



RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

DATE: Thursday, 13 August 2020

TIME: 7.30 pm

VENUE: Meeting will be held in accordance with SI 2020/392. Link to the live stream is found here:

<https://www.tendringdc.gov.uk/livemeetings>

MEMBERSHIP:

Councillor M Stephenson (Chairman)
Councillor Scott (Vice-Chairman)
Councillor Allen
Councillor Barry
Councillor Bray

Councillor Codling
Councillor Griffiths
Councillor Harris
Councillor Morrison

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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 Keith Simmons Tel: 01255 686580 or by Email: democraticservices@tendringdc.gov.uk

DATE OF PUBLICATION: Wednesday, 5 August 2020

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 - 16)

To confirm as a correct record, the minutes of the last meeting of the Committee, held on 9 July 2020.

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 38

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

5 Report of the Assistant Director (Finance and IT) & Section 151 Officer - A.1 - Financial Outturn 2019/20 and Allocation of General Fund Variance for the Year (Pages 17 - 66)

To provide an overview of the Council's financial outturn for the year 2019/20 and the allocation of the associated General Fund Variance for the year.

6 Report of the Assistant Director (Governance) - A.2 - Tendring Back to Business Priorities and Projects 2020/21 (Pages 67 - 70)

To enable the Committee to contribute to the development of 'Priorities and Projects' to be incorporated as part of the Council's Back to Business and Recovery Plan, and Performance Management framework for the Council for 2020/21 in advance of any decisions by Cabinet/Council on those matters.

7 Agenda Items for September Meeting of the Committee

The Committee will consider and decide the proposed detail of the work to be completed at its meeting due to be held on 21 September 2020. The full Work Programme for the period October 2020 to April 2021 will then be considered at that meeting.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Resources and Services Overview and Scrutiny Committee is to be held at 7.30 pm on Monday, 21 September 2020.

**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON THURSDAY, 9TH JULY, 2020 AT 7.30 PM
THE MEETING WAS HELD IN ACCORDANCE WITH SI 2020/392. LINK TO THE
LIVE STREAM IS FOUND HERE:
[HTTPS://WWW.TENDRINGDC.GOV.UK/LIVEMEETINGS](https://www.tendringdc.gov.uk/livemeetings)**

Present:	Councillors M Stephenson (Chairman), Scott (Vice-Chairman), Allen, Amos, Barry, Codling, Griffiths, Morrison and Skeels
Also Present:	Councillors P Honeywood (Portfolio Holder for Housing), Davidson, Miles and G Stephenson
In Attendance:	Ian Davidson (Chief Executive), Paul Price (Deputy Chief Executive & Corporate Director (Place and Economy)), Damian Williams (Acting Corporate Director (Operations and Delivery)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Tim Clarke (Assistant Director (Housing and Environment)), Keith Simmons (Head of Democratic Services and Elections), Keith Durran (Democratic Services Officer) and Emma Haward (Leadership Support Assistant) Karen Hardes(IT Training Officer and Matthew Cattermole(Business Support)

64. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillors Bray (with Councillor Amos substituting) and Harris (with Councillor Skeels substituting).

65. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Monday 22 June 2020 were approved as a correct record and were then signed by the Chairman.

66. DECLARATIONS OF INTEREST

Councillor Allen declared an interest for the public record in regards to Private Sector Housing Financial Assistance Policy (Minute 68(A) refers) as the Disability Facilities Grants works were going to go to public tender and as a local contractor he could submit a bid.

67. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

Pursuant to the provisions of Council Procedure Rule 38, Councillor Griffiths asked the Chairman of the Committee:-

"In regard to the Spendells item on the agenda for Cabinet, Friday, 26, June:-

- 1. Can you clarify why we are showing a base budget for 20/21 of £187,030, which, according to one of the appendix documents excludes employee costs? Given that there is a cost centre for employees' involvement in using Spendells as*

temporary accommodation, why are direct and indirect staff, based, or providing services at the site, not included in the cost?

2. *I note the decision is to change this complex to emergency housing. Given that the clientele could range from homeless families, to single parents, couples, and single individuals, with an element of communal shower / washing facilities, what provisions are in place to screen individuals before we agree to accommodate them in Spendells?*

How do we as an authority intend to safeguard the vulnerable to ensure that we do not have residents living next door to individuals who have the ability to have an adverse impact on their well-being?

For example, can we guarantee that we will not have an individual with an unhealthy interest in small children dwelling next door to a single mother, or those with a drug, alcohol or mental health issue living next to a family?"

The Report and Appendices submitted to the meeting of the Cabinet held on 26 June 2020 were attached to the Agenda for this meeting by way of general background for the other Members of the Committee.

The Chairman responded to Councillor Griffiths' question as follows:-

In relation to the first question.

1. *"The £187k budget referred to in the report is the existing non-employee budget which establishes the base funding position that is available to support homeless accommodation and other initiatives.*

The proposals set out in the report seek to establish Spendells House as temporary homeless accommodation, so from a budgetary perspective, the overall cost of the scheme (including employee and other costs) would need to be less than this existing base budget of £187k, otherwise it would present a cost pressure to the General Fund. The purpose of the analysis set out in Appendix A is to demonstrate that the full costs can be accommodated within this existing base budget of £187k."

In relation to the second question.

2. *"Those who experience homelessness are in a vulnerable position already and we would not want their placement in temporary accommodation to increase their vulnerability. The arrangements for making placements will be no different to those we have in place currently. A homelessness application usually involves a thorough assessment of an individuals or families circumstances and past housing situation and nobody will be placed into accommodation where they are believed to pose a risk to others.*

The scheme will be operated on a zero tolerance basis with regard to alcohol and drug use and other unacceptable behaviour."

68. OVERVIEW AND SCRUTINY OF HOUSING ISSUES

The Committee conducted overview and scrutiny on the theme of Housing. A report of the Assistant Director (Housing and Environment) in respect of the items to be considered had been produced and circulated to the members of the Committee prior to the commencement of the meeting. Members paid particular emphasis to service delivery and performance in relation to:-

(A) PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE POLICY

The Committee was provided with the report on the Private Sector Housing Financial Assistance Policy as approved by the Cabinet on 26 June 2020 (Minute 24 of that meeting referred).

The Committee's consideration of the policy focussed on Disabled Facilities Grants (DFGs): the processes, the timescales, any obstacles to delivery and options for solutions (and whether those options had been pursued) and the relative advantages of pooling.

It was explained to the Members that the DFGs were mandatory grants for those in owner occupied, private rented or housing association properties to provide disabled adaptations and were the only grant left from the Housing Grants, Construction and Regeneration Act 1996. Funding for the DFG came from the Better Care Fund.

Grant applicants were encouraged to make their own decisions about how the process would work best for them and the Council did not control who they employed to undertake the works.

DFGs involved a number of stages, the first of which was an assessment by an occupational therapist from Essex County Council (ECC) which might follow on from a GP or a self-referral. The occupational therapist would make a referral to this Council recommending certain *necessary and appropriate* adaptations. It was the Council's role to then inspect and decide whether those adaptations were *reasonable and practical* before offering funding towards them.

The Committee was told that once the Council had agreed that works were reasonable and practical a grant application had to be made by the person benefitting from the works or their family. All applications were means tested and that determined whether they should contribute anything towards the cost of the work.

Applicants could choose to make the application and find builders themselves or they could employ an agency, commonly known as a home improvement agency, to help them. The agency's fees could be included in the grant.

Once an application had been made along with submission of builder estimates the Council had a statutory six month period in which to approve it. Once a grant had been approved the applicant was formally notified and could go ahead and start the work. On completion of the work the Council would conduct a final inspection and if everything was satisfactory it would release the grant money, often paying the contractor directly. At no point did the Council have any contractual relationship with any builders or an agency.

Members were informed that in 2019/20, 352 referrals had been received from ECC with 270 of those resulting in formal recommendations for adaptations being sent to this Council. 175 grants had been completed in 2019/20 totalling £1,558,797. A commitment of £751,000 had been carried over into 2020/21 in unspent grants both approved and pre-approval.

Unlike many authorities this Council had not had a waiting list since 2009 (apart from during the current Covid-19 outbreak but here the Council aimed to have caught up by mid-August).

It was reported that over the past 5 years this Council had made many changes to its processes and had been trying to continually improve the service it offered the residents of Tendring. Through the introduction of a grant co-ordinator post and hard work by Officers to streamline the process and go electronic, the time from receiving a valid application to formal approval had been reduced from 33 days to 7 (the statutory period was 6 months) and this Council's average payment timescales were the lowest in Essex.

The Committee was informed that the average timescale for approval to certified completion (fully paid and closed case), although not fully in the Council's control, had also reduced to 56 days from 122 days with the assistance of contractors and the local agencies (the guidance target was 80 days). The Council strove always to improve the works it could fund, to 'think outside the box' to achieve results, ensure longevity and deal with an increasing number of bariatric and dementia cases whilst also working with outside agencies.

Expertise

Members were made aware that the Council's DFG team was held in high regard within the DFG community. Foundations (the MCHLG appointed body overseeing Home Improvement Agencies and since 2015 providing advice to all authorities on the DFG whether they used a HIA or not) often passed this Council's details to other authorities who were looking for guidance. During the Covid-19 outbreak this Council had been contacted by several London Authorities to request advice about changes this Council had made for the continued provision of grants.

The Committee was advised that Ferret Information Systems were the leading specialist firm with regards to legislation and means testing – providing training and software. They had regularly confirmed that this Council processed cases correctly and provided the grants in the proper way. Again, this Council was often offered up as contact points for those authorities requiring advice.

Home Improvement Agencies

It was reported to the Committee that, since ECC had discontinued their countywide funded Home Improvement Agency contract, several agents had decided to work in the District. This Council had a memorandum of understanding with DG Accessible Designs Ltd (who provided a full grant service for those who need help) and another with Townsend Bowen (who provided a more tailored option for those who may only need plans drawn or surveyor help). The Council had actively tried to find further agents or architect services to offer clients over the last few years, finding Townsend Bowen, and had discussed the option of an in-house agency with the Building Control department of the Council.

Members were informed that several Essex Authorities had internal agencies either because of the ECC decision to remove the contract or because they had had one in place for many years. An agent (internal or otherwise) could charge fees for the services they provided (funded from the grant) while this Council could not take fees for the provision of the mandatory function of administering the grant.

Issues with the DFG

The report informed Members that a recent government funded review in 2018 had found that the main issues were:-

- The grant maximum of £30,000

That had been the grant maximum since 2008 and at that time it had been possible to provide a bedroom and specialist shower extension including all fees within that amount. This Council regularly provided grant maximum funding for those large projects, especially for children, but as the cost of building works had increased whilst the grant maximum had not, this Council was undertaking fewer large schemes as families could not afford the top-up required above the maximum grant figure. This Council had offered grants to families to move to suitable properties since 2010 as per government guidance but for some families this was still not a viable option. The Council's new policy aimed to offer a top-up for extensions of that kind which now cost approximately £45,000 until such time as the grant maximum was increased. The DFG community expected the government to announce the increase in the grant maximum when it looked into implementing the changes recommended in the review but that had been delayed first by Brexit and now further by Covid-19.

