775	1,453,243	11,138,438	
Direct Income						
Government Grants	(44,291,400)	(9,690,687)	(10,058,555)	(367,868)	(9,459,317)	
Other Grants, Reimbursements and Contributions	(1,539,180)	(294,656)	(245,558)	49,098	(454,313)	
Sales, Fees and Charges	(16,650)	(930)	(567)	363	(11,860)	
Rents Receivable	(5,730)	(1,400)	(100)	1,300	(1,515)	
Interest Receivable	(531,580)	(149,500)	(214,677)	(65,177)	(158,426)	
RSG, Business Rates and Council Tax	(13,556,570)	(1,909,048)	(1,907,967)	1,081	(5,105,388)	
Total Direct Income	(59,941,110)	(12,046,221)	(12,427,424)	(381,203)	(15,190,819)	
Net Direct Costs	(4,839,920)	(787,690)	284,351	1,072,041	(4,052,382)	
Net Indirect Costs	(4,247,070)	0	(1,000)	(1,000)	0	
Net Contribution to/(from) Reserves	(14,185,310)	0	0	0	0	
Total for Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041	(4,052,382)	

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Deputy Chief Executive and Administration	1,080	60,533	67,174	6,640	
Total for Governance and Legal Services	0	88,300	69,855	(18,445)	
Total for Finance, Revenues and Benefits	1,901,880	875,020	2,216,384	1,341,364	The variance to date primarily reflects the cash flow impact of housing benefit payments and the timing of the reimbursement of expenditure via the associated subsidy system.
Total for Finance - Other Corporate Costs	2,903,150	(894,001)	(1,211,791)	(317,790)	The position at the end of the first quarter reflects additional investment income from the Council's treasury activities (£65k) and from additional new burdens funding from the Government (£184k).
Total for Finance - Financing Items	(16,464,420)	49,250	86,549	37,299	
Total for Finance - RSG, Business Rates and Council Tax	(13,556,570)	(1,909,048)	(1,907,967)	1,081	
Total for Property Services	240,180	78,887	81,011	2,123	
Total for People, Performance and Projects	478,710	178,840	192,556	13,716	

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
Total for IT and Corporate Resilience	552,750	457,856	442,635	(15,222)	Variations in this service area are largely due to the timing of the delivery of a number of projects and initiatives associated with various strands of the digital transformation project.
Total for Democratic Services	670,940	226,672	246,945	20,273	
Total for Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Operational Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	9,477,410	2,307,932	2,351,284	43,351	2,318,692	
Premises Related Expenditure	3,090,780	755,041	759,233	4,192	957,371	
Transport Related Expenditure	454,160	95,900	91,492	(4,408)	117,254	
Supplies & Services	4,393,770	837,944	800,018	(37,926)	1,288,105	
Third Party Payments	4,895,370	805,297	776,973	(28,324)	1,248,065	
Transfer Payments	234,870	58,718	90,114	31,396	58,718	
Total Direct Expenditure	22,546,360	4,860,832	4,869,112	8,281	5,988,204	
Direct Income						
Government Grants	(630,570)	(496,750)	(496,753)	(3)	0	
Other Grants, Reimbursements and Contributions	(1,266,050)	(221,484)	(133,755)	87,729	(314,196)	
Sales, Fees and Charges	(8,189,780)	(2,863,500)	(3,030,053)	(166,553)	(1,910,568)	
Rents Receivable	(318,310)	(107,428)	(111,410)	(3,982)	(79,827)	
Direct Internal Income	(126,780)	(3,000)	(860)	2,140	(3,000)	
Total Direct Income	(10,531,490)	(3,692,161)	(3,772,831)	(80,670)	(2,307,591)	
Net Direct Costs	12,014,870	1,168,671	1,096,282	(72,389)	3,680,613	
Net Indirect Costs	4,055,780	(5,560)	(5,085)	475	(5,560)	
Total for Operational Services	16,070,650	1,163,111	1,091,197	(71,914)	3,675,053	

Department - Operational Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director and Administration Operational Services	659,680	121,465	86,326	(35,139)	
Total for Public Realm	1,699,300	168,745	71,729	(97,017)	Income from car parks (£44k) and at the crematorium (£17k) are running just ahead of the budget at the end of the first quarter.
Total for Customer and Commercial Services	504,620	225,960	221,025	(4,936)	
Page 83 Total for Sports and Leisure	3,123,970	(752,193)	(739,434)	12,759	As highlighted during 2018/19, a long term strategy aimed at responding to the challenging financial outlook for the Council's Leisure Facilities will be presented to Members later in the year. This is in addition to the proposed investment in Clacton Leisure Centre, with the associated business case due to be presented to Cabinet in September. To date the service is managing the situation on a short term basis pending agreement to the long term strategy.
Total for Housing and Environmental Health	2,866,630	102,935	50,439	(52,496)	
Total for Building and Engineering	7,216,450	1,296,198	1,401,113	104,915	Two main issues are reflected in the variance at the end of the first quarter - 1) Work has been undertaken by the in-house engineering team which has not yet been charged out to the relevant service areas and 2) The contribution towards the food waste service from ECC has yet to be invoiced.
Total for Operational Services	16,070,650	1,163,111	1,091,197	(71,914)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Planning and Regeneration

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	2,330,760	562,392	553,053	(9,339)	543,022	
Premises Related Expenditure	28,790	16,220	14,871	(1,349)	4,190	
Transport Related Expenditure	35,300	8,825	7,288	(1,537)	8,825	
Supplies & Services	4,639,510	580,247	218,750	(361,497)	440,847	
Third Party Payments	870	0	0	0	0	
Total Direct Expenditure	7,035,230	1,167,685	793,962	(373,723)	996,885	
Direct Income						
Government Grants	(52,960)	(49,510)	(49,519)	(9)	0	
Other Grants, Reimbursements and Contributions	0	0	(1,750)	(1,750)	0	
Sales, Fees and Charges	(1,376,220)	(399,847)	(549,476)	(149,628)	(325,457)	
Rents Receivable	(56,510)	(14,533)	(13,908)	625	(12,433)	
Total Direct Income	(1,485,690)	(463,890)	(614,652)	(150,762)	(337,890)	
Net Direct Costs	5,549,540	703,794	179,310	(524,485)	658,994	
Net Indirect Costs	1,053,240	0	0	0	0	
Total for Planning and Regeneration	6,602,780	703,794	179,310	(524,485)	658,994	

Department - Planning and Regeneration

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director	0	27,955	28,114	159	
Total for Planning and Customer Services	98,190	396,055	359,647	(36,408)	
Total for Planning and Development	1,348,150	(272,722)	(344,869)	(72,146)	Planning income is running ahead of the profiled budget by £0.139m at the end of the first quarter.
Total for Planning Policy	1,666,580	313,197	(61,920)	(375,117)	The position to date primarily reflects the timing of expenditure associated with the development of the Local Plan.
Total for Building Control	174,880	15,927	(10,821)	(26,749)	
Total for Regeneration	3,314,980	223,382	209,158	(14,224)	
Total for Planning and Regeneration	6,602,780	703,794	179,310	(524,485)	

Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of June 2019

Housing Revenue Account

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	1,090,540	165,520	158,209	(7,311)	165,520	
Premises Related Expenditure	3,458,870	602,734	638,800	36,066	788,403	
Transport Related Expenditure	20,370	5,093	6,622	1,529	5,093	
Supplies & Services	530,600	102,300	84,826	(17,473)	76,930	
Third Party Payments	1,030	258	0	(258)	258	
Transfer Payments	17,000	4,250	1,969	(2,281)	4,250	
Interest Payments	1,413,490	349,310	349,309	(1)	391,623	
Total Direct Expenditure	6,531,900	1,229,464	1,239,735	10,271	1,432,077	
Direct Income						
Other Grants, Reimbursements and Contributions	(8,000)	0	(270)	(270)	0	
Sales, Fees and Charges	(533,920)	(99,038)	(117,033)	(17,995)	(184,937)	
Rents Receivable	(12,843,320)	(2,954,595)	(2,926,853)	27,742	(3,481,353)	
Interest Receivable	(51,600)	0	0	0	0	
Total Direct Income	(13,436,840)	(3,053,632)	(3,044,156)	9,476	(3,666,289)	
Net Direct Costs	(6,904,940)	(1,824,168)	(1,804,421)	19,748	(2,234,212)	
Net Indirect Costs	6,829,610	0	0	0	0	
Net Contribution to/(from) Reserves	75,330	0	0	0	0	
Total for HRA	0	(1,824,168)	(1,804,421)	19,748	(2,234,212)	