- The means test

The Government prescribed means test used allowances and premiums to assess what the disabled person (not applicable to children) and their partner could afford to contribute to the cost of the DFG funded works. This was based on what the government felt someone could afford to take out in a high street loan and did not take into account the actual outgoings of a person. If applicants were on an income related benefit they were pass-ported through the grant. When Council Tax Benefit had been removed and replaced by local schemes it had been a loss to the grant system and many people who would have been pass-ported were now means tested. Those who were working were unfairly treated in the prescribed test and often had high contributions. A full review of the means test had been requested and one option was to make it the same as the test for care provision. By removing the means test for simple stair lift installations in this Council's new financial assistance policy and treating them as equipment, it was felt that far more people would be able to stay in their homes who would otherwise struggle to fund works themselves. An option the Council had been discussing would be the introduction of a case worker position who could assist applicants with income maximisation and benefit applications such as attendance allowance, as those went in the favour of those being means tested and would, therefore, help more people get through the means test process until such time as it was reviewed again.

- Joining up the process

The review had stated that working more strategically with the CCG and other authorities would improve the uptake of the grant. This Council was an active member of the Essex Well Homes Group which consisted of ECC, the other Essex Authorities including the Unitary Authorities & Foundations. The CCG had so far not been active members but were aware of the work in question through the Local Health and Well Being Boards. Over the last few years the group had not only supported one another but had allowed this Council to formally agree the use of the Better Care Funding for discretionary works and allowed this Council to formulate the new policy.

The Members were made aware of what the Officers felt were the local issues with the DFG –

- ECC –This Council was reliant on ECC as they had the legal responsibility to decide what was “*necessary and appropriate*” for the person before this Council then took over the process. This Council worked closely with the local occupational therapist teams but ECC had, over the years, restructured regularly and this had led to the loss of those with knowledge of the DFG process. ECC had made changes to their processes without considering the Local Authorities’ requirements which had negatively affected the number of referrals. However, there had been a recent improvement in the working relationship between ECC and this Council which had significantly improved matters.
- Contractors – If the applicant initially did not use a local agent they often struggled to acquire the necessary quotes and usually had to employ an agent in the end. This delayed the grant process. There had also been a reduction in the number of contractors that the local agents could use which exacerbated the problem. The Council had changed its processes to speed up the process as much as possible and had encouraged the local agents to attempt to recruit more contractors.
- Tendring District Council's staff level – The Council currently had six full time members of staff within the team although those staff had other duties in addition to working on DFGs. The Grant Co-Ordinator post and a temporary increase from part time to full time for the administrative support post had greatly improved the work flow within the team. The Team had reviewed its work practices and processes for the first time in many years and had succeeded in making it simpler and more efficient. The Team planned on undertaking a review with finance and audit to look at further simplification of processes as well as further IT changes such as using computer tablets for inspections. The addition of a case worker would increase the number of grant applicants progressed past preliminary means test stage and also reduced the number of people leaving the process at final means test stage before approval. Foundations conducted a research project in December 2019 into staffing levels and the DFG which had demonstrated that this Council was already achieving a higher return than the average. The Council's spend was the highest in Essex despite having a lower average cost of works than the England average and less staff per pound spent than Colchester and Basildon Councils. The planned pilot part time ECC occupational therapist to sit within Housing should bring additional benefits to the department as a whole, not just to the DFGs, and hopefully would prove the need for further occupational therapists to sit in the Housing Service of the Council.

The Committee was informed that overall therefore most of the issues with the DFG itself were not within this Council's control but despite that the new policy should make things easier for residents.

Despite Covid-19 during the first week of lockdown, and despite having a totally new way of working and some challenges, the Council had managed to pay £90,000 of grants in a single week to ensure contractors were paid and had continued to ensure that works were approved and paid for throughout the lockdown.

(B) VACATED/EMPTY COUNCIL HOUSING ('VOIDS')

The Committee looked at the numbers of empty properties there had been over the past year, the proportion that those represented of the entire Council housing estate, expectations on standards of vacated properties, the extent to which the vacated properties were subject to major/minor repair works, the target times for inspecting vacated properties once they were empty and for repairs to be conducted, the periods of time properties were empty, the lost rental income during the period it was empty and the cost of housing homeless persons in the same period. Members also examined the situation one year on from the Council taking back the ROALCO Ltd contract (following the company being placed in administration), the transfer of staff to the Council and responding to the immediate issue this posed and the plan for sustaining the work now and in the future.

It was reported to Members that the turnaround time for a void property depended on the condition it was left in by the previous tenant and the extent of previous works such as asbestos removal. Many were left in a poor condition and required extensive void works before they could be let again.

Many voids required replacement kitchens and bathrooms, caused by a combination of them having been abused by the tenant or that they had come to the end of their life span, unfortunately most of them were from abuse.

The voids process was as follows:

- Keys returned to Allocations service
- Keys passed on to Building and Engineering services
- Refurbishment and Demolition (RAD) survey carried out within 1 – 3 days with works specified and ordered the same day or day after
- Works carried out to bring property back to void standard which included:
 - all asbestos removed where practical.
 - complete redecoration following the necessary works
 - boiler upgrade where necessary
 - electrical upgrades where necessary
 - Window / door replacement as necessary
- Works completed – target 21 days from start but licensed asbestos removal could add at least 14 days due to HSE notification.

Statistics from 2019 /20

186 properties had become void during the year and 164 properties had been let again. Additionally 32 sheltered flats had become void and 11 had been let again during the year.

It was noted that some voids would carry over from the previous year and some would carry over into the following year so calculating figures was not straightforward. An authority with a housing stock the size of Tendring District Council could have around 100 properties vacant at any one time.

Void rent loss

Rental income loss as a result of void properties had been as follows:

Year	Void rent loss
2019/20	403,769
2018/19	287,823
2017/18	563,214
2016/17	Not submitted
2015/16	350,139
2014/15	286,931

ROALCO Contract Issues

The Committee was reminded that following the unforeseen collapse of ROALCO, the Term Maintenance Contractor for the Housing Stock, in July 2019, the Council had carried out a significant proportion of the repair work to the housing stock using both existing and a large number of casual staff. The Council had also used a number of contractors to support this function.

During this period two elements of work had been undertaken, one, as mentioned above, had been the actual carrying out of the repair work whilst trying to understand what staffing, equipment and materials were required to carry out this function.

The second had been to instigate a full tender process to replace ROALCO as a complimentary Term Maintenance contractor. That would allow the Authority to operate a 'mixed economy' approach and provide a 'backstop position' should the in-house team fail to operate efficiently as well as to provide cover if the volume of work exceeded the norm.

It was considered that the last 12 months had provided a valuable insight into what was required to run an in-house maintenance team for the Housing Stock. Therefore, Officers wanted to test the viability of a permanent in-house team by setting up a proof of concept model, for a fixed period of one year, in order to replicate the duties that a permanent workforce would carry out. Casual staff would still carry out the remaining duties until the Term Maintenance contract was in place. At that time, the casual workers would be released.

Members were made aware that the benefit of the proof of concept approach was that it would allow data to be collected that would provide accurate figures on the cost effectiveness of the in-house team and provide a comparison between the in-house and contractor's operating costs.

In order to help gather accurate information Officers were trialling a new software package, Oneserve, on a month-by-month basis. Oneserve was a software package that allowed for the accurate collection of data on a job-by-job basis taking into account the hours, materials, travelling time, and other associated costs. That would enable a very detailed understanding of the costs associated with running this element of the

service and would give an accurate picture of the length of time taken to undertake each job. If the trial was successful then it was proposed to roll it out across the rest of the service including Facilities Management and Engineering Services.

It was envisaged that the future maintenance of the housing stock would be provided using a combination of in-house and external workforces. This would provide a more stable, reliable way of re-introducing the in-house maintenance team back into the Authority. The proposed split in the work would be as follows:-

In-house team to carry out the following work;

- Window repairs
- Drainage Work
- Void work in Sheltered Blocks
- Sheltered unit day to day repairs
- Day to day repairs on the general stock

External Contractor to carry out the following work;

- All void work in General Housing Stock
- Foundations;
- Groundwork;
- Fencing and Gates;
- Drainage;
- Brickwork;
- Masonry;
- Roofing;
- Carpentry and Joinery;
- Plasterwork and other Finishes;
- Wall and Floor Tile and Sheet Finishes;
- Painting and Decorating;
- Cleaning and Clearance;
- Glazing;
- Plumbing;
- Heating, Gas Appliances and Installations;
- Electrical;
- Disabled Adaptations and Minor Works; and
- Specialist Treatments
- Energy Efficiency Appliances and Components

Officers had taken the opportunity to include a number of work streams, which had previously been placed as individual contracts, within the Term Contract, and included non-HRA sites across the Council, such as the Office accommodation sites. The benefit of this was that the volume of similar work should realise economies of scale and would simplify other Services' ability to place building maintenance work through that tendered route.

There were no savings as such to be made from this proof of concept model, however the Council would expect to see increased value for money as well as improvements in the quality of the work carried out and hoped to see this reflected in the tenant satisfaction surveys. It was also felt that the ability to control costs would be greater than

the previous arrangement with ROALCO and it would therefore provide greater financial flexibility within the HRA.

(C) COUNCIL HOUSING TENANT SATISFACTION AND INVOLVEMENT

The Committee looked at the measurement processes in relation to tenant satisfaction levels and tenant participation arrangements.

The Committee was informed that in 2018, this Council had carried out the eighth comprehensive survey to find out how satisfied tenants were with the services that the Council provided, as a landlord. This survey had been carried out in accordance with Housemark's framework and was carried out in the summer of 2018 over a six-week period.

40% of those canvassed responded, which ensured the statistical reliability of the responses. Although this was less than the response rate achieved in previous years, this was a common phenomenon when research of a similar nature was undertaken on a regular basis.

A summary of some of the key responses received in 2018 was reported as set out below:

Question	Response %
Overall satisfaction with service provided as a landlord	90
Satisfaction with quality of home	87
Satisfaction with repairs and maintenance	82
Satisfaction with neighbourhood	85
Satisfaction with rent as value for money	89
Satisfaction service charges as value for money	78
Satisfaction that kept informed as a tenant	81
Satisfaction with helpfulness of staff	83

Tenants had also been asked how likely they were to recommend the Council, as a landlord, to family and friends using scale of 0 (very unlikely) to 10 (very likely). This was known as the Net Promoter Score and was widely used in retail and other commercial environments but had recently been recommended for use in the housing sector. 84% of respondents scored the Council, as a landlord, 7 or more, which was a high proportion when compared to similar surveys.

Respondents had been also asked 'Of the following services, which three do you consider to be the most important and the top three were:

- Repairs and maintenance 71%
- Quality of home 53%
- Keeping tenants informed 35%

It was reported that this survey had been due to be repeated in the summer of 2020, based upon Housemark's newly revised framework, and questions from the recommended question library had been agreed with tenant representatives for inclusion. However, due to Covid – 19, this survey would now be carried out in the summer of 2021.

Monitoring tenant satisfaction: Transactional surveys

It was reported to Members that, in addition to the comprehensive satisfaction survey outlined above, which measured tenants' perception of the services received whether or not they had had a recent interaction with the Council, Officers had also carried out a number of transactional surveys–i.e. after an interaction had taken place between the Council, as a landlord, and the tenant.

The transactional surveys that the Authority currently carried out covered the following aspects of service:

- Responsive repairs
- Planned maintenance and improvement works
- Disabled adaptations
- New tenancies
- Nuisance and anti-social behaviour complaints
- Gas servicing
- Right to Buy
- Ending a tenancy

Data from those surveys for 2019/20 was reported as follows:-

Survey	Outturn
Responsive repairs	94%
Planned maintenance and improvements	96%
Disabled adaptations*	93%

New tenancy*	100%
Nuisance and anti social behaviour	80%
Ending your tenancy*	100%
Gas servicing	100%
Right to Buy*	100%

Tenant involvement

The Council's former dedicated Tenant Relations team, established to deal with all aspects of tenant consultation and involvement, was now part of the broader Customer and Support team under the Head of Customer and Commercial Services.

The Council's current tenant involvement arrangements were set out in the Resident Involvement Strategy agreed with tenants and the Housing Portfolio Holder in 2016. That strategy set out:

- Tendring District Council's approach to tenant involvement, including the reasons why it involved tenants
- the ways in which the Council would involve tenants and ensure that they were part of the service improvement process
- Tendring District Council's objectives in relation to tenant involvement
- the actions required to meet those objectives
- how the Council's performance would be monitored and reviewed
- how the Council would ensure that it met all statutory and regulatory requirements

The objectives of that strategy were to:

- Promote and raise awareness of tenant involvement as a means of encouraging more residents to get involved
- Ensure that the Council communicated effectively with tenants, providing good quality, timely and jargon free information
- Ensure that the Council was fully inclusive by providing a range of ways for tenants to get involved at a level and pace that suited them
- Make effective use of tenant feedback and involvement to improve service delivery
- Improve quality of life through effective tenant involvement
- Measure the impact of tenant involvement to make sure that it delivered effective outcomes for tenants and communicate this effectively

- Provide sufficient resources and, support and training to make resident involvement effective

The methods of tenant involvement used, as and when appropriate were reported in the graphic below:



Members were informed that Tenant representatives monitored the accompanying action plan. Preparatory work had been carried out in connection with the production of a revised Strategy but that had been delayed due to Covid 19. That would be progressed once meetings with tenant representatives could be reinstated.

(D) NEW BUILD OF 10 COUNCIL HOUSES IN JAYWICK SANDS

The Committee looked at the project and the delivery of those 10 houses in Jaywick Sands and whether there were lessons for further development there and for the emerging Acquisitions and Development Strategy of the Council. The Performance Report for 2019/20 as presented to Cabinet at its meeting held on 29 May 2020 had included that project at Page 10 of that report. Page 21 of that report had also referenced Council House Building and the emerging Acquisitions and Development Strategy. The aforementioned Pages 10 and 21 had been circulated with the Agenda for the meeting.

It was reported to the Committee that whilst the 10 houses being built in Jaywick were slightly behind schedule due to COVID 19, the larger project of developing a new Council house building programme and increasing the stock of new affordable/Council homes was on target. Due to the success of the 10 builds in Jaywick and the unexpected increased value, two investors were in talks about a further 100 properties to be developed on a lease back programme to the Council.

Members were informed that once an investor came back with actual figures, it would be brought before Cabinet for a formal decision.

After deliberation on all the housing themed items referenced in (A)-(D) above it was **RESOLVED:-**

- (a) That Cabinet be recommended to develop a public engagement plan in respect of financial assistance for private sector housing that includes providing information to community groups, health professionals and more widely to ensure that all those who would benefit from adaptations that could be funded through the financial assistance available through the Disabled Facilities Grant arrangements are aware of those arrangements and the process to apply for those Grants.
- (b) That the Chief Executive be advised that this Committee considers that it would be advantageous to report on the public engagement plan at the time that it is prepared and ready to be delivered so that Councillors can support the delivery of that plan across the District
- (c) That consideration be given to including details of grants available for those in private rented accommodation and in receipt of benefits (at the time of notification of benefit award/change/discontinuance) to support the installation of adaptations to the properties they rent to improve their lives (both related to disability facilities, safety and to address energy poverty).
- (d) That the position on the securing of additional occupational therapy assessment from Essex County Council be the subject of a short briefing note to the September meeting of the Committee.

- (e) That the intended reports to the Tenant Performance and Scrutiny Panel on voids for the Panel to scrutinise this area be also provided to Members of this Committee.
- (f) That the maintenance contract currently out for tender not be extended beyond the first year or re-tendered until this Committee has had the opportunity to review the delivery of that contract and the appropriate balance between in-house and contracted maintenance.
- (g) That, as the Tenant Satisfaction report indicates some figures were subject to low sample sizes, the actual numbers provided for the percentages in the report be circulated to the Members of this Committee.

The meeting was declared closed at 9.50 pm

Chairman

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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

13 AUGUST 2020

REPORT OF THE ASSISTANT DIRECTOR (FINANCE AND IT) & SECTION 151 OFFICER

A.1 FINANCIAL OUTTURN 2019/20 AND ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR

(Report prepared by Richard Barrett and Ian Ford)

PURPOSE OF THE REPORT

To provide an overview of the Council's financial outturn for the year 2019/20 and the allocation of the associated General Fund Variance for the year.

BACKGROUND

On 17 July 2020 the Corporate Finance and Resources Portfolio Holder considered the Financial Outturn 2019/20 and made the following decision:-

"That the Corporate Finance and Governance Portfolio Holder:-

- (a) notes the financial outturn position for 2019/20 as set out in this report and appendices;*
- (b) approves the financing of General Fund capital expenditure for 2019/20 as detailed in Appendix D;*
- (c) approves the movement in uncommitted and earmarked General Fund reserves for 2019/20 set out in Appendix E;*
- (d) approves the qualifying carry forwards totalling £17.914m (£9.518m Revenue and £8.396m Capital) as set out in Appendix K;*
- (e) agrees that all other carry forwards totalling £0.658m requested by services be transferred to the relevant earmarked reserve pending consideration by Cabinet at its July 2020 meeting;*
- (f) that subject to the above, approves that the overall General Fund Outturn Variance for the year of £0.862m be transferred to the Revenue Commitments reserve until Cabinet formally considers the allocation of this funding at its July 2020 meeting;*
- (g) in respect of the HRA, approves the movement on HRA balances for 2019/20 including any commitments set out within Appendices H and/or I along with recharges to the HRA from the General fund of £2.808m for the year and the financing of the HRA capital expenditure set out in Appendix I; and*
- (h) delegation be given to the Council's S151 Officer, in consultation with the Corporate Finance and Governance Portfolio Holder, to adjust the outturn position for 2019/20 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 2019/20 accounts."*

On 24 July 2020, Cabinet considered the Outturn 2019/20 and the Proposed Allocation of the General Fund Variance for the Year and made the following decision:-

“That Cabinet:

- (a) agrees that the total of £0.658m requested by Services can be retained by them via the associated carry forward requests, as set out in Appendix A to item A.6 of the Report of the Corporate Finance and Governance Portfolio Holder; and*
- (b) approves the allocation of the General Fund Variance for the year of £0.862m as set out in Table 1 of the Portfolio Holder’s report and repeated below:-*

Proposed Allocation	Amount	Portfolio Holder’s Comments
<i>‘Back to Business’ Initiatives and associated activities</i>	£0.862m	<p><i>“It is proposed to allocate the full uncommitted General Fund variance to this major initiative and associated regeneration and economic activities.</i></p> <p><i>As elsewhere in the country, the Tendring District has been hit hard by the COVID19 crisis. Therefore it is important that this Council establishes a clear focus and determination in supporting the district and the economy to not only recover as quickly as possible but to also strengthen and embed a level of resilience that will undoubtedly be required going forward. This approach will provide a solid foundation along with complimenting all of the Council’s overall prioritised and strategic objectives.</i></p> <p><i>As already discussed by Members, there should be no constraints to the range of projects and initiatives that are put forward for consideration to support the whole district or perhaps more locally at ward level.</i></p> <p><i>In agreeing the carry forwards of £0.658m set out earlier on in this report, along with other existing projects and actions, there will be an overlap with direct back to business activities going forward to make this initiative a success.</i></p> <p><i>In terms of this success, it is also acknowledged that local businesses must have a strong influence in terms of how the Council can help and support them through what has been and will continue to be a very challenging time for them and our residents.</i></p> <p><i>The ‘Back to Business’ initiative will continue to be developed over the coming weeks and further reports will be presented to Members in late summer / early autumn.””</i></p>

The relevant reports submitted to the Portfolio Holder and Cabinet referred to above are attached as appendices for the Committee’s consideration.

RECOMMENDATION

That the Resources and Services Overview and Scrutiny Committee considers the Financial Outturn 2018/19 and Allocation of the General Fund Variance for the Year and determines whether it has any recommendations it wishes to put forward to:-

- (a) the Corporate Finance and Governance Portfolio Holder in relation to the Financial Outturn 2019/20; or**
- (b) the Cabinet in relation to the Allocation of the General Fund Variance for the Year.**

APPENDICES

Appendix A – Financial Outturn 2019/20 considered by the Corporate Finance and Governance Portfolio Holder on 17 July 2020

Appendix B – Outturn 2019/20 and the Proposed Allocation of the General Fund Variance for the Year considered by Cabinet on 24 July 2020

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Key Decision Required:	Yes	In the Forward Plan:	Yes
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CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER

14 JULY 2020

REPORT OF THE CHIEF EXECUTIVE

A.1 FINANCIAL OUTTURN 2019/20

(Report prepared by Richard Barrett and the Accountancy Team)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide an overview of the financial outturn for the year 2019/20 and to seek approval of associated financial decisions related to the end of year accounting processes.

EXECUTIVE SUMMARY

Similarly to earlier years of the financial forecast cycle and set against the context of an on-going and challenging financial environment, strong, effective and proactive financial management continues to have a major effect on the outturn position.

The outturn position for 2019/20 is largely unaffected by the COVID 19 crisis given the timing of when its impact was starting to be felt, which was right at the end of the financial year.

Following the completion of the comprehensive end of year processes, the financial outturn position for 2019/20 has been prepared across the various areas of the budget with a summary of the position set out below.

Summary by Key Areas of the Budget

Key Area	Outturn Position
General Fund	
General Fund Revenue - Overall favourable variance after allowing for the carry forwards requested by services	(£0.862m)
Capital Programme – Overall small adverse variance after allowing for the carry forwards requested by services	(£0.059m)
Housing Revenue Account	
Net Surplus for the year contributed to HRA General Balances (over and above the budgeted contribution)	(£0.242m)

General Fund Reserves (excluding requested carry forwards)	
<p>Earmarked Reserves –</p> <p>Reduced use of reserves compared to budget</p> <p>Additional Contributions to reserves compared to the budget (<i>excluding carry forwards</i>)</p> <p><i>There was no change in the level of the Uncommitted Reserve which remains at £4.000m</i></p>	<p>nil</p> <p>nil</p>

Reserves

The Council's overall reserves at 31 March 2020 total **£32.892m**. However **£28.892m** is in respect of earmarked reserves which relate to future years commitments (including the 2019/20 carryforwards requested by services). The total earmarked reserves also include the balance on the Forecast Risk Fund of **£3.253m**, which is in-line with the amount required to support the long term financial sustainability plan. Earmarked reserves are predominantly for previously identified priorities of the council.

The balance of **£4.000m** is the level of uncommitted reserves which includes a working balance requirement of **£1.600m**. This level of uncommitted reserves matches that previously approved.

On-going Review of Budgets

As set out last year, the imperative to find savings and reduce the net budget has meant that all services continue to reduce spending and identify efficiencies wherever possible. This continuing approach has had a direct impact on the year end position for 2019/20. A more comprehensive review of the budgets will be undertaken as part of the Financial Strategy process for 2021/22 to identify where further net budget adjustments need to be made in light of this latest position.