Housing Revenue Account

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Finance - Financing Items	1,756,120	0	0	0	
Total for Corporate Director and Administration Operational Services	591,340	34,047	31,316	(2,731)	
Total for Customer and Commercial Services	(47,570)	0	(891)	(891)	
Total for Housing and Environmental Health	(6,217,010)	(2,372,032)	(2,357,745)	14,287	
Total for Building and Engineering	3,917,120	513,817	522,899	9,083	
Total for HRA	0	(1,824,168)	(1,804,421)	19,748	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Expenditure						
Business and Economic Growth Portfolio						
Regeneration Capital Projects	349,180	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	43,250	43,250	0	0	0	All funding has now been committed against qualifying projects, with funding to be drawn down by recipients at agreed milestones.
Harwich Public Realm	1,000,000	1,000,000	0	0	0	Project will commence subject to a business case and report to be presented to Cabinet.
Total for Business and Economic Growth Portfolio	1,392,430	1,392,430	0	0	0	

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Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Corporate Finance and Governance Portfolio						
Audit management software	2,230	2,230	0	0	0	
Joint HR and Payroll System	1,780	1,780	0	0	0	
Westleigh House Demolition	23,710	23,710	0	0	0	Site demolished July 2019 awaiting invoices. Please see Appendix H for proposed adjustment that merges this budget with the wider office rationalisation scheme as the costs associated with the on-going use of this site will form part of that project.
Information and Communications Technology Core Infrastructure	355,210	190,210	13,802	48,562	34,759	This capital sum, together with the IT strategic Investment budget below are now fully committed during 2019/20 to the office transformation network re-design and investment works and essential hardware upgrades, including the Council's security firewalls.

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Strategic Investment	35,180	35,180	0	3,929	3,929	See Information and Communications Technology Core infrastructure comment re: office transformation network re-design.
Agresso e-procurement	84,000	84,000	0	0	0	
Individual Electoral Registration - Scanning Equipment	1,560	1,560	0	0	0	
Enhanced Equipment replacement - Printing and Scanning	15,860	12,250	0	0	0	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Office Rationalisation	1,014,730	982,970	115,785	159,433	43,648	Work in Pier Avenue is complete apart from some outstanding minor works. The extension and link at Barnes House is structurally complete and is scheduled for full completion in August 2019. Work at Northbourne depot is complete. Work on the Town Hall has started and will progress in a series of phases throughout 2019 and up to May 2020. The bulk of remaining expenditure will occur during the construction phases in 2019/20. Retentions and set up costs will form a tail of expenditure for around a further 12 months. The budget has been reprofiled to reflect this schedule of works.
Total for Corporate Finance and Governance Portfolio	1,534,260	1,333,890	129,587	211,924	82,336	

Corporate Budget Monitoring - General Fund Capital Programme Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
	£	£	£	£	£	
Environment and Public Space Portfolio						
Cranleigh Close, Clacton, landscaping works	7,830	7,830	6,000	5,997	(3)	
Environmental Health Database Migration	5,250	5,250	0	0	0	The Service is reviewing this project as part of the wider Digital Transformation Project.
Public Access Module to CAPS	54,140	54,140	0	0	0	The Service is reviewing this project as part of the wider Digital Transformation Project.
Laying Out Cemetery	168,470	0	0	0	0	The works element of this project has been profiled to 2020/21.
Crematorium and Cemeteries Road Works	163,000	163,000	0	0	0	Initial works to be completed by September 2019, with a view to complete the project by March 2020.
Bath House Meadow Play Area, Walton	4,870	4,870	0	0	0	Works finished, with retention due to be paid to contractor.
Changing Place Facilities, Walton	1,500	1,500	1,500	1,551	51	Scheme Complete.
Resurfacing Works, Off Valley Road	6,770	6,770	0	0	0	Works to be finalised by November 2019.

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Waste Collection Wheeled Bins	742,990	742,990	191,160	189,728	(1,432)	Delivery of bins to residents is underway, with an estimated roll out time of 10 weeks.
Bath House Meadow Security Measures	20,000	20,000	0	0	0	
Milton Road car park repairs	250,000	250,000	0	0	0	This project remains under consideration as part of the wider Harwich regeneration project.
Clacton Multi-Storey car park repairs	180,000	180,000	0	0	0	This scheme is currently being reviewed as costs estimated at more than the budget - there may be opportunities to re-scale the project or additional funding may need to be considered.
Public Convenience Works	40,000	40,000	0	0	0	Demolition and Refurbishment works expected to be completed by March 2020.
Total for Environment and Public Space Portfolio	1,644,820	1,476,350	198,660	197,277	(1,383)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
	£	£	£	£	£	
Housing Portfolio						
Replacement of High Volume Printers	29,000	29,000	0	0	0	
Replacement debit and credit card payment facility	14,630	14,630	0	0	0	
Replacement Scan Stations	12,000	0	0	0	0	This scheme has been profiled to 2020/21.
Housing in Jaywick	498,750	498,750	17,188	16,105	(1,083)	Ecological surveys have commenced to inform future developments.
Private Sector Renewal Grants/Financial Assistance Loans	325,260	325,260	9,905	9,900	(5)	
Disabled Facilities Grants	6,151,870	5,168,960	317,127	293,318	(23,810)	
Private Sector Leasing	75,660	75,660	0	0	0	
Empty Homes funding	164,220	164,220	0	0	0	This project is being reviewed to identify alternative options / opportunities.
Total for Housing Portfolio	7,271,390	6,276,480	344,220	319,323	(24,897)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Leisure and Tourism Portfolio						
Replacement of beach hut supports - The Walings	11,620	0	0	0	0	
Princes Theatre Toilets	40,000	40,000	0	0	0	This project is due to be completed in 2019/20 as part of the scheduled works to the Town Hall that form part of wider Office Rationalisation project.
Town Centre Fountain	160,000	160,000	0	0	0	Options for this site remain under consideration.
Dovercourt Bay Lifestyles CCTV	49,500	49,500	26,000	26,000	0	The equipment has now been purchased for Dovercourt Sports Centre with a saving of £23,500 achieved. The service is currently investigating the purchase of another camera for Clacton leisure Centre subject to a report and business case.
New Beach Huts	64,600	64,600	0	0	(0)	

Corporate Budget Monitoring - General Fund Capital Programme Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
	£	£	£	£	£	
Cliff Stabilisation Scheme	2,108,320	2,108,320	495,390	495,382	(8)	Works are on schedule to be completed Summer 2019.
Marine Parade West Clacton Cliff Works	49,380	49,380	2,250	2,250	0	Works finished. Final invoice to be received at end of maintenance period October 2019.
Flood Wall, Walton On The Naze	0	0	0	3,500	3,500	Works Completed.
Purchase of Street Cleansing Equipment	43,570	43,570	0	0	0	Equipment was delivered in June, however invoice is currently in dispute with supplier.
Total for Leisure and Tourism Portfolio	2,526,990	2,515,370	523,640	527,132	3,492	
Total Approved General Fund Capital Programme	14,369,890	12,994,520	1,196,108	1,255,655	59,548	

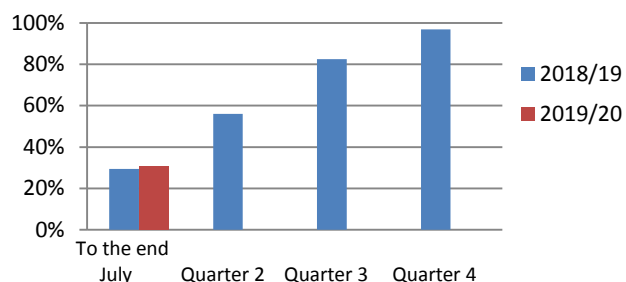
Corporate Budget Monitoring - Housing Revenue Account Capital Programme Budget Position at the end of June 2019

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments												
Improvements, enhancement & adaptation of the Council's housing stock	3,215,410	802,600	726,075	(76,525)	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	20,000	0	0	0													
Disabled Adaptations	458,210	108,872	85,178	(23,695)	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*	2,451,260	88,565	88,560	(5)													
Jaywick Sands - New Build/Starter Homes*	506,810	25,503	25,490	(12)													
<p>*Within the budget of £2,958,070, £2,646,052 relates to projects supported by one for one capital receipts with spend by dates as per below:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">31/03/2020</td> <td style="width: 25%;">£413,570</td> <td style="width: 25%;">31/12/2020</td> <td style="width: 25%;">£1,270,100</td> </tr> <tr> <td>30/06/2020</td> <td>£276,060</td> <td>31/03/2021</td> <td>£150,192</td> </tr> <tr> <td>30/09/2020</td> <td>£536,130</td> <td></td> <td></td> </tr> </table>						31/03/2020	£413,570	31/12/2020	£1,270,100	30/06/2020	£276,060	31/03/2021	£150,192	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														
30/09/2020	£536,130																
Total Housing Revenue Account Capital Programme	6,711,690	1,025,540	925,303	(100,237)													

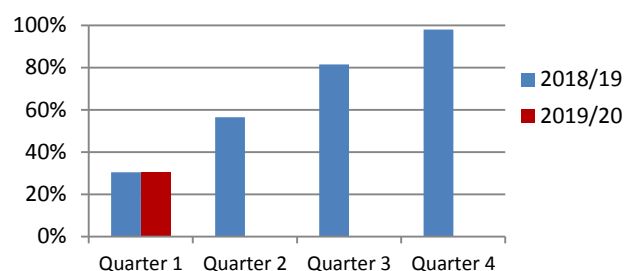
Collection Performance : Position at the end of June 2019

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

Council Tax (against annual amounts)

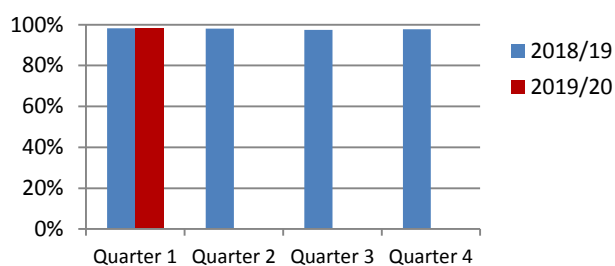


Business Rates (against annual amounts)

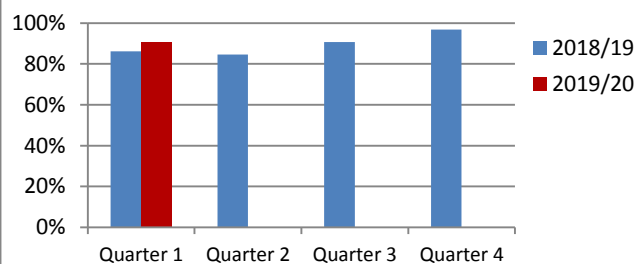


	2018/19	2019/20		2018/19	2019/20
Quarter 1	29.44%	30.64%	Quarter 1	30.48%	30.21%
Quarter 2	56.09%		Quarter 2	56.40%	
Quarter 3	82.52%		Quarter 3	81.42%	
Quarter 4	96.96%		Quarter 4	97.92%	

Housing Rents



General Debt



	2018/19	2019/20		2018/19	2019/20
Quarter 1	98.30%	97.99%	Quarter 1	86.14%	90.50%
Quarter 2	98.10%		Quarter 2	84.58%	
Quarter 3	97.40%		Quarter 3	90.65%	
Quarter 4	97.82%		Quarter 4	96.89%	

Treasury Activity : Position at the end of June 2019

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	306	0	0	306	
Long Term PWLB Borrowing - HRA	41,770	0	540	41,230	
TOTAL BORROWING	42,076	0	540	41,536	
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	47,000	84,300	78,300	53,000	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)	12,470	9,325	6,000	15,795	At the end of the period, investments were held with 9 counterparties.
Investments with non-UK Financial institutions	0	0	0	0	
<i>Total Investments for less than a year</i>	59,470	93,625	84,300	68,795	
<i>Investments for longer than a year</i>	0	0	0	0	
TOTAL INVESTMENTS	59,470	93,625	84,300	68,795	
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	6	6	0	The weighted average rate of interest on the Council's GF borrowing is currently 7.85%. (on an accrued basis)
Interest Paid on Borrowing - HRA	1,413	349	349	0	The weighted average rate of interest on the Council's HRA borrowing is currently 3.41%. (on an accrued basis)
Interest Received on Investments	(336)	(88)	(153)	(65)	The weighted average rate of interest being received on the Council's investments is currently 0.88%. (on an accrued basis)
PRUDENTIAL INDICATORS					
	Approved Indicator £'000	Highest amount reached in the period £'000	Comments		
Authorised limit for external borrowing	76,455	42,076	Borrowing has remained within approved limits.		
Operational boundary for external borrowing	67,704				

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 2019/20 (including accrued interest as appropriate) £'000
Capital Schemes	
Cranleigh Close, Clacton - landscaping works	8
Valley Road, Car Park Resurfacing	7
Revenue Schemes and other Contributions	91
TOTAL	106

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	62
Affordable Housing	0	0	0	652
Town Centre Improvements	0	0	0	43
Habitat Protection	0	0	0	3
Open Space*	13	2	34	900
TOTAL	13	2	34	1,660

* For schemes with a 'spend by' date of less than one year, this money must be spent as follows
£4,000 by Feb 2020
£9,000 by Apr 2020

Proposed Adjustments to the 2019/20 Budget June 2019

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
GENERAL FUND REVENUE			
<i>The following items have no net impact on the overall budget</i>			
Leisure Services - Building Repairs Budget	(24,850)		Adjustment required as part of bringing work back in-house, with the Building and Engineering team now undertaking this work rather than an external contractor.
Building and Engineering Services - Employee Costs	24,850		
Planning Agency Staff	192,000		To provide the necessary capacity within the service, it is proposed to utilise a portion of the Projects budget resulting from the 20% fee increase and general salary vacancies.
20% Fee Increase Projects	(117,000)		
Planning Employee Budgets	(75,000)		
Planning Inquiry / Appeal Costs	163,000		Expected additional costs due to planning appeals / planning inquiry.
Planning Inquiry / Appeal Earmarked Reserve		(140,000)	
Local Plan Budget	(23,000)		
Implementation of New Careline IT System	37,210		It is proposed to use the associated earmark reserve to support the cost of the new system and associated hardware etc.
Use of Careline Earmarked Reserve		(37,210)	
Total General Fund Revenue with no net impact on the overall budget	(177,210)	177,210	

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
<i>The following items will be adjusted against the Forecast Risk Fund</i>			
Anti-Social Behaviour Officer	(61,200)		This post was originally funded on a two year fixed term contract with the cost met from savings identified in 2018/19. However this post has now been accommodated on a permanent basis via a corresponding adjustment elsewhere in the budget. This one off budget can therefore be removed.
Disabled Facilities Grant Coordinator Post	(26,800)		This post was originally funded as a cost pressure for 2019/20 pending the outcome of the review to see if the cost could be met directly from the DFG grant receivable from ECC. ECC have now confirmed that salary costs can be met by the grant funding so this cost pressure is no longer required.
Local Council Tax Scheme Administration Subsidy		11,130	The final grant receivable was not published until after the budget was agreed in February 2019. This adjustments reflects a small reduction in the amount receivable from the government in 2019/20.
Net Contribution to Forecast Risk Fund	76,870		

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
GENERAL FUND CAPITAL			
Schemes Reprofiled			
None			
Other Changes to General Fund Capital Programme			
Westleigh House Demolition	(23,710)		To merge the two schemes to reflect the potential wider use of the site for parking which forms part of the more general office rationalisation project.
Office Rationalisation	23,710		
Council Asset Refurbishment Fund	1,134,000		As set out in the main body of the report, this adjustment establishes an 'investment fund' to maintain Council Property assets over the remaining life of the long term forecast.
Use of Reserves		(1,134,000)	
Total General Fund Capital Adjustment with no net impact on the overall budget	(1,134,000)	1,134,000	
HRA REVENUE			
<i>The following items will be adjusted against the HRA General Balance</i>			
None			
HRA CAPITAL			
None			