RECOMMENDATION(S)

That the Corporate Finance and Governance Portfolio Holder:

- (a) notes the financial outturn position for 2019/20 as set out in this report and appendices;**
- (b) approves the financing of General Fund capital expenditure for 2019/20 as detailed in Appendix D;**
- (c) approves the movement in uncommitted and earmarked General Fund reserves for 2019/20 set out in Appendix E;**
- (d) approves the qualifying carryforwards totalling £17.914m (£9.518m Revenue and £8.396m Capital) as set out in Appendix K;**
- (d) agrees that all other carryforwards totalling £0.658m requested by services be**

transferred to the relevant earmarked reserve pending consideration by Cabinet at its July 2020 meeting;

(e) that subject to the above, approves that the overall General Fund Outturn Variance for the year of £0.862m be transferred to the Revenue Commitments reserve until Cabinet formally considers the allocation of this funding at its July 2020 meeting;

(f) in respect of the HRA, approves the movement on HRA balances for 2019/20 including any commitments set out within Appendices H and/or I along with recharges to the HRA from the General fund of £2.808m for the year and the financing of the HRA capital expenditure set out in Appendix I; and

(g) delegation be given to the Council's S151 Officer, in consultation with the Corporate Finance and Governance Portfolio Holder, to adjust the outturn position for 2019/20 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 2019/20 accounts.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Careful planning to ensure financial stability underpins the Council's capacity to deliver against its priorities. Both the capital and revenue budgets of the authority are prepared and monitored with the aim of supporting key objectives. The outturn position reflects this process and supports the successful financial planning process.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The main financial implications for each section of the Council's accounts are as set out in this report.

Risk

There are no direct risks associated with the outturn position although the ability to fund future financial forecasts is recognised as a strategic risk to support the achievement of financial resilience of the Council in both the short and long term.

LEGAL

The Council is legally required to calculate a Council Tax requirement each financial year. Within this framework is the requirement to monitor and report accordingly on the financial position of the authority against this requirement.

The outturn position set out in this report and the actions proposed are within the Council's powers and reflect the statutory requirements and responsibilities of the Council in the preparation of its accounts.

The approval of the outturn position each year is delegated to the Corporate Finance and Governance Portfolio Holder. Any further decisions that may be required following the outturn process, such as allocating money brought forward from the prior year will be reported to Cabinet at a subsequent meeting. In effect the approval of the outturn delegated to the Corporate Finance and Governance Portfolio Holder will primarily only place available funding that needs further allocation in reserves until such time as a formal / separate decision is presented to Cabinet.

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.

Although there are no direct equality and diversity issues, the overall Financial Strategy and budget process aims to recognise any such issues where appropriate within the Council's wider Financial Framework.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Financial Outturn for 2019/20 forms the basis of the information included in the Council's Statement of Accounts which will be published 'Subject to Audit' by the end of August 2020. The external audit of the Statement of Accounts is required by legislation to be completed by the end of November 2020. These dates, which are nationally set with Government approval, are significantly later than in previous years to take account of the impact of COVID 19.

Details around specific items such as Revenue, Capital, Reserves and Carry Forwards are set out in the following separate sections of the report along with the Appendices.

GENERAL FUND REVENUE OUTTURN 2019/20 – A DETAILED ANALYSIS

The following table sets out a summary of the outturn position after taking into account the carry forwards / commitments requested by services discussed further on in this report. A more detailed Portfolio and Departmental analysis is set out within the appendices.

Overall Summary of General Fund Revenue Account Outturn 2019/20

	Budget	Outturn	Variance
	£m	£m	£m
Total Net Outturn Position <i>(after requested carry forwards and reserves adjustments)</i>	13.577	12.575	(1.002)
Financing			
Business Rates	4.490	4.349	0.141
Revenue Support Grant	0.422	0.422	0
Council Tax (including Collection Fund)	8.665	8.666	(0.001)
Total	13.577	13.437	0.140
Total Variance for 2019/20 <i>(Contributed to Reserves within Corporate Services)</i>	0	(0.862)	(0.862)

A number of issues emerging earlier in the year were addressed via the quarterly financial performance reports and are therefore reflected in the budget rather than being presented as a variance at the end of the year. In addition, a number of the variances that have remained at the

end of the year have already been highlighted via the in-year financial performance reports.

Appendix C sets out the detailed outturn position by department with the net variance shown in column (e) of that appendix. The net variance has been further analysed by direct costs and indirect costs and is set out in columns (f) and (g) of the same appendix. In most cases the indirect costs are significantly more than the budget, which is primarily due to technical accounting adjustments such as those relating to pension current costs. However, these are reversed out within Corporate Services with no overall net impact on the budget.

A departmental headline outturn summary is set out in **Appendix A** which highlights the key variances within each department.

As mentioned in the executive summary above, the outturn position will be subject to a comprehensive review to identify areas of the budget that can be adjusted to support the Council's long term financial sustainability plan going into 2021/22.

In-line with the delegation to the Finance and Corporate Resources Portfolio Holder, the overall favourable variance for the year of **£0.862m** has been transferred to the Revenue Commitments Reserve. A report is planned to be presented to Cabinet in on 24 July 2020 where options for allocating this funding will be considered.

During the external audit of the Council's Accounts over the coming months, adjustments or amendments may be recommended by the Council's External Auditor. Although subject to the actual adjustments that may be recommended by the Auditor, they may have a direct impact on the overall outturn position for the year rather than be just presentational changes. They would then be included in the Statement of Accounts that would be presented to the Audit Committee later in the year for approval. To enable the right level of flexibility in responding to any changes recommended by the External Auditor, a delegation is included in the recommendations above to enable the Council's S151 officer, in consultation with the Corporate Finance and Governance Portfolio Holder, to make the necessary adjustments to the 2019/20 outturn position.

GENERAL FUND CAPITAL OUTTURN POSITION FOR 2019/20

Full details of the outturn position for each scheme together with the total carry forwards requested are set out in **Appendix D**. However a summary is set out in the following table:

	Budget 2019/20	Outturn 2019/20	C/Fwd	Remaining Variance
	£m	£m	£m	£m
GF Capital Expenditure	13.657	5.202	8.396	(0.059)

Financing the Capital Programme

A summary of the proposed financing of the capital expenditure in 2019/20 is set out in the following table, with a more detailed analysis being provided in **Appendix D** to this report:

	Budget 2019/20 £m	Outturn 2019/20 £m	To Fund C/fwds £m	Variance £m
External Contributions	0.067	0.023	0.043	(0.001)

S106	0.015	0.007	0.008	0
Government Grants	7.157	3.217	3.940	0
Capital Receipts	0.907	0.028	0.825	(0.054)
Revenue Contributions	0.486	0.342	0.144	0
Use of Earmarked Reserves	5.025	1.586	3.435	(0.004)
Total	13.657	5.202	8.396	(0.059)

There were no significant variances at the end of the year after taking into account carry forward requests. One scheme has not been able to be progressed and it has therefore been removed from the capital programme with the corresponding underspend reflected in the position set out in the table above.

GENERAL FUND REVENUE AND CAPITAL CARRY FORWARDS INTO 2019/20

It is recognised that due to the size, nature and lead-in times of some schemes, expenditure can span financial years with some schemes not completed by the 31 March in any one year. Therefore commitments for goods and services are likely to remain outstanding at the 31 March, examples of which include uncompleted work that the Council has a contractual obligation against or the project is either currently underway or will be started shortly with payment dates or trigger points within the process yet to be reached, finalised and paid.

All carry forwards requested by services have been reflected in the year end position and are shown in **Appendices C and D**. These broadly follow the principles applied in previous years such as:

- There is a 'contractual commitment';
- There is a related long term project which is expected to span a number of financial years;
- There is non-recurring item for which no budget provision exists in the following year;

In addition to the qualifying carry forwards under the above criteria, there have been a number of requests to carry money forward to support initiatives and projects that although not strictly complying with the above criteria, it could be advantageous for them to be agreed as they support the delivery of the long term financial sustainability plan or meet costs which could otherwise become future pressures on the budget.

The total amount of money that is subject to a request to carry it forward into 2020/21 is as follows:

Area of the Budget	Qualifying Items	All other Items	Total Carry Forwards Requested
General Fund Revenue – General	£9.518m	£0.658m	£10.176m
General Fund Capital Schemes	£8.396m	n/a	£8.396m
TOTAL	£17.914m	£0.658m	£18.572m

To ensure that schemes that are currently underway are not subject to delays or adverse financial / non-financial issues, the Finance and Corporate Resources Portfolio Holder is being asked to agree all qualifying carryforwards as part of this report which is reflected in the recommendations. A full list of these qualifying items which total **£17.914m** is set out in **Appendix K**.

As was the case last year, all other carry forwards totalling **£0.658m** remain subject to review with the associated amounts being transferred to the revenue commitments reserves pending further review and agreement by Cabinet on 24 July 2020. The amounts requested are included within the figures set out in the appendices. Any carry forwards not subsequently approved by Cabinet will be added to the general outturn variance for the year.

GENERAL FUND RESERVES OUTTURN POSITION FOR 2019/20

Earmarked reserves are shown in more detail in **Appendix E** and include the adjustments set out elsewhere in this report.

The change in the budgeted net use of earmarked reserves of **£14.781m** takes into account the proposed level of revenue and capital carry forward requests. The change in reserves also includes the overall outturn variance of **£0.862m** which has been transferred to the Revenue Commitments Reserve in the interim period before its allocation is considered by Cabinet at its July 2020 meeting.

The overall level of reserves at the end of 2019/20 is **£32.892m**, made up of **£15.216m** for commitment reserves, **£13.676m** for other earmarked reserves and **£4.000m** for uncommitted reserves.

It should be noted however, that transfers to earmarked reserves are not an increase in the Council's longer-term unallocated general resources as it relates to future years commitments.

The Financial Strategy has continued to aim to maintain the Uncommitted Reserve, including the minimum working balance of **£1.600m**, at **£4.000m**. At 31 March 2020 the uncommitted reserve stands at **£4.000m** so it remains in line with this requirement.

INCOME COLLECTION PERFORMANCE AND INCOME FROM S106 AGREEMENTS

The position against council tax, business rates, housing rents and general debt is set out in **Appendix F**. There are no significant issues to highlight with performance broadly remaining consistent with that reported at the end of the previous year.

In respect of business rates, the amounts collected during the year were in excess of the amounts budgeted for. In accordance with the associated regulations, this surplus of **£0.383m** will remain within the Business Rates Collection Fund which will be available to support the position in 2020/21.

In respect of Council Tax, there was a small deficit of **£0.004m** on the Collection Fund at the end of 2020/21.

Details around the use of income from S106 agreements is set out in **Appendix G**. There are no significant issues to highlight and no money was returned to developers during the year.

A REVIEW OF THE HRA OUTTURN POSITION FOR 2019/20

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for

the income and expenditure arising from the Council's landlord functions.

A summary of the Council's Housing Revenue Account for 2019/20 is set out in the table below with a more detailed analysis provided in **Appendix H** to this report.

	Budget 2019/20	Outturn 2019/20	Variance
	£m	£m	£m
Expenditure	6.601	7.172	0.571
Income	(13.437)	(13.659)	(0.222)
Indirect Income / Expenditure	9.726	8.306	(1.420)
Net Use of HRA Reserves	(2.890)	(1.819)	1.071
Total HRA General Balance as at 31 March 2020			5.270

*Net use of HRA Reserves includes a contribution of the overall surplus for the year of **£0.242m** to HRA General Balances*

Housing Revenue Account Overview

The outturn position shows that it was possible to make a contribution to general balances of **£0.242m**, being the overall surplus on the HRA at the end of 2019/20. Further details are set out in **Appendix H**.

Overall, income was higher than budgeted for the year. In terms of expenditure, the most significant variance for the year appears within the premises related expenditure line in **Appendix H**. This was primarily due to responding to the challenging situation, where at relatively short notice the Council had to utilise in-house resources following the demise of the external housing repairs contractor. Therefore costs incurred in 2019/20 would have included mobilisation costs as well as the costs of 'growing' capacity to provide the necessary continuity of the repairs service to Council tenants. It is also fair to say that the in-house team have faced a steep learning curve in terms of not only the significant mobilisation effort, but to also start to develop new ways of working at the scale now required. The in-house team will continue to operate within a mixed economy which will see their work supported / complimented by external contractors as they continue to develop the necessary skill sets and experience required to look after over 3,000 council houses. The position will be monitored over 2020/21 with updates provided to Members as part of the quarterly financial performance reports.