UPDATED LONG TERM FINANCIAL FORECAST

APPENDIX I

	<i>Budget</i> 2017/18 £	<i>Budget</i> 2018/19 £	<i>Estimate</i> 2019/20 £	<i>Estimate*</i> 2020/21 £	<i>Estimate</i> 2021/22 £	<i>Estimate</i> 2022/23 £	<i>Estimate</i> 2023/24 £	<i>Estimate</i> 2024/25 £	<i>Estimate</i> 2025/26 £	<i>Estimate</i> 2026/27 £
Underlying Funding Growth in the Budget										
Council Tax Increase 1.99%	(0.136)	(0.147)	(0.151)	(0.158)	(0.161)	(0.165)	(0.168)	(0.171)	(0.175)	(0.178)
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)	(0.069)	(0.066)	(0.063)	(0.059)
Growth in Business rates - Inflation	0.000	(0.131)	(0.110)	(0.129)	(0.132)	(0.135)	(0.137)	(0.140)	(0.143)	(0.146)
Growth in Business rates / council tax - general property growth	(0.148)	(0.293)	(0.576)	(0.139)	(0.147)	(0.156)	(0.165)	(0.173)	(0.182)	(0.190)
Collection Fund Surpluses b/fwd	(0.218)	(0.652)	(0.710)	(0.437)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
	(0.592)	(1.309)	(1.629)	(0.942)	(0.616)	(0.629)	(0.639)	(0.650)	(0.663)	(0.673)
Net Cost of Services and Other Adjustments										
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)	0.013	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	0.710	0.437	0.100	0.100	0.100	0.100	0.100
Inflation - Employee Costs (including annual review adjustments)	0.125	0.514	0.635	0.488	0.373	0.376	0.380	0.385	0.389	0.393
Inflation - Other	0.000	0.088	0.221	0.158	0.163	0.167	0.172	0.177	0.182	0.188
First / Second / Third year impact of PFH WP Savings	(0.268)	(0.055)	(0.115)	0.000	(0.090)	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	(0.045)	0.000	0.000	0.000	0.000	0.000	0.000
Specific change in Use of Reserves	0.287	0.374	(0.069)	(1.076)	0.000	0.000	0.000	0.000	0.000	0.000
On-going savings required	(0.879)	(0.290)	(0.328)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)
Unmitigated Cost Pressures	1.046	0.114	0.153	0.600	0.150	0.150	0.150	0.150	0.150	0.150
Other Adjustments	0.000	(0.134)	(0.118)	1.121	0.000	0.000	0.000	0.000	0.000	0.000
	0.950	0.895	1.512	1.905	0.582	0.344	0.353	0.362	0.371	0.380
Net Total	0.358	(0.414)	(0.117)	0.963	(0.034)	(0.285)	(0.287)	(0.288)	(0.292)	(0.292)
Add back Use of Reserves / Forecast Risk Fund in Prior Year	0.200	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)
Net Budget Position	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)
Use of Forecast Risk Fund to support the Net Budget Position	(0.558)	(0.144)	(0.027)	(0.990)	(0.956)	(0.671)	(0.385)	(0.096)	0.196	0.488

* 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)	(2.780)	(3.253)	(2.763)	(2.307)	(2.135)	(2.251)	(2.655)	(3.350)
Applied in year as set out in the forecast above	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)
Additional contributions generated in year	(1.934)	(0.990)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Balance to Carry Forward	(1.934)	(2.780)	(3.253)	(2.763)	(2.307)	(2.135)	(2.251)	(2.655)	(3.350)	(4.339)

FORECAST SENSITIVITIES	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Totals
	£	£	£	£	£	£	£	£
Forecast Budget Gap / (Surplus) from table above (BASE Position)	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)	2.414
<i>Revised Forecast Budget GAP / (SURPLUS) in the event of the following possibilities</i>								
Council Tax Increase are lower by 1% per annum compared to the base	1.070	1.119	0.921	0.726	0.532	0.338	0.148	4.854
Property Growth does not grow over the life of the forecast	1.129	1.103	0.827	0.550	0.269	(0.014)	(0.298)	3.566
Property Growth is lower by 5% compared to the base	0.997	0.969	0.691	0.412	0.129	(0.156)	(0.442)	2.600
Inflation increases at a rate of +1% faster than the base	1.214	1.191	0.917	0.642	0.364	0.093	(0.188)	4.233
Inflation decreases at a rate of 1% slower than the base	0.766	0.721	0.425	0.128	(0.172)	(0.485)	(0.788)	0.595
Savings achieved are lower by 10% per annum compared to the base	1.035	1.046	0.806	0.565	0.321	0.074	(0.173)	3.674
Savings achieved are lower by 20% per annum compared to the base	1.080	1.136	0.941	0.745	0.546	0.344	0.142	4.934
Unmitigated Cost Pressures are greater by 10% per annum compared to the base	1.050	0.986	0.716	0.445	0.171	(0.106)	(0.383)	2.879
Unmitigated Cost Pressures are greater by 20% per annum compared to the base	1.110	1.016	0.761	0.505	0.246	(0.016)	(0.278)	3.344

Relevant line of the Forecast	RAG Assessment of Risk	Comments
Underlying Funding Growth in the Budget		
Council Tax Increase 1.99%		Although this is subject to future Government policy, it is expected that an allowable inflationary uplift will always be a feature in the Local Government 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		Underlying growth in business rates and Council Tax are expected to remain relatively 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 a 75% retention model across the public sector based on a fair funding assessment. This model could see the Government introduce business rate 'resets' which could see income from economic growth being reduced on a cyclical basis as part of a redistribution method nationally. The Government continues to consult on the associated proposals but the risk to the forecast remains significant.
Collection Fund Surpluses b/fwd		Following the latest review of the forecast and using the most up to date figures, collection fund surpluses of £437k have been included in the 2020/21 budget. 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)
Net Cost of Services and Other Adjustments		
Reduction in RSG		2020/21 sees the end of the Revenue Support Grant so there is no uncertainty in respect of this line of the forecast.
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)		It was initially hoped that the significant increases across 2018/19 and 2019/20 would limit further increases in the short term. However the recent pay claim submitted by the union sets out a figure of 10% for 2020/21. Therefore the inflationary allowance has been increased upwards to 2% in 2020/21 and 1.5% from 2021/22.
Inflation - Other		Although the Government's target CPI inflation is 2%, this is a long term target which will inevitably see fluctuations over short financial cycles. However 2% and 3% remain the basis for calculating an inflationary allowance for contracts and budgets that are based on either CPI or RPI respectively.
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 with the total grant reducing to zero from 2020/21.
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 was 'exhausted' by the end of 2019/20 is the homelessness reserve which has required 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. Although the long term forecast provides flexibility in the timing of the delivery of such savings, it is important that on-going savings continue to be secured to meet the amounts set out in the forecast.
Unmitigated Cost Pressures		<p>It is recognised that this line of the forecast presents one of the highest risks, with on-going revenue items being the most difficult items to respond to. 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 planned on being made available elsewhere in the budget to support these costs which therefore contributes to the mitigation of this risk.</p> <p>One of the most significant risks 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. This has been reflected in the forecast as an on-going cost pressure from 2019/20, with a further reduction in income included in 2020/21.</p> <p>To support the management of risks, the Council continues to resist using one-off money, such as the New Homes Bonus, to support the on-going base budget.</p>

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

13 SEPTEMBER 2019

REPORT OF CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER

A.6 FINANCIAL PERFORMANCE REPORT – IN-YEAR PERFORMANCE AGAINST THE BUDGET AT END OF THE FIRST QUARTER 2019/20 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 June 2019 and to present an updated long term forecast.

EXECUTIVE SUMMARY

- These regular finance reports present the overall financial position of the Council by bringing together in-year budget monitoring information and timely updates on the development of the long term forecast.
- Therefore the report is split over two distinct sections as follows:
 - 1) *The Council's in-year financial position against the budget at the end of June 2019***
 - 2) *An updated long term financial forecast***

In respect of the in-year financial position at the end of June 2019:

- The position to the end of June 2019, as set out in more detail within the appendices, shows that overall the General Fund Revenue Account is overspent against the profiled budget by **£0.460m**. However it is relatively early in the financial year and therefore some expenditure or income trends may still be emerging and to date the variance primarily reflects the timing of expenditure and income.
- 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 updating the long term financial forecast.
- Some necessary changes to the 2019/20 budget have been identified which are set out in **Appendix H**, with an associated recommendation also included within this report. The net impact of all of the budget adjustments will be moved to or from the Forecast Risk Fund. The long term forecast is based on the identification of

£0.500m of in-year outturn savings, which will be set aside over the course of the whole year within the Forecast Risk Fund to support the long term plan.

In respect of the updated long term financial forecast:

- The forecast has been reviewed and updated from 2020/21 onwards. An increase in unavoidable / on-going cost pressures is expected in 2020/21, which has had a knock on impact on the level of annual on-going savings required. Based on the initial forecast, the savings target has increased from **£0.300m** per year to **£0.450m** per year.
- Overall the revised forecast can still provide an effective method of managing financial 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 long term financial position, supported by the Forecast Risk Fund that has been set up to underwrite such risks.
- A detailed review of risks associated with the long term forecast is subject to on-going review and is separately reported within **Appendix J**.
- As mentioned during the development of the longer term approach to the budget over the last two years, it is important to continue to deliver against the new longer term forecast as it continues to provide a credible alternative to the more traditional short term approach, which would require significant additional savings to be identified in 2020/21.
- In terms of delivering against the forecast for 2020/21 and beyond, work remains on-going across the 5 key work strands of:
 - 1) Increases to underlying income
 - 2) Limiting expenditure / inflationary increases where possible
 - 3) The identification of savings / efficiencies
 - 4) Delivering a positive outturn position each year
 - 5) The mitigation of cost pressures wherever possible.

RECOMMENDATION(S)

That in respect of the financial performance against the budget at the end of June 2019, 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; and

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

(a) The updated forecast be agreed and the Resources and Service Overview and Scrutiny Committee be consulted on the latest position.

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 June 2019, 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 budget. 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;
- New legislation placing unfunded duties on the Council or reducing the level of the Council's 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** discusses the various risks to the forecast with a Red / Amber / Green risk assessment approach taken.

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) To date it is estimated that **£3.253m** will have been set aside by the end of 2019/20 within the Forecast Risk Fund to support the budget in future years. (This 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 continue to 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 over the life 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.

Set against the above foundations, the original long term forecast was based on the need to identify on-going savings of **£0.300m** each year. Due to changes to the forecast such as an unexpected increases in on-going costs pressures in 2020/21 (from **£0.150m** to potentially **£0.600m**) this savings figure has been increased to **£0.450m** per year. This increase is required to ensure that an annual surplus can still be delivered over the life of the forecast with such surpluses forecast from 2025/26 onwards.

This savings 'target' will still 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 is important to deliver against the forecast in the early years to continue to build confidence in the longer term approach. This will, therefore, continue to 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 potentially 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 **£1.758m** (NDR Resilience Reserve) and **£1.000m** (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 THE FIRST QUARTER OF 2019/20

The Council's financial position against the approved budget has been prepared for the period ending 30 June 2019.

This is the first such report on the Council's financial position against the budget for 2019/20, 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 and Proposed Changes to the in-year budget
- HRA Revenue
- Capital Programme – General Fund
- Capital Programme - HRA
- Collection Performance
- Treasury Activity

GENERAL FUND REVENUE

The position to the end of June 2019, as set out in more detail in the Executive Summary attached, shows that there is an overall net overspend of **£0.460m**.

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

Appendix B provides a more detailed narrative against significant variances with some highlights as follows:

- Income achieved to date is running ahead of the profile in areas such as investment income (**£0.065m**), parking (**£0.044m**), planning (**£0.139m**) and at the crematorium (**£0.017m**). This position will remain under review over the remainder of the year and considered as part of the long term forecast and budget setting processes for 2020/21.
- Additional costs of responding to planning appeals have been incurred to date along with accruing costs associated with a planning inquiry. Some bills have not yet been paid so expenditure is not appearing within the appendices at the end of the first quarter. An estimate of the work undertaken to date / still outstanding is **£0.163m**. It is proposed to meet this cost via a mix of the local plan budget and calling down money from the associated earmarked Planning Inquiries and Enforcement Reserve. Further details are set out in **Appendix H**.

(In respect of the Planning Inquiries and Enforcement Reserve, **£0.239m** is available from this reserve in 2019/20).

- Alternative funding has been identified for two posts included within the 2019/20 budget. The posts are the Anti-Social Behaviour Officer and the Disabled Facilities Grants Coordinator. **Appendix H** sets out the budget adjustments required to recognise this change in funding, which 'releases' the money originally set aside that can then be paid into the Forecast Risk Fund.
- A reduction in the Government grant receivable to support the administration of the Local Council Tax Support Scheme has been confirmed as part of the final grant settlement announcement earlier in the year. The adjustment required of **£0.011m** is set out in **Appendix H**.

The net overall position set out in **Appendix H** results in a net contribution to the Forecast Risk Fund of **£0.077m**. It is expected that this amount will increase as further adjustments to the 2019/20 budget are identified over the remainder of the year to meet the **£0.500m** requirement highlighted earlier on in this report.

Other net neutral budget adjustments have also been included within **Appendix H**.

HRA REVENUE

An overall position is set out in the Executive Summary with further details included in **Appendix C**. At the end of June 2019, the HRA is showing a small net overspend of **£0.020m**, which primarily reflects a small change in the overall period that properties are vacant between lettings, but this is set against an overall rent income budget of **£12.600m**

CAPITAL PROGRAMME – GENERAL FUND

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

As at the end of June 2019 the programme is broadly on target against the profiled position. Detailed comments are provided within the appendix against a number of schemes.

One net neutral change to the budget relating to the demolition of Westleigh House / Office Rationalisation project is set out in **Appendix H**.

CAPITAL PROGRAMME – HOUSING REVENUE ACCOUNT

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

As at the end of June 2019 the programme is behind profile by **£0.100m**.

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.

In respect of the New Build Initiatives / Acquisitions Scheme and the new homes in Jaywick Sands, both of these schemes are being supported by the use of 'one for one' capital receipts that the Council is able to retain from right to buy sales. There is currently a three year deadline imposed by the Government that Local Authorities have to spend the money retained under the 'one for one' scheme, but the Government are considering extending this to as much as five years. Notwithstanding this, 'spend by dates' are included in **Appendix D** which the Council needs to remain alert to. Although the receipts will be targeted towards a more strategic approach, the option of purchasing properties on the open market remains a fall-back position to ensure the money retained from right to buy sales stays in the district and not paid over to the Government.

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.

TREASURY ACTIVITY

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

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. Investment returns are ahead of the profiled budget by **£0.065m** at the end of the first quarter.

SECTION 2 – UPDATED LONG TERM FORECAST

The long term forecast is 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.

The long term forecast was last considered by Cabinet on 15 February 2019. The overall net changes to the forecast since that time are set out in **Table 1** below.

Table 1

Year	Net Annual Budget Position Considered by Cabinet 15 February 2019	Updated Net Budget Position
2020/21	£0.694m (Deficit)	£0.990m (Deficit)
2021/22	£0.447m (Deficit)	£0.956m (Deficit)
2022/23	£0.195m (Deficit)	£0.671m (Deficit)
2023/24	£0.066m (Surplus)	£0.385m (Deficit)
2024/25	£0.333m (Surplus)	£0.096m (Deficit)
2025/26	£0.606m (Surplus)	£0.196m (Surplus)
2026/27	£0.885m (Surplus)	£0.488m (Surplus)

As highlighted in the table above, the updated positions shows that annual deficits in the earlier years are higher with a surplus not forecast to be achieved until 2025/26 compared with 2023/24 originally expected. This change has largely been caused by a number of unavoidable cost pressures emerging to date along with other items, with more detailed explanations provided in **Table 2** below.

Table 2

Key Strand of the Forecast	Changes / Comments
Increases in Underlying Income – Council Tax and Business Rates	<p>The updated forecast includes a total estimated increase in underlying income of £0.942m for 2020/21, with figures for future years reflecting this change to the ‘base’ position. The forecast remains based on an increase of £5 in the level of Council Tax for Tendring District Council Services over the life of the forecast.</p> <p>Similar assumptions to last year have been applied in respect of additional income from property growth with the forecast updated with the most recent information / estimates. These remain relatively modest and reflect numbers set out in the local plan.</p> <p>As reported within the outturn report for 2018/19, a significant collection fund surplus of £0.437m was carried forward into 2019/20. There is currently no indications that this will be ‘eroded’ by lower collection performance over 2019/20 so is expected to remain available or potentially increase, to support the 2020/21 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 continues to develop.</p>
Limiting Expenditure /	The main inflationary pressures are in respect of salary

<p>Inflation Increases</p>	<p>costs and major contracts.</p> <p>In respect of salary inflation, the original forecast included increases of 1% per annum from 2020/21 as it was hoped that the relatively significant increases across 2018/19 and 2019/20 would limit further increases in the short term. However Unison has now submitted a pay claim of 10% for 2020/21. Although this is the starting point in the negotiations, it is felt prudent to increase the inflationary allowance from 1% to 2% in 2020/21 and 1.5% across the remaining years of the forecast.</p> <p>In respect of major contracts, an RPI increase has been allowed for the Waste and Street Cleansing Contract.</p> <p>The above 2 changes have resulted in £0.646m being added to the 2020/21 forecast, which is an additional £0.272m compared with the original forecast considered by Cabinet in February.</p> <p>All other inflationary pressures are expected to be managed within existing departmental budgets. 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.</p> <p>As mentioned last year, departments continue to take a proactive approach in delivering quality services within the context of the challenging long term financial forecast. 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.</p>
<p>Mitigating Costs Pressures</p>	<p>As discussed last year, this line of the forecast continues to present 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.</p> <p>The original forecast included a cost pressure 'allowance' of £0.150m in 2020/21. This figure would not ordinarily be updated until later in the year, but a number of issues have already emerged. Although work remains on-going to review these items and explore options to potentially reduce the overall figure downwards, it is likely that £0.600m will be required in 2020/21 to fully fund these emerging items.</p> <p>Although further details will be presented as the forecast develops over the year, a high level summary of the cost</p>