General Fund recharges to the HRA totalled **£2.808m**, an increase of **£0.431m** against the budget for the year, which partly reflects the change in the housing repairs work now being brought back in-house as discussed above. Agreement to this level of recharge forms part of the recommendations set out earlier on in this report.

HRA Capital Programme

A summary of the Council's HRA Capital Programme for 2019/20 is set out in the table below with a more detailed analysis provided in **Appendix I** to this report.

	Budget 2019/20	Outturn 2019/20	C/Fwd	Remaining Variance
	£m	£m	£m	£m
HRA Capital Expenditure	7.602	5.370	2.151	(0.081)

Financing the HRA Capital Programme

A summary of the proposed financing of the capital expenditure in 2019/20 is set out in the following table, with a more detailed analysis being provided in **Appendix I** to this report:

	Budget 2019/20 £m	Outturn 2019/20 £m	To Fund C/fwds £m	Variance £m
Major Repairs Reserve	3.754	3.652	0.020	(0.082)
Revenue funding from the HRA	2.890	1.197	1.694	0.001
Capital Receipts	0.461	0.368	0.093	0
S106	0.380	0.086	0.294	0
External Contributions	0.117	0.067	0.050	0
HRA Total	7.602	5.370	2.151	(0.081)

The overall variance of **£0.081m** is largely due to the timing and programme of works which will continue in 2020/21 and beyond supported by the Major Repairs Reserve within a wider stock condition / refurbishment programme.

The budget for the new build / starter homes in Jaywick Sands has been adjusted as part of the outturn process to reflect the on-going costs of this development. As discussed previously, this development is based on a proof of concept approach to support the longer term private sector confidence and associated future regeneration within Jaywick Sands. To date the estimated resale value remains in excess of the overall costs to ensure that the overall project remains financially positive.

HRA Balances and Reserves

The overall level of HRA General Balances has increased to **£5.270m**. Full details of HRA reserves are set out in **Appendix J**, which reflect the adjustments discussed above.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A (1 - 4)	Key Outturn Variances by Department 2019/20
Appendix B	GF - Portfolio / Department Outturn Summary 2019/20
Appendix C	GF – Revenue Departmental / Directorate Outturn 2019/20
Appendix D	GF - Capital Outturn 2019/20
Appendix E	GF - Reserves
Appendix F	Collection Performance – Council Tax, Business Rates, Housing Rents and General Debts

Appendix G	Income from S106 Agreements
Appendix H	HRA – Revenue Outturn 2019/20
Appendix I	HRA – Capital Outturn 2019/20
Appendix J	HRA – Reserves
Appendix K	Qualifying General Fund Carry Forwards

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

Department - Office of Chief Executive		
Headline Summary	Variance	Comments
	£	
Overall Variance Before Carry Forwards	0	The net budget for this area is zero as it is treated as a service unit account with costs therefore fully recharged across the whole organisation.
Less Carry forward Requests	0	
Variance After Carry Forwards	0	
Variance Summary		
General - Employee Costs	270	There are no significant issues to highlight
Aggregate of General / Smaller Net Variances	(3,462)	
Net Direct Costs	(3,193)	
Net Indirect Costs	3,193	
Total	0	

APPENDIX A.2

Department - Corporate Services		
Headline Summary	Variance	Comments
	£	
Overall Variance Before Carry Forwards	(9,348,339)	
Less Carry forward Requests	7,449,020	
General Outturn Transferred to Reserves	1,026,638	
Variance After Carry Forwards	(872,682)	
Variance Summary		
General - Employee Costs (Including Vacancy Allowance)	(440,463)	As reported within quarterly financial performance reports, this position reflects a range of issues such as turnover of staff / staff vacancies and the short term impact from restructures within services.
Governance and Legal Services - Legal Costs	81,325	These costs relate to a prosecution case brought against an external company. The recovery of these costs form part of the ongoing legal process in 2020/21.
Finance, Revenues and Benefits - Various Revenues and Benefits Service Unit Costs	(53,881)	This service remains subject to a number of external factors such as the impact of the roll-out of Universal Credit, with the current position reflecting on-going changes to the service in the short term, which will be adjusted against associated Government Grant funding going into 2020/21 and beyond.
Finance, Revenues and Benefits - Rent Allowances and Rent Rebates net costs	(446,886)	Similarly to previous years, this reflects the difference between housing benefit paid and subsidy receivable along with overpayments recovered, with the position only becoming clear when the comprehensive end of year adjustments to this technical area of the budget are finalised.
Finance Revenues and Benefits - Council Tax Benefit paid in prior years	(31,809)	This relates to overpaid legacy Council Tax Benefit being repaid to the Council.
Finance - Other Corporate Costs - General Insurance Costs	(44,485)	Although the cost of premiums is broadly in-line with the budget, there were a number of smaller associated budgets that remained largely unspent at the end of the year.
Finance - Other Corporate Costs - New Burdens Grants not allocated	(164,020)	A number of smaller new burdens grant payments were received in the year that were not required to be allocated to any specific service area so they remain as favourable variances at the end of the year.
People, Performance and Projects - Career Track Income	64,229	As reported during the year, following changes to the rules allowing external organisations to access the Council's Career Track Service, it is hoped that the customer base will grow in the medium term to reach a break-even position. However it is accepted that there will be an interim period where the service may report a net deficit as is the case at the end of 2019/20.
Democratic Services - Election Expenses	58,438	This reflects the net position against the budget for the year and takes into account the multiple elections that were held in 2019 (including a countermanded election). Although this variance takes account of an estimated level of reimbursement from the Government, the final claims for the EU/UK Parliamentary elections and the cancelled PFCC election have not been settled and therefore it may be possible that this figure is reduced as part of the associated claims process. This figure is therefore a prudent one awaiting the settlement of those claims.
Finance - RSG, Business Rates and Council Tax - Net Income from Business Rates	99,097	The variance at the end of year relates to the timing of when income from business rates can be recognised in the accounts compared with when a levy payment is made to the Government on that same income. There was an increase in income achieved during the year which will remain in the collection fund and be 'called' down as part of the financial forecast process later in the year.
General - Aggregate of General / Smaller Net Variances	(77,024)	
Contribution to the Forecast Risk Fund	165,088	This is the required amount to bring the total contribution for the year to £500k which is the amount set out within the long term forecast.
General Outturn Position for the Year Contributed to Reserves	861,550	
Net Direct Costs	71,159	
Indirect Costs	(943,841)	
Total	(872,682)	

Department - Operational Services		
Headline Summary	Variance	Comments
	£	
Overall Variance Before Carry Forwards	(1,217,392)	
Less Carry forward Requests	1,843,220	
Variance After Carry Forwards	625,828	
Variance Summary		
General - Employee Costs	478,592	The year end position primarily reflects the cost of bringing the ROALCO HRA building maintenance work back in-house during 2019/20. However this is offset by the recharging out of the associated work within Building and Engineering Services. As expected, the majority of the recharged amounts have been made to the HRA with further comments included within the main body of the report.
Building and Engineering - Engineering Services Net overall position (excl. Employee Costs)	(543,503)	
Public Realm - Cemetery and Crematorium Income	43,452	Overall income fell behind the reprofiled budget during the first 3 quarters of the year, which did not recover over the remaining three months of the year.
Public Realm - Nature Conservation Lease Income	(27,184)	Additional income was achieved under the terms of existing lease arrangements with an external organisation.
Public Realm - Parking Income	(44,920)	Parking income remained strong over the course of the whole year
Customer and Commercial Services - Careline Income	(91,165)	Similarly to parking, overall income remained ahead of the budget at the end of the year, although this does partly offset the cost of additional capacity required within the service of £76k, which is included within employee costs above or elsewhere within the budget.
Customer and Commercial Services - Licensing Income	20,395	Income remained lower than budgeted across the various licence types at the end of the year.
Sports and Leisure - Net Leisure Facilities Position	199,283	As reported during the year, the operation of the Council's leisure facilities continues to be faced with the challenge of balancing costs with the generation / achievement of income. A strategy that aims to respond to this challenge is planned to be presented to members in 2020/21, although the timing of this remains subject to the on-going impact of the COVID 19 crisis.
Sports and Leisure - Misc. Seafront Activities Expenditure	42,282	This primarily reflects building work undertaken by the in-house engineering team as mentioned within employee costs above.
Housing and Environmental Health - General Net Homelessness Costs	73,535	This position reflects the demand for homeless accommodation over the course of the year.
Building and Engineering Services - Net Waste and Recycling Costs	(39,693)	This reflects a range of smaller variances but primarily relates to the achievement of higher recycling credit income over the course of the year.
Building and Engineering Services - Street Sweeping	(43,988)	Lower contact costs incurred than budgeted.
General - Aggregate of General / Smaller Net Variances	59,045	
Net Direct Costs	126,131	
Net Indirect Costs	499,696	
Total	625,828	

Department - Planning and Regeneration		
Headline Summary	Variance	Comments
	£	
Overall Variance Before Carry Forwards	(4,215,696)	
Less Carry forward Requests	4,462,550	
Variance After Carry Forwards	246,854	
Variance Summary		
General - Employee Costs	(3,526)	
Planning and Development - External Legal Fees / Costs	187,651	Additional costs were incurred in connection with appeals / inquiries, which have been met from increased planning fee income
Planning and Development - Planning Income	(180,837)	
General - Aggregate of General / Smaller Net Variances	12,623	
Net Direct Costs	15,911	
Net Indirect Costs	230,942	
Total	246,854	

General Fund Position at the end of March 2020

Portfolio Summary

	2019/20 Budget	2019/20 Actual	2019/20 Variance
	£	£	£
Leader	5,200,140	2,874,419.83	(2,325,720.17)
Corporate Finance and Governance	(2,280,550)	(5,293,832.95)	(3,013,282.95)
Environment and Public Space	7,234,970	7,149,880.29	(85,089.71)
Housing	3,357,560	1,385,888.45	(1,971,671.55)
Partnerships	588,880	296,123.56	(292,756.44)
Business and Economic Growth	4,146,490	930,204.85	(3,216,285.15)
Leisure and Tourism	6,984,180	6,787,899.31	(196,280.69)
Independent Living	353,000	512,667.47	159,667.47
Budgets Relating to Non Executive Functions	763,500	934,317.81	170,817.81
Net Cost of Services	26,348,170	15,577,568.62	(10,770,601.38)
Revenue Support for Capital Investment	5,511,120	1,927,830.41	(3,583,289.59)
Financing Items	(5,186,580)	(5,754,546.89)	(567,966.89)
Total Before use of Reserves	26,672,710	11,750,852.14	(14,921,857.86)
Contribution to / (from) Earmarked Reserves*	(13,096,110)	1,685,311.90	14,781,421.90
Net Total	13,576,600	13,436,164.04	(140,435.96)
<i>Financed by:</i>			
Business Rates (including Tariff and Levy)	(4,489,640)	(4,348,582.04)	141,057.96
Revenue Support Grant	(421,920)	(421,919.00)	1.00
Collection Fund Surplus/Deficit	(709,650)	(710,273.00)	(623.00)
Income from Council Tax Payers	(7,955,390)	(7,955,390.00)	0.00
Total	0	0.00	0.00