	<p>pressures emerging to date are as follow:</p> <ul style="list-style-type: none"> • Insurance Premiums – Based on the Council’s recent claims history, increases of 80% are expected. Although this will be split across the General Fund and HRA an increase in costs could be as high as £0.100m. • Microsoft Licences and other IT related Costs – As highlighted during 2018/19, Microsoft have increased the cost of software licenses and along with other potential changes associated with the digital transformation project, on-going costs could increase by as much as £0.150m. • As discussed last year, the Council Tax Sharing agreement with ECC is subject to further changes with the amount shared back to local authorities currently expected to decrease from 14% to 12% from 2020/21. Current estimates indicate that this could reduce income by as much as £0.160m from 2020/21. • A number of items have been funded on a one-off basis over recent years, such as increased Airshow costs, the Sea and Beach Festival and the contribution to the Mental Health Hub. To remove the uncertainty that funding on a one-off basis provides, it is proposed to build these items into the base budget on an on-going basis with a total cost of £0.103m. <p>It is also worth highlighting that major cost pressures could emerge over the life of the forecast that relate to the maintenance of the Council’s property assets. These are usually of a one-off nature but relatively large and it would be difficult to accommodate this cost within the on-going revenue forecast. Therefore it is proposed to review all property assets including those that are leased out, to identify the potential investment required over the remaining years of the forecast. To ‘isolate’ the revenue forecast from the resulting investment required, it is proposed to set aside one-off funding. At present £0.717m is held within the forecast risk fund for initiatives that support the long term forecast. In addition, £0.417m was set aside in reserves as part of the outturn position for 2019/20. It is therefore proposed to bring these amounts together to enable an initial sum of £1.134m to be made available to meet investment in the Council’s property assets over the remaining years of the forecast.</p> <p>The necessary adjustment is set out within Appendix H.</p>
Savings and Efficiencies	<p>Due to increases to the budget set out above, the original savings ‘allowance’ of £0.300m per annum would not enable annual surpluses to be achieved over the life of</p>

	<p>the forecast.</p> <p>The annual on-going savings required has therefore been increased to £0.450m. This figure was arrived at by determining a figure that would still deliver expected annual surplus by the end of the forecast period, albeit at a later date than originally planned.</p> <p>As discussed last year, this line of the forecast is recognised as providing the ‘safety valve’ to the overall long term approach and may have to be increased if significant / on-going adverse issues emerge over the life of the forecast.</p>
<p>Delivering a positive outturn position each year</p>	<p>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.</p> <p>In respect of both 2017/18 and 2018/19, the requirement to contribute £0.500m to the Forecast Risk Fund was delivered or exceeded. In respect of 2019/20 to date, a net contribution to the Forecast Risk Fund of £0.077m is proposed with expectations that additional contributions will be possible over the remaining quarters of the year.</p>

Other items included within the forecast for 2020/21 reflect known changes or previous decisions such as the reduction in the Revenue Support Grant, removal of one-off items from 2019/20, 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 last item, it has been necessary to amend the date that savings from the disposal of Weeley Council Offices will be achievable, given the evolving office rationalisation timescales, with the expected additional **£0.090m** savings being moved back to 2021/22 from 2020/21.

Risk Assessment

Given the inherent risks to the forecast, a risk assessment of each line of the forecast is maintained as set out in **Appendix J**.

Attention is drawn to the following key areas of the forecast which have been given the highest risk rating:

- **Growth in Business Rates / Council Tax** - As highlighted within the appendix, the Government plan on completing a spending review in the near future which will in turn influence the fair funding review for Local Government and the money that Local Authorities can retain from business rates collected locally. Given the uncertainty about the outcome from the Government’s review and the its timing, this line of the forecast could potentially be subject to significant amendments from next year, which will be reflected in future forecast updates as necessary.
- **Ongoing Savings** – as highlighted earlier, the annual target has been increased from **£0.300m** to **£0.450m** from 2020/21. Activities in progress to deliver this

amount include a review of the historic outturn position and taking a confident but cautious approach to income streams which are currently or have historically outperformed the budget. However given the increase in the amount required each year, it is proposed to commence discussions within each directorate to identify options to deliver the necessary savings with an update to be included in future financial performance reports.

As part of their recent value for money work, the Council's external auditors recognised that the Council's savings targets are inherently challenging.

- **Unmitigated Cost Pressures** – as highlighted within the appendix, this line of the forecast presents one of the more significant risks going forward, with the total amount expected to be included in 2020/21 being as high as **£0.600m**. Some items are within the Council's control, such as repairs to assets and property etc., but many are not, such as reduced income from outside bodies. 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 developed.

Sensitivity Testing

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, apart from two scenarios, all others 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 **£4.854m** compared with base position of **£2.414m**, so it could be managed within the overall forecast risk fund amount but would not return an annual surplus until sometime after the last year of the current forecast. A similar situation would occur if the savings achieved were 20% less than required.

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.

Forecast Risk Fund

Appendix I also sets out the annual change in the Forecast Risk Fund with a broadly increasing balance over the life of the forecast.

It is recognised that the use of reserves to balance the budget is not sustainable in the long term. However 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 compared with the more traditional short term approach taken in the past.

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 continue to provide confidence to the revised approach being taken. Although this will be subject to revisions and updates as the year / forecast progresses, it does set out the initial estimated position for 2020/21 which includes a draw down from the Forecast Risk Fund of an estimated **£0.990m** to balance the budget in accordance with the long term forecast.

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 2019/20 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

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

11 OCTOBER 2019

JOINT REPORT OF THE PORTFOLIO HOLDERS FOR CORPORATE FINANCE AND GOVERNANCE & LEISURE AND TOURISM

A.4 BUSINESS PLAN FOR CLACTON LEISURE CENTRE (Report prepared by Michael Carran and Richard Hall)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

Following on from Cabinet allocating a budget of £525,000 in their July meeting for asset improvement works at Clacton Leisure Centre (CLC), this report requests approval of the business case in order for the project to proceed.

EXECUTIVE SUMMARY

- In a report considered by Cabinet in July, titled ‘Clacton Leisure Centre Refurbishment’ the requirement for an asset improvement scheme to refurbish the swimming pool changing rooms and spa area at CLC was set out and a budget of **£525,000** subsequently allocated to a refurbishment project subject to a supporting business case being considered by Cabinet in August prior to any work being undertaken.
- These asset improvement works, with associated energy efficient adaptations will assist the Council in its objective to achieve high quality facilities throughout the District, together with improving customer access to services. Enhancing sports facilities will also compliment work which is currently taking place on the Sport England Local Pilots project, which has recently attracted £10m of investment between Tendring, Colchester and Basildon.
- Improving the quality of the leisure centre environment will in turn improve the customer experience at Clacton Leisure Centre. This refurbishment will provide a facility which users would expect from a modern leisure centre and contribute to the Council’s 10 year strategy by driving down the subsidy through both increasing membership numbers and casual users, along with reducing expenditure on maintenance issues associated with the deterioration of the areas subject to this proposed refurbishment.
- The business case is set out in the Project Management Scoping Document, which is set out in Appendix A of this report. The key issues are:
 - These proposed works are the first phase of a wider Sports Facilities Strategy which will be considered by Cabinet in November 2019. This asset improvement scheme is considered to be the first priority of a number of projects due to be considered. Good quality changing facilities are the foundations of providing a high quality service in leisure provision and

improvements to this basic function are considered essential prior to progressing in other areas;

- The refurbishment will improve customer service and perception to both retain and attract new customers;
- Due to savings on maintenance costs and increased income from activities, the return on investment will be 8% despite this being an asset improvement scheme;
- There will be a reduction in the carbon footprint of the facility through energy efficient adaptations added through the refurbishment.

- All further details can be found in the preceding report referred to above.

RECOMMENDATION(S)

- a) **That Cabinet approves the business case for asset improvement works to Clacton Leisure Centre; and**
- b) **Subject to a) above, agrees to proceed with the project set out in the ‘Clacton Leisure Refurbishment’ report, with delegation for procurement given to the Head of Sport and Leisure under the Council’s procurement procedure rules.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

If approved, this project will contribute to the Council’s 10 year strategy by driving down the subsidy, as set out in the scoping document. Asset improvement works, with energy efficient adaptations will assist the Council in its objective to provide high quality leisure facilities throughout the District, together with improving customer access to services.

Enhancing sports facilities will also compliment work which is currently taking place on the Sport England Local Pilots project, which has recently attracted £10m of investment between Tendring, Colchester and Basildon.

FINANCE, OTHER RESOURCES AND RISK

The budget cost projected by an Architect will be £525,000 for the works to both the swimming pool changing area and health suite. It takes into consideration professional fees and allows for a 20% contingency.

The above will help deliver on the cost pressure mitigation pillar of the 10 year financial sustainability as the need for additional repairs costs will be removed. Based on the end of financial year 2018/19, this would mean that £536K of additional costs over the rest of the 10 year period would be avoided. Further savings will be realised by incorporating energy efficient lights and variable speed drives on the circulation pumps.

Risk

If the decision is taken not to invest in the refurbishment, maintenance costs and loss of income from memberships will result in increased subsidy cost and reputational damage.