Department Summary

	2019/20 Budget	2019/20 Actual including Reserves Adj and C/fwds	2019/20 Variance
	£	£	£
Office of Chief Executive	0	0.00	0.00
Corporate Services (including income from Council Tax)*	(25,296,790)	(26,169,471.69)	(872,681.69)
Operational Services	17,372,750	17,998,577.57	625,827.57
Planning and Regeneration	7,924,040	8,170,894.12	246,854.12
Total	0	0.00	0.00

* this includes the contribution to reserves of the general outturn position of £0.862m

General Fund Position at the end of March 2020

Department - Office of Chief Executive

	(a)	(b)	(c)	(d)	(e)
<u>Analysis by Type of Spend</u>	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Direct Expenditure					
Employee Expenses	170,260	170,529.85	0.00	0.00	269.85
Transport Related Expenditure	2,820	1,824.80	0.00	0.00	(995.20)
Supplies & Services	2,810	342.83	0.00	0.00	(2,467.17)
Total Direct Expenditure	175,890	172,697.48	0.00	0.00	(3,192.52)
Net Direct Costs	175,890	172,697.48	0.00	0.00	(3,192.52)
Total Indirect Income/Expenditure	(175,890)	(172,697.48)	0.00	0.00	3,192.52
Total for Office of Chief Executive	0	0.00	0.00	0.00	0.00

APPENDIX C

Analysis of the Variance in column (e) by Direct and Indirect

(f)	(g)
<i>Direct Variance</i>	<i>Indirect Variance</i>
£	£
269.85	0.00
(995.20)	0.00
(2,467.17)	0.00
(3,192.52)	0.00
(3,192.52)	0.00
0.00	3,192.52
(3,192.52)	3,192.52

Department - Office of Chief Executive

	(a)	(b)	(c)	(d)	(e)
<u>Analysis by Section/Function</u>	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Total for Office of Chief Executive	0	0.00	0.00	0.00	0.00

Analysis of the Variance in column (e) by Direct and Indirect

(f)	(g)
<i>Direct Variance</i>	<i>Indirect Variance</i>
£	£
(3,192.52)	3,192.52

General Fund Position at the end of March 2020

Department - Corporate Services

	(a)	(b)	(c)	(d)	(e)
<u>Analysis by Type of Spend</u>	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Direct Expenditure					
Employee Expenses	7,244,810	6,672,496.85	0.00	131,850.00	(440,463.15)
Premises Related Expenditure	729,530	563,466.87	0.00	161,980.00	(4,083.13)
Transport Related Expenditure	87,690	73,738.65	0.00	7,260.00	(6,691.35)
Supplies & Services	7,525,680	3,855,491.64	0.00	3,627,460.00	(42,728.36)
Transfer Payments	46,034,940	45,893,243.40	0.00	0.00	(141,696.60)
Interest Payments	29,240	21,864.76	0.00	0.00	(7,375.24)
Total Direct Expenditure	61,651,890	57,080,302.17	0.00	3,928,550.00	(643,037.83)
Direct Income					
Government Grants	(51,635,160)	(51,764,415.95)	0.00	(59,000.00)	(188,255.95)
Other Grants, Reimbursements and Contributions	(3,062,310)	(3,423,259.30)	0.00	0.00	(360,949.30)
Sales, Fees and Charges	(204,730)	(119,641.23)	0.00	0.00	85,088.77
Rents Receivable	(5,730)	(650.00)	0.00	0.00	5,080.00
Interest Receivable	(751,580)	(745,414.64)	0.00	0.00	6,165.36
RSG, Business Rates and Council Tax	(13,576,600)	(13,436,164.04)	0.00	0.00	140,435.96
Total Direct Income	(69,236,110)	(69,489,545.16)	0.00	(59,000.00)	(312,435.16)
Net Direct Costs	(7,584,220)	(12,409,242.99)	0.00	3,869,550.00	(955,472.99)
Total Indirect Income/Expenditure	(4,616,460)	(9,139,770.60)	0.00	3,579,470.00	(943,840.60)
Net Contribution to/(from) Reserves	(13,096,110)	1,685,311.90	(13,754,790.00)	0.00	1,026,631.90
Total for Corporate Services	(25,296,790)	(19,863,701.69)	(13,754,790.00)	7,449,020.00	(872,681.69)

APPENDIX C

Analysis of the Variance in column (e) by Direct and Indirect

(f)	(g)
<i>Direct Variance</i>	<i>Indirect Variance</i>
£	£
(440,463.15)	0.00
(4,083.13)	0.00
(6,691.35)	0.00
(42,728.36)	0.00
(141,696.60)	0.00
(7,375.24)	0.00
(643,037.83)	0.00
(188,255.95)	0.00
(360,949.30)	0.00
85,088.77	0.00
5,080.00	0.00
6,165.36	0.00
140,435.96	0.00
(312,435.16)	0.00
(955,472.99)	0.00
0.00	(943,840.60)
1,026,631.90	0.00
71,158.91	(943,840.60)

Department - Corporate Services					
	(a)	(b)	(c)	(d)	(e)
Analysis by Section/Function	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Deputy Chief Executive and Administration	(630)	0.00	0.00	5,170.00	5,800.00
Governance and Legal Services	(4,630)	0.00	0.00	0.00	4,630.00
Finance, Revenues and Benefits	1,649,530	638,385.46	0.00	208,290.00	(802,854.54)
Finance - Other Corporate Costs	(2,242,700)	(6,227,541.45)	0.00	2,792,990.00	(1,191,851.45)
Finance - Financing Items	(13,966,390)	(2,604,894.76)	(13,754,790.00)	3,579,470.00	1,186,175.24
Finance - RSG, Business Rates and Council Tax	(13,576,600)	(13,436,164.04)	0.00	0.00	140,435.96
Property Services	457,820	98,159.95	0.00	90,440.00	(269,220.05)
People, Performance and Projects	403,410	136,774.51	0.00	402,030.00	135,394.51
IT and Corporate Resilience	597,720	82,736.86	0.00	370,630.00	(144,353.14)
Democratic Services	1,385,680	1,448,841.78	0.00	0.00	63,161.78
Total for Corporate Services	(25,296,790)	(19,863,701.69)	(13,754,790.00)	7,449,020.00	(872,681.69)

APPENDIX C	
Analysis of the Variance in column (e) by Direct and Indirect	
(f)	(g)
Direct Variance	Indirect Variance
£	£
(20,281.25)	26,081.25
44,956.78	(40,326.78)
(868,127.96)	65,273.42
(234,972.37)	(956,879.08)
944,113.89	242,061.35
140,435.96	0.00
8,750.17	(277,970.22)
53,149.31	82,245.20
(9,573.68)	(134,779.46)
12,708.06	50,453.72
71,158.91	(943,840.60)

General Fund Position at the end of March 2020

Department - Operational Services

	(a)	(b)	(c)	(d)	(e)
<u>Analysis by Type of Spend</u>	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Direct Expenditure					
Employee Expenses	9,642,030	9,803,509.98	0.00	286,780.00	448,259.98
Premises Related Expenditure	3,214,820	3,086,019.34	0.00	363,270.00	234,469.34
Transport Related Expenditure	466,250	541,548.32	0.00	23,530.00	98,828.32
Supplies & Services	4,960,760	4,351,335.04	0.00	1,129,640.00	520,215.04
Third Party Payments	4,875,120	5,011,683.99	0.00	0.00	136,563.99
Transfer Payments	263,160	470,262.52	0.00	0.00	207,102.52
Total Direct Expenditure	23,422,140	23,264,359.19	0.00	1,803,220.00	1,645,439.19
Direct Income					
Government Grants	(658,860)	(682,088.21)	0.00	0.00	(23,228.21)
Other Grants, Reimbursements and Contributions	(1,746,760)	(1,920,575.65)	0.00	0.00	(173,815.65)
Sales, Fees and Charges	(8,175,230)	(8,866,254.93)	0.00	40,000.00	(651,024.93)
Rents Receivable	(318,310)	(363,194.97)	0.00	0.00	(44,884.97)
Direct Internal Income	(206,780)	(833,134.15)	0.00	0.00	(626,354.15)
Total Direct Income	(11,105,940)	(12,665,247.91)	0.00	40,000.00	(1,519,307.91)
Net Direct Costs	12,316,200	10,599,111.28	0.00	1,843,220.00	126,131.28
Total Indirect Income/Expenditure	5,056,550	5,556,246.29	0.00	0.00	499,696.29
Total for Operational Services	17,372,750	16,155,357.57	0.00	1,843,220.00	625,827.57

APPENDIX C

Analysis of the Variance in column (e) by Direct and Indirect

(f)	(g)
<i>Direct Variance</i>	<i>Indirect Variance</i>
£	£
448,259.98	0.00
234,469.34	0.00
98,828.32	0.00
520,215.04	0.00
136,563.99	0.00
207,102.52	0.00
1,645,439.19	0.00
(23,228.21)	0.00
(173,815.65)	0.00
(651,024.93)	0.00
(44,884.97)	0.00
(626,354.15)	0.00
(1,519,307.91)	0.00
126,131.28	0.00
0.00	499,696.29
126,131.28	499,696.29

Department - Operational Services					
	(a)	(b)	(c)	(d)	(e)
<u>Analysis by Section/Function</u>	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Corporate Director and Administration Operational Services	657,270	37,463.52	0.00	628,010.00	8,203.52
Public Realm	1,812,010	1,855,463.03	0.00	108,400.00	151,853.03
Customer and Commercial Services	484,850	568,619.65	0.00	21,300.00	105,069.65
Sports and Leisure	3,901,320	4,162,357.58	0.00	322,370.00	583,407.58
Housing and Environmental Health	2,887,720	2,623,023.02	0.00	475,730.00	211,033.02
Building and Engineering	7,629,580	6,908,430.77	0.00	287,410.00	(433,739.23)
Total for Operational Services	17,372,750	16,155,357.57	0.00	1,843,220.00	625,827.57

APPENDIX C

Analysis of the Variance in column (e) by Direct and Indirect	
(f)	(g)
Direct Variance	Indirect Variance
£	£
(6,738.36)	14,941.88
21,146.60	130,706.43
(487.57)	105,557.22
244,169.18	339,238.40
(30,377.20)	241,410.22
(101,581.37)	(332,157.86)
126,131.28	499,696.29

General Fund Position at the end of March 2020

Department - Planning and Regeneration

	(a)	(b)	(c)	(d)	(e)
<u>Analysis by Type of Spend</u>	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Direct Expenditure					
Employee Expenses	2,495,250	2,279,694.19	0.00	212,030.00	(3,525.81)
Premises Related Expenditure	28,770	27,297.94	0.00	0.00	(1,472.06)
Transport Related Expenditure	37,690	32,077.96	0.00	0.00	(5,612.04)
Supplies & Services	6,249,373	2,118,428.58	0.00	4,328,020.00	197,075.58
Third Party Payments	870	0.00	0.00	0.00	(870.00)
Total Direct Expenditure	8,811,953	4,457,498.67	0.00	4,540,050.00	185,595.67
Direct Income					
Government Grants	(52,960)	(35,471.95)	0.00	(17,500.00)	(11.95)
Other Grants, Reimbursements and Contributions	(60,000)	(790.00)	0.00	(60,000.00)	(790.00)
Sales, Fees and Charges	(1,766,983)	(1,940,134.86)	0.00	0.00	(173,151.86)
Rents Receivable	(56,510)	(52,240.05)	0.00	0.00	4,269.95
Total Direct Income	(1,936,453)	(2,028,636.86)	0.00	(77,500.00)	(169,683.86)
Net Direct Costs	6,875,500	2,428,861.81	0.00	4,462,550.00	15,911.81
Total Indirect Income/Expenditure	1,048,540	1,279,482.31	0.00	0.00	230,942.31
Total for Planning and Regeneration	7,924,040	3,708,344.12	0.00	4,462,550.00	246,854.12