Any capital investment comes with strategic, operational and reputational risks. Strategic risk may arise if the proposed investment takes away commercial competitive advantage if it develops an asset that does not adapt to the external environment. The risk is mitigated in this investment as there is limited competition in the local market for swimming and swimming lessons.

Operational risk could be due to the capital project running over time, budget or being of poor quality. These risks would be mitigated by a formal project board managing this project and in the first instance has partially been addressed by adding contingency into the initial cost proposal.

Finally, it is recognised that there is the possibility of extra reputational damage to a local authority from operational risks, which would again be within the remit of the formal project board to manage. In terms of reputational risks it must also be recognised that to do nothing would continue to damage the reputation of the Council due to the extra financial loss and negative impression created by the asset.

LEGAL

The Request for allocation of budget is in accordance with the Budget and Policy Framework, as set out in Part 5 of the Council's Constitution.

The facility will also continue to meet the requirements of the Disability Discrimination Act if a decision is taken not to refurbish the lift.

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.

Area or Ward Affected

Clacton Leisure Centre falls within St James Ward but its customer base is from a far wider catchment.

Health Inequalities

Poor health is intrinsically linked with sedentary lifestyles and improved high quality leisure facilities can support the wellbeing of local people.

Equality and Diversity

The facilities at Clacton Leisure Centre are accessible to all members of the community. It is widely used by customers with wide ranging disabilities and age ranges.

The heat and humidity has resulted in regular mechanical issues with the lift servicing the health suite, resulting in breakdowns, regular call outs and reactive maintenance expenditure. The lift circuit boards frequently become too damp to operate and have to be removed, dried and out and replaced. The lift is not currently operational and the building is adequately served by another lift located in the reception area. As the corrosive spa environment is never going to be an appropriate environment for a lift and an alternative is already available, it is recommended that this is removed.

Environmental Issues

Environmentally friendly adaptations will be incorporated into the refurbishment, which will ensure there is an 'invest to save' element to the project. This will include variable speed drives on the swimming pool pumps and changing lights to energy efficient LED's in the Health suite and swimming pool changing area.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Further information in relation to this project can be found in the Cabinet report titled 'Clacton Leisure Centre Refurbishment' which was considered at their July meeting.

BACKGROUND PAPERS FOR THE DECISION

None.

APPENDICES

None

Project Management Scoping Document

Description of the Proposal/Concept

The purpose of this project is to fund asset improvement works to the swimming pool changing rooms and health suite areas at Clacton Leisure Centre, as the first phase of a wider strategy for the Council's Sports Facilities. The swimming pool changing rooms and spa area at CLC are at the end of their maintenance lifecycle and are in need of refurbishment.

The Council's Sports Facilities are a discretionary service, but a valued community asset with Clacton Leisure Centre as largest site within the Council's Sports Facilities stock attracting around 420,000 visits each year.

In parallel with Council's 10 year financial plan, an overarching Sports Facilities Strategy is being developed for consideration in the autumn to ensure the service meets customer demand, supports the work of the Sport England Local Delivery Pilots project and provides long term financial sustainability.

That emerging strategy is underpinned by the essential asset improvement works set out in this scoping document to ensure the facility is not only operating with high standards of customer service, but importantly ensures long term customer growth supporting financial sustainability.

The Sports Facility Strategy will build on this initial proposed investment to address the loss of income at the site (£47K in financial year 2018/19). The following projects are under consideration to address this:

- Addressing demand for a bespoke spin studio
- Improving the viewing area on the wetside
- Changing the pool timetable to meet customer demand
- Implementation of Learn 2 Swim project to allow parents to book lessons online
- Review of membership packages
- Partnership working with Essex FA and Football Foundation to redevelop the All Weather Pitch into a 3G pitch
- Partnership working to develop redundant MUGA space into a facility that will increase income and participation (this could be provided by TDC or other providers)
- Potential development of the Ancillary Hall into a toddler play area

The guiding principle behind the new strategy is that Sports Facilities will provide a quality offering at a reasonable price and each project will be evaluated to see if they can deliver a return on investment required by addressing the shortfall in income and then bringing in savings that can contribute to the 10 year plan period.

Before these projects can be considered, this business case proposes that asset improvement works are prioritised to ensure that costs are under control and can be sustained into the next 10 years within existing budgets and a £50K per annum investment/sinking fund which could underwrite future capital costs to avoid the need for a future corporate investment.

This project is considered to be the highest priority out of the number of projects to be considered. Good quality changing facilities are the linchpin of providing a high quality service and improvements to this basic function are considered essential prior to progressing into other areas. Completion of this project at the Council's flagship facility would ensure the foundations are applied before moving on to other priority projects. It is assumed that this project would protect the current income level from memberships of £522K. Upon this base other projects could be added to increase income above this level.

In addition to the project providing a platform for other projects to progress, it is also recognised that the project is of the highest priority simply because at this stage it demonstrates a higher return on investment than other projects given the known cost reductions and income generation potential. The actual return on this project is 8% compared to the current estimated ROI for works at the All Weather Pitch of 3%.

As an update to the project list presented before cabinet in July, this report brings forward the following proposal to accompany the improvement works:

Lower the temperature of the Spa pool to create a relaxation pool, allowing the programming of Parent & Baby swimming lessons.

A full cost/benefit analysis has been prepared and it will be possible to bring this forward as soon as the project is completed. The detail of the proposal has been added to the finance section.

What Council Priority will the Proposal Support and How?

These asset improvement works, with energy efficient adaptations will assist the Council in its objective to achieve high quality facilities throughout the District, together with improving customer access to services. Enhancing sports facilities will also compliment work which is currently taking place on the Sport England Local Pilots project, which has recently attracted £10m of investment between Tendring, Colchester and Basildon.

Improving the quality of the leisure centre environment will in turn improve the customer experience at Clacton Leisure Centre. This refurbishment will provide a facility which users would expect from a modern leisure centre and contribute to the Council's 10 year strategy by driving down the subsidy through both increasing membership numbers and casual users, along with reducing expenditure on maintenance issues associated with the deterioration of the areas subject to this proposed refurbishment. The introduction of Parent and Baby lessons will also contribute towards reducing costs.

Finance

A review of historic expenditure can be found in table 1 in Appendix A of this Business Case. It reveals that expenditure has increased by £39K since financial year 2014/15 – an increase of 30% of total expenditure.

A major factor causing this increase in spend was the failure of the lift in 2015/16 which added £20K to costs has added £8-10K ever since in additional repairs. The lift has failed again early in 2019, so the higher repair cost of £20K would be expected in 2019/20.

The project addresses this cost pressure by removing the lift entirely so all these costs can be avoided in future. This is preferable to replacing the lift (cost £60K), which would reduce repair costs to a low level (£3-£4K per annum), but only for a short period of 3-4 years as the lifespan of a lift is shortened in a Spa area due to the extra humidity.

Another factor for the increase in costs has been roof repairs which were £10K in 2018/19 and are expected to increase to £15K in 2019/20.

A final contributor to additional costs is the need to keep the Spa at a temperature of 37 degrees. This has contributed to an increase in faults from the need to heat the Spa system – this has added £5K to costs since 2015/16. The project will remove these costs as it is planned to reduce the temperature to a standard pool temperature of 31 degrees.

Overall, it is expected that the project would bring costs back to the level of 2014/15 i.e. a reduction on £39K on the current level – this would be the year 1 benefit. This benefit is reduced in year 2 in comparison to the status quo option, i.e. continue a repair programme to alleviate extra costs for a year but see them return to be at the same level in year3 (then decrease in year 4 and continue a 'see-saw' pattern similar to the historic trend).

The reduction of £39K costs would make a significant contribution to removing the 2018/19 outturn over spend at Clacton Leisure Centre of £67K. Assuming this is eliminated following the improvement works then over the remaining 8 years of the 10 year financial sustainability plan, which would equate to £536K of cost pressures avoided.

Subsequent to the report taken to cabinet in July, the manager at Clacton Leisure Centre has now also provided the information required to progress a project on the back of the asset improvement works: Providing Parent and Baby swimming lessons in the new relaxation pool during daytimes. The findings are presented in table 2 of Appendix A of this business case.

The surpluses generated from Parent and Baby lessons could be put towards the savings strand of the 10 year financial strategy.

Based on the estimated savings table under this section, the project is expected to payback in 12.5 years with an average annual return on investment of 8%. This compares favourably with the current estimated return on investment from the All Weather Pitch project of 3% (the current cost

and revenue expectations of the All Weather Pitch are presented in table 3 Appendix A).

The project would cost £525K, it is intended to complete by the end of 2019. It should therefore (save a retention) be expected to have been fully paid for in the 2019/20 financial year.

Building works at a Leisure Facility would be expected to incur the cost and recover VAT.

Estimated Savings

Type	Saving Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Capital Receipt/Revenue		£000	£000	£000	£000	£000	£000
Revenue	Avoidance of premises repairs cost pressure	39	20	39	20	39	20
Revenue	Parent & Baby Swimming Lesson surpluses	6	9	12	12	12	12
TOTAL		45	29	51	32	51	32

What are the Key Financial/Non-Financial Risks Associated with the Proposal and how will they be Managed? *e.g. reputation, safety, service delivery etc.*

Key Risks	Action Proposed to Manage the Risk	Link to Corporate Risk Register
Operational – project runs over time, budget or is of poor quality	A formal project board will manage the project and ensure information regarding key risks is received on a timely basis. A contingency has been added to the budget due to the additional risks associated with building projects of a complex nature, including mechanical and electrical works.	2 – Failure to deliver key projects.
Reputational – failure to manage operational risks leads to negative publicity of the Council.	As per operational risks, this will be managed by the project board with input from the Communications Manager where appropriate.	3 - Reputational
Sensitivity of Parent & Baby Income to attendance levels decreasing – if capacity is at 50% then the surpluses in table 2 appendix A would reduce by £25K meaning that the project would payback 1.5 years later and the return on investment would reduce by 1%.	The risk is mostly mitigated by the fact that costs are mostly variable as classes can be cancelled if there is low attendance. The performance of classes will need to be monitored post project to ensure the benefits of the surpluses are realised in line with the above table. If the savings are less then consideration will have to be made of different uses of the new relaxation pool to make up the shortfall.	2 – Failure to deliver key projects.

Sustainability

Long Term Impact – Positives/Negatives	Stakeholders – Internal/External/Both	Any Ongoing costs after delivery
<p>Positive – Maintain premises costs within existing budgets. The intention of the project is to enable the Leisure Centre to avoid recourse to Corporate Funds in future. To help ensure this, the Leisure Centre has a £60K building repair budget per annum, the centre is expected to be able to manage within this budget after the investment. Since 2016/17 Leisure Faculties have also set aside a £50K sinking fund per annum. This is to be used to fund the next major upgrade which is likely to be in 10 years.</p>	<p>Internal – Members officers</p> <p>Both – Users of the facility</p>	<p>General repairs costs within the existing budget of £8-10K per annum. Funding to be set aside for the end of the current lifecycle.</p>
<p>Positive – Underpins general principles of future strategy of providing quality facilities at a reasonable price and moving away from ‘private members club’ style memberships packages. Negative can no longer charge high end prices following improvement works.</p>	<p>Internal – Members and Officers</p> <p>Both – Users of the Facility</p>	<p>None – this element of the works is intended to protect the current level of memberships at £522K. The future pricing will determine extra cost/ revenue implications.</p>
<p>Positive – Carbon reductions from use of invertors for pool pumps, energy efficient lighting and reducing the temperature of the Spa pool. The reductions are 10,133 kgCO2/kWh of gas emissions and 5,295 kgCO2/kWh of electricity from the National Grid (the calculations can be found in Appendix A table 4).</p>	<p>Internal – Members/Officers</p> <p>External – Local environmental activists</p> <p>Both – Users of Facility</p>	<p>It is not anticipated that these measures will increase costs. They are expected to remain within existing budgets.</p>

Deliverability

The project is scheduled to commence at the end November and is envisaged to take 5 weeks to complete. The project team aspire to complete the refurbishment prior to the beginning of January, which is historically the busiest period of the year.

A cross service project team will oversee the management of this refurbishment and will include officers from Sport and Leisure, Finance and Building and Engineering Services. This group will be tasked with ensuring a high quality procurement process and delivering the project on time, within budget and to the highest possible standards. The group will meet regularly prior to the contract commencing, with the frequency increasing as work commences. The majority of the work is replacement and aesthetic improvement so an architect will not be used in this project.

The Council's procurement procedures will apply in this case and a tender exercise will be undertaken to award the contract. This will be evaluated by the cross service project team.

Outcomes

This asset improvement scheme covers the refurbishment of the swimming pool changing area and the Heath Suite at Clacton Leisure Centre. The following improvements will be made:

Swimming Pool Changing Area Refurbishment Deliverables:

- Open Plan Unisex Shower Area
- Removal of existing tile floor and replace with Altro flooring
- Replacement of Cubicles
- Replacement of Lockers
- Lighting
- Updating Toilet Areas

Health Suite Refurbishment Deliverables:

- Alteration to existing toilets to create two new small changing rooms
- Replacement of suspended ceiling and grid
- Replacement AHU and ducting
- Creation of viewing section in partition wall between Health Suite and pool
- Replacement of Sauna
- Removal of existing lift
- Redesign of toilets to prevent water leakage into the ceiling area of the Health Suite

After the July Cabinet report allocating funds to this project was approved, a press release was issued to advise local people. Information has also been issued to customers with an update on the potential for refurbishment. A full communications plan including social media updates will be put in place throughout the duration of the project. This will keep residents and customers apprised on developments.

Other Financial/Non-Financial Outcomes

- Achieves target return on investment over lifecycle of investment.
- Maintains memberships at 1,331 current members.
- Can be proven that future projects are underpinned by the project
- Swimming lesson offer is increased to public with Parent/Baby classes
- Asset sustainability can be proved by demonstrating that costs are within existing budgets and there is no recourse to corporate funds at the end of the assets lifecycle.
- Carbon Reduction targets met.

Non-Financial Resources

Expertise for managing the project will be provided by the Sports Facilities Management Team, Accountancy and Building and Engineering Services. This will ensure there is cross service capacity for delivering the project, with the appropriate skill sets required

Constitutional and Legal Powers

If approved the contract will require procurement under the Council's contract procedure rules. This will involve appointing a main contractor with responsibility for completion of the works. The standard TDC contract will be used to form the agreement between the Council and the appointed contractor.

If this business case is approved, procurement and delivery of the project will be delegated to the Head of Sport and Leisure. The budget of £525,000 was allocated to this project in July, subject to approval of this business case.

All procurement and project management will be subject to the Council's Constitution and Procurement Rules.

An internal project team from all the key appropriate services will be convened to oversee the management of this scheme and regular briefings on progress will be provided to the Corporate Director for Operational Services and the Portfolio Holder for Leisure and Tourism.

The request for an allocation of budget in the July Cabinet report is in accordance with the Budget and Policy Framework, as set out in Part 5 of the Council's Constitution.

The Facility will also continue to meet the requirements of the Disability Act if a decision is taken not to replace the lift.

The procurement of the contract will be undertaken in line with the Council's Constitution under the authority of the Head of Sports and Leisure if this business case is approved.

Is an impact assessment required? YES/NO

YES

If yes please set out timetable for completing this

An equality impact assessment has already been completed for this work and was assessed prior to any funding being allocated.

Are you planning on undertaking consultations?

NO

If no please state the reason why; if yes please state who with and expected timetable

This is an asset improvement scheme and there will be no fundamental changes to the layout of the building. There is therefore no legal requirement for consultation.

Appendix A – Tables Supporting Financial and Environmental Information Presented

1. CLC Repairs Expenditure on the Spa/Changing Area since 2014/15

	Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Expenditure £000	8	37	24	31	47
Percentage of Total Repairs Expenditure	12%	41%	33%	42%	42%

2. Parent & Baby Lessons in the Relaxation Pool

	Year				
	2020/21	2021/22	2022/23	2023/24	2024/25
Total Capacity for Lessons no. of spaces per session	132	132	132	132	132
No. of Sessions per Annum	5	5	5	5	5
Charge per space (10 lessons) £	45	45	45	45	45
Estimated number of spaces taken up	55	88	110	110	110
Total Revenue p.a. £	12,375	19,800	24,750	24,750	24,750
Less: Cost of Instructor	-6,550	-10,480	-13,101	-13,101	-13,101
Estimated Surplus	5,825	9,320	11,649	11,649	11,649

3. Table 3 ROI on All Weather Pitch Upgrade

	£
Cost Estimate to install 3G Pitch	487,515
Expected Surplus	12,769
ROI	3%

4. Environmental Calculations

	Annual Reductions
Actions to Reduce Carbon Emissions from Electricity Use	Reduction in kWh
Invertors on pool plant	16,060
More energy efficient lighting	2,646
Total	18,706
Factor from DBIS 2018 to convert reduction to savings in KgCO ₂ /kWh	0.28307
Carbon Reduction (Reduction in Carbon output from National Grid) in KgCO₂/kWh	5,295
Actions to reduce Gas Carbon Emissions	Reduction in kWh
Drop temperature from 37 to 31 degrees in Spa Pool	55,081
Factor from DBIS 2018 to convert reduction to savings in KgCO ₂ /kWh	0.18396
Carbon Reduction in KgCO₂/kWh	10,133

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