APPENDIX C

Analysis of the Variance in column (e) by Direct and Indirect

(f)	(g)
<i>Direct Variance</i>	<i>Indirect Variance</i>
£	£
(3,525.81)	0.00
(1,472.06)	0.00
(5,612.04)	0.00
197,075.58	0.00
(870.00)	0.00
185,595.67	0.00
(11.95)	0.00
(790.00)	0.00
(173,151.86)	0.00
4,269.95	0.00
(169,683.86)	0.00
15,911.81	0.00
0.00	230,942.31
15,911.81	230,942.31

Department - Planning and Regeneration					
	(a)	(b)	(c)	(d)	(e)
<u>Analysis by Section/Function</u>	2019/20 Budget	2019/20 Actual	2019/20 Reserves Adjustment	2019/20 C/fwd requests	2019/20 Variance after Reserves Adj and C/fwds
	£	£	£	£	£
Corporate Director	600	0.00	0.00	0.00	(600.00)
Planning and Customer Services	(139,410)	0.00	0.00	129,000.00	268,410.00
Planning and Development	2,198,100	1,420,160.99	0.00	696,830.00	(81,109.01)
Planning Policy	1,589,580	797,004.87	0.00	723,430.00	(69,145.13)
Building Control	174,880	272,720.61	0.00	0.00	97,840.61
Regeneration	4,100,290	1,218,457.65	0.00	2,913,290.00	31,457.65
Total for Planning and Regeneration	7,924,040	3,708,344.12	0.00	4,462,550.00	246,854.12

APPENDIX C

Analysis of the Variance in column (e) by Direct and Indirect	
(f)	(g)
Direct Variance	Indirect Variance
£	£
19,104.10	(19,704.10)
4,446.83	263,963.17
22,317.34	(103,426.35)
6,636.58	(75,781.71)
(13,299.90)	111,140.51
(23,293.14)	54,750.79
15,911.81	230,942.31

General Fund Capital Outturn 2019/20

	2019/20 Approved Budget	2019/20 Actual Expenditure	2019/20 Variance Over/(Under)	2019/20 Carry Forward	2019/20 Variance
	£	£	£	£	£
Expenditure					
<i>Business and Economic Growth Portfolio</i>					
SME Growth Fund Capital Grants	43,250	-	(43,250)	43,250	-
Starlings and Milton Road Redevelopment	1,599,180	42,796	(1,556,384)	1,556,380	(4)
	1,642,430	42,796	(1,599,634)	1,599,630	(4)
<i>Corporate Finance and Governance Portfolio</i>					
Audit management software	2,230	-	(2,230)	-	(2,230)
Joint HR and Payroll System	1,780	-	(1,780)	1,780	-
Information and Communications Technology Core Infrastructure	193,920	68,875	(125,045)	125,040	(5)
IT Strategic Investment	31,470	31,467	(3)	-	(3)
Agresso e-procurement	84,000	-	(84,000)	84,000	-
Individual Electoral Registration - Scanning Equipment	1,560	-	(1,560)	-	(1,560)
Enhanced Equipment replacement - Printing and Scanning	12,250	9,652	(2,598)	2,600	2
Office Rationalisation	789,040	465,706	(323,334)	323,340	6
	1,116,250	575,700	(540,550)	536,760	(3,790)

General Fund Capital Outturn 2019/20

	2019/20 Approved Budget	2019/20 Actual Expenditure	2019/20 Variance Over/(Under)	2019/20 Carry Forward	2019/20 Variance
	£	£	£	£	£
<i>Environment and Public Space Portfolio</i>					
Cranleigh Close, Clacton, landscaping works	7,830	5,997	(1,833)	1,830	(3)
Environmental Health Database Migration	5,250	-	(5,250)	5,250	-
Public Access Module to CAPS	54,140	-	(54,140)	-	(54,140)
Laying Out Cemetery	13,820	13,823	3	-	3
Crematorium and Cemeteries Road Works	163,000	131,811	(31,189)	31,190	1
Bath House Meadow Play Area, Walton	4,870	-	(4,870)	4,870	-
Changing Place Facilities, Walton	1,550	1,551	1	-	1
Resurfacing Works, Off Valley Road	6,770	635	(6,135)	6,130	(5)
Waste Collection Wheeled Bins	991,620	991,588	(32)	-	(32)
Bath House Meadow Security Measures	20,000	3,390	(16,610)	16,610	-
Clacton Multi-Storey car park repairs	180,000	-	(180,000)	180,000	-
Public Convenience Works	40,000	-	(40,000)	40,000	-
	1,488,850	1,148,795	(340,055)	285,880	(54,175)
<i>Housing Portfolio</i>					
Replacement of High Volume Printers	29,000	-	(29,000)	29,000	-
Replacement debit and credit card payment facility	14,630	-	(14,630)	14,630	-
Housing in Jaywick	498,750	34,516	(464,234)	464,230	(4)
Private Sector Renewal Grants/Financial Assistance Loans	325,260	28,105	(297,155)	297,150	(5)
Disabled Facilities Grants	5,168,960	1,506,837	(3,662,123)	3,662,120	(3)
Private Sector Leasing	75,660	-	(75,660)	75,660	-
Empty Homes funding	164,220	12,000	(152,220)	152,220	-
	6,276,480	1,581,458	(4,695,022)	4,695,010	(12)

General Fund Capital Outturn 2019/20

	2019/20 Approved Budget	2019/20 Actual Expenditure	2019/20 Variance Over/(Under)	2019/20 Carry Forward	2019/20 Variance
	£	£	£	£	£
<i>Independent Living Portfolio</i>					
Careline - Replacement Telephone System	37,210	15,345	(21,865)	21,860	(5)
	37,210	15,345	(21,865)	21,860	(5)
<i>Leisure and Tourism Portfolio</i>					
Princes Theatre Toilets	40,000	-	(40,000)	40,000	-
Town Centre Fountain	160,000	925	(159,075)	159,080	5
Dovercourt Bay Lifestyles CCTV	26,000	26,000	-	-	-
CLC - Spa and Wetside Re-development	525,000	3,525	(521,475)	521,480	5
Venetian Bridge Clacton	9,620	9,620	-	-	-
New Beach Huts	64,600	-	(64,600)	64,600	-
Cliff Stabilisation Scheme	2,108,320	1,669,686	(438,634)	438,630	(4)
Marine Parade West Clacton Cliff Works	49,380	19,447	(29,933)	29,930	(3)
Flood Wall, Walton On The Naze	7,590	7,057	(533)	-	(533)
Purchase of Street Cleansing Equipment	43,570	40,090	(3,480)	3,480	-
Purchase of Seafronts Cleansing Equipment	62,000	62,000	-	-	-
	3,096,080	1,838,350	(1,257,730)	1,257,200	(530)
Total Approved General Fund Capital Programme	13,657,300	5,202,444	(8,454,856)	8,396,340	(58,516)

General Fund Capital Outturn 2019/20

	2019/20 Approved Budget	2019/20 Actual Expenditure	2019/20 Variance Over/(Under)	2019/20 Carry Forward	2019/20 Variance
	£	£	£	£	£
Financing					
Specific Financing					
External Contributions	(67,020)	(23,238)	43,782	(43,250)	532
Section 106	(14,600)	(6,632)	7,968	(7,960)	8
Government Grant re Coast Protection	(2,108,320)	(1,669,686)	438,634	(438,630)	4
Governments Grants - Other	(322,220)	(40,116)	282,104	(282,100)	4
Disabled Facilities Grant	(4,726,730)	(1,506,836)	3,219,894	(3,219,890)	4
	(7,238,890)	(3,246,508)	3,992,382	(3,991,830)	552
General Financing					
Capital Receipts	(907,290)	(28,105)	879,185	(825,040)	54,145
Direct Revenue Contributions	(485,800)	(341,516)	144,284	(144,250)	34
Capital Commitments Reserve	(4,437,110)	(1,541,445)	2,895,665	(2,891,880)	3,785
Leisure Capital Project Reserve	(551,000)	(29,525)	521,475	(521,480)	(5)
Careline Reserve	(37,210)	(15,345)	21,865	(21,860)	5
	(6,418,410)	(1,955,936)	4,462,474	(4,404,510)	57,964
Total Funding of Approved General Fund Capital Programme	(13,657,300)	(5,202,444)	8,454,856	(8,396,340)	58,516

General Fund Reserves as at 31 March 2020

Contributions from/to Reserves - Actual Position for the Year

	Balance 31 March 2019	Contribution from Reserves 2019/20	Contribution to Reserves 2019/20	Balance 31 March 2020
	£	£	£	£
Earmarked Reserves				
Revenue Commitments Reserve	11,800,429	(11,579,429)	11,201,958	11,422,958
Capital Commitments Reserve	4,868,390	(4,654,753)	3,579,470	3,793,107
Forecast Risk Fund	3,497,114	(931,612)	522,410	3,087,912
Asset Refurbishment / Replacement Reserve	134,777	0	1,134,511	1,269,288
Beach Recharge Reserve	1,500,000	0	0	1,500,000
Benefit Reserve	999,790	0	0	999,790
Building for the Future Reserve	1,332,580	0	1,277,170	2,609,750
Business Rate Resilience Reserve	1,758,422	0	0	1,758,422
Careline System Replacement Reserve	37,215	(37,215)	0	0
Commuted Sums Reserve	297,722	(28,000)	119,680	389,402
Crematorium Reserve	154,252	0	0	154,252
Election Reserve	90,000	(120,000)	30,000	0
Haven Gateway Partnership Reserve	75,000	0	0	75,000
Leisure Capital Projects Reserve	100,000	(551,000)	575,000	124,000
Planning Inquiries and Enforcement Reserve	259,000	(160,000)	0	99,000
Residents Free Parking Reserve	221,000	0	0	221,000
Section 106 Agreements Reserve	0	0	1,388,673	1,388,673
Specific Revenue Grants Reserve - Homelessness	81,551	(81,551)	0	0
	27,207,242	(18,143,560)	19,828,872	28,892,554
Uncommitted Reserve	4,000,000	0	0	4,000,000
Total Reserves	31,207,242	(18,143,560)	19,828,872	32,892,554

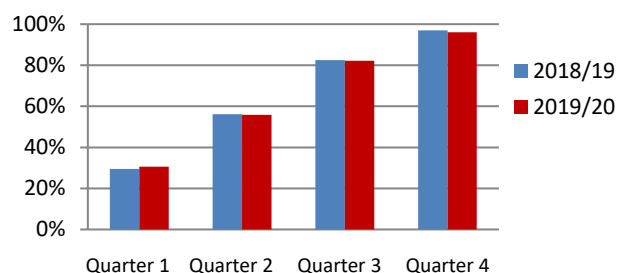
Contributions from/to Reserves - Summary of Actual Position Compared to the Budget

	2019/20 Budget	2019/20 Actual	Variance
	£	£	£
Earmarked Reserves			
Contributions from	(18,143,550)	(18,143,560)	(10)
Contributions to	5,047,440	19,828,872	14,781,432
Total	(13,096,110)	1,685,312	14,781,422
Uncommitted Reserve			
Contributions from	0	0	0
Contributions to	0	0	0
Total	0	0	0
Total Reserves	(13,096,110)	1,685,312	14,781,422

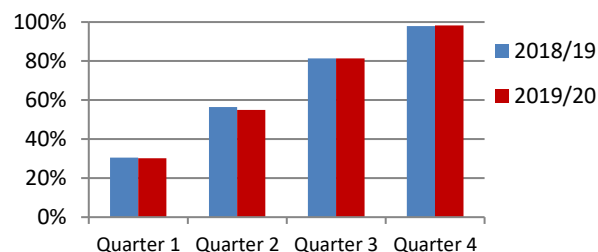
Collection Performance : Position at the end of March 2020

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

Council Tax (against annual amounts)

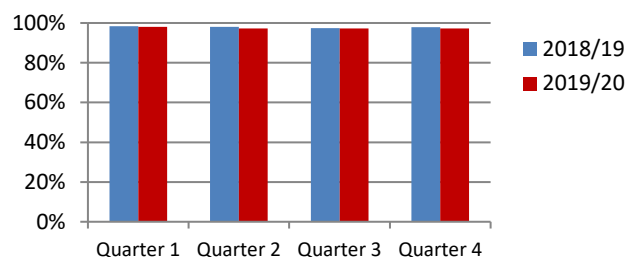


Business Rates (against annual amounts)

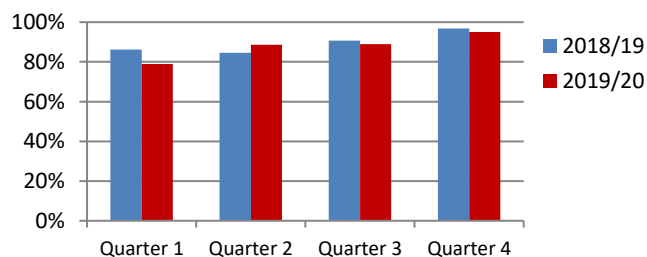


	2018/19	2019/20		2018/19	2019/20
Quarter 1	29.44%	30.64%	Quarter 1	30.48%	30.21%
Quarter 2	56.09%	55.86%	Quarter 2	56.40%	55.03%
Quarter 3	82.52%	82.25%	Quarter 3	81.42%	81.36%
Quarter 4	96.96%	96.09%	Quarter 4	97.92%	98.19%

Housing Rents



General Debt



	2018/19	2019/20		2018/19	2019/20
Quarter 1	98.30%	97.99%	Quarter 1	86.14%	79.00%
Quarter 2	98.10%	97.20%	Quarter 2	84.58%	88.64%
Quarter 3	97.40%	97.20%	Quarter 3	90.65%	88.94%
Quarter 4	97.82%	97.24%	Quarter 4	96.89%	95.08%

Income from S106 Agreements: Outturn Position at the end March 2020

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

The information below relates to only S106 amounts applicable to TDC.

ALLOCATED / BEING SPENT

Scheme	Amount Spent / Committed to be Spent
	£000
Capital Schemes	
Cranleigh Close, Clacton - Landscaping works	8
Valley Road, Car Park Resurfacing	7
HRA - New Build Initiatives and Acquisitions	86
Revenue Schemes and Other Contributions	241
TOTAL	342

UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date			
	Less than 1 year	1 to 2 years	2 to 4 years	4 years +
	£000	£000	£000	£000
Regeneration Programme and Other Initiatives	-	-	-	2
Affordable Housing	-	-	-	1,706
Habitat Preservation	-	-		3
Town Centre Improvements	-	-	22	22
Open Space *	2	3	48	1,166
TOTAL	2	3	70	2,899

* See the below 'spend by' dates for schemes ending in less than one year:
£2k by November 2020

Outturn Reporting - Housing Revenue Account (HRA) Position at the end of March 2020

Analysis by Type of Spend			
	2019/20 Budget	2019/20 Actual	2019/20 Variance
	£	£	£
Direct Expenditure			
Employee Expenses	1,090,540	1,090,174.67	(365.33)
Premises Related Expenditure	3,533,870	4,207,500.21	673,630.21
Transport Related Expenditure	20,370	27,607.04	7,237.04
Supplies & Services	524,600	431,519.16	(93,080.84)
Third Party Payments	1,030	0.00	(1,030.00)
Transfer Payments	17,000	14,299.83	(2,700.17)
Interest Payments	1,413,490	1,401,149.52	(12,340.48)
Total Direct Expenditure	6,600,900	7,172,250.43	571,350.43
Direct Income			
Government Grants	0	(31,885.76)	(31,885.76)
Other Grants, Reimbursements and Contributions	(8,000)	(22,225.77)	(14,225.77)
Sales, Fees and Charges	(533,920)	(553,899.76)	(19,979.76)
Rents Receivable	(12,843,320)	(12,956,620.40)	(113,300.40)
Interest Receivable	(51,600)	(94,461.01)	(42,861.01)
Total Direct Income	(13,436,840)	(13,659,092.70)	(222,252.70)
Net Direct Costs	(6,835,940)	(6,486,842.27)	349,097.73
Total Indirect Income/Expenditure	9,726,170	8,306,030.16	(1,420,139.84)
Net Contribution to/(from) Reserves	(2,890,230)	(1,819,187.89)	1,071,042.11
Total for HRA	0	0.00	0.00

Housing Revenue Account Capital Outturn 2019/20

	2019/20 Approved Budget	2019/20 Actual Expenditure	2019/20 Over/(Under) Spending	2019/20 Slippage/ Completed	2019/20 Variance
	£	£	£	£	£
Expenditure					
Improvements, enhancement & adaptation of the Council's housing stock	3,215,410	3,268,351	52,941	-	52,941
IT Upgrade & Replacement	20,000	3,726	(16,274)	-	(16,274)
Disabled Adaptations	458,210	380,281	(77,929)	20,000	(57,929)
Acquisitions - 1-4-1 Capital Receipts	310,000	-	(310,000)	310,000	-
Acquisitions - Section 106	294,000	-	(294,000)	294,000	-
Cash Incentive Scheme	60,000	-	(60,000)	-	(60,000)
New Build Initiatives and Acquisitions	1,714,050	186,733	(1,527,317)	1,526,910	(407)
Jaywick Sands - New Build/Starter Homes	1,530,750	1,531,152	402	-	402
Total Housing Revenue Account Capital Programme	7,602,420	5,370,243	(2,232,177)	2,150,910	(81,267)
Financing					
Major Repairs Reserve	(3,753,620)	(3,652,359)	101,261	(20,000)	81,261
Direct Revenue Contributions	(2,890,560)	(1,196,980)	1,693,580	(1,693,580)	-
Section 106	(380,000)	(86,000)	294,000	(294,000)	-
Capital Receipts	(460,730)	(367,729)	93,001	(93,000)	1
External Contributions	(117,510)	(67,175)	50,335	(50,330)	5
Total Funding of Approved HRA Capital Programme	(7,602,420)	(5,370,243)	2,232,177	(2,150,910)	81,267

Housing Revenue Account Reserves as at 31 March 2020

Contributions from/to Reserves - Actual Position for the Year

	Balance 31 March 2019	Contribution from Reserves 2019/20	Contribution to Reserves 2019/20	Balance 31 March 2020
	£	£	£	£
HRA Reserves				
HRA General Balance	5,028,196	0	242,050	5,270,246
HRA Commitments	2,890,557	(1,196,981)	0	1,693,576
Housing Repairs Reserve	864,257	(4,781,377)	3,917,120	0
Major Repairs Reserve	4,810,635	(3,652,359)	3,176,410	4,334,686
Total Reserves	13,593,645	(9,630,717)	7,335,580	11,298,508

Contributions from/to Reserves - Summary of Actual Position Compared to the Budget

	2019/20 Budget	2019/20 Actual	Variance
	£	£	£
HRA General Balance			
General Outturn for the Year			
Contributions from	(75,000)	0	75,000
Contributions to	75,330	242,050	166,720
Total	330	242,050	241,720
HRA Commitments			
Contributions from	(2,890,560)	(1,196,981)	1,693,579
Contributions to	0	0	0
Total	(2,890,560)	(1,196,981)	1,693,579
Housing Repairs Reserve			
Contributions from	(3,917,120)	(4,781,377)	(864,257)
Contributions to	3,917,120	3,917,120	0
Total	0	(864,257)	(864,257)
Major Repairs Reserve			
Contributions from	(3,753,620)	(3,652,359)	101,261
Contributions to	3,176,410	3,176,410	0
Total	(577,210)	(475,949)	101,261
Total Reserves	(3,467,440)	(2,295,137)	1,172,303

Qualifying General Fund Carry Forwards

Revenue

Service	Description	Requested C/fwd Amount (£)	Comments
ITEMS MEETING CARRYFORWARD CRITERIA			
Corporate Services			
<i>Finance, Revenues and Benefits</i>	Accountancy Service Unit	29,340	System update planned when new software release available
<i>Finance, Revenues and Benefits</i>	Health & Safety	165,000	To meet the cost of projects and initiatives associated with the Councils overall Health and Safety responsibilities
<i>Finance, Revenues and Benefits</i>	Procurement	13,950	To purchase a new E-Tendering system to support the overall governance arrangements associated with procurement within the Council
<i>Finance - Other Corporate Costs</i>	Garden Communities Project	1,300,000	To support the overall delivery of this project
<i>Finance - Other Corporate Costs</i>	EU Exit Preparation	126,410	Utilisation of external funding that supports this initiative
<i>Finance - Other Corporate Costs</i>	Climate Emergency Initiatives	213,450	To support associated initiatives
<i>Finance - Other Corporate Costs</i>	New Homes Bonus - Project Expenses	105,080	Balance of funding set aside to support the new waste and recycling service
<i>Finance - Other Corporate Costs</i>	Energy Efficiency Schemes	100,000	Funding to support this scheme

Service	Description	Requested C/fwd Amount (£)	Comments
<i>Finance - Other Corporate Costs</i>	Fit for Purpose	336,980	To be used to support initiatives in 2020/21
<i>Finance - Other Corporate Costs</i>	Contingency (Corporate) Budget	322,010	To support unexpected corporate expenditure
<i>Property Services</i>	Emerging Property Projects	65,860	To support emerging property projects
<i>Property Services</i>	Martello Tower Repair Works	83,580	Expenditure associated with grant from Historic England for Martello Tower E Repairs
<i>Property Services</i>	Martello Tower Repair Works	(59,000)	Grant from Historic England for Martello Tower E Repairs
<i>People, Performance and Projects</i>	CCG Wellbeing Hub	245,000	External funding received to support the Wellbeing Hub project
<i>People, Performance and Projects</i>	Essex Family Needs Project	16,430	To continue projects associated with this initiative
<i>People, Performance and Projects</i>	Community Safety Projects	35,420	External funding used to support Community Safety projects
<i>People, Performance and Projects</i>	Crime and Disorder - Other Initiatives	12,830	External funding received to support this initiative
<i>People, Performance and Projects</i>	Community Safety	19,200	Partnership scheme to continue into 2020/21
<i>IT and Corporate Resilience</i>	Information Technology	370,630	To continue to deliver important IT transformation projects and initiatives
Total for Corporate Services		3,502,170	

Service	Description	Requested C/fwd Amount (£)	Comments
Operational Services			
Corporate Director and Administration Operational Services	Community Housing Trust Grant	628,010	Grant funded ongoing project / long term initiative
Public Realm	Transport	8,650	Delay in the delivery of purchased plant
Public Realm	Cemetries and Crematorium	8,900	Delay in various building repair projects
Public Realm	Open Spaces	3,180	Unspent external grant funding
Public Realm	Nature Conservation	20,710	To undertake nature conversation projects supported by external grant income
Public Realm	Recreation Grounds	4,070	Work delayed to early 2020/21
Customer and Commercial Services	Licensing - Taxi & Private Hire	7,320	To provide taxi safety training
Sports and Leisure	Beach Hut Sites	208,810	To reinvest in beach huts / seafront amenities in 2020/21
Sports and Leisure	Tourism Publicity Marketing Promotion	13,560	To support the ongoing Mayflower 400 project
Sports and Leisure	Tour De Tendring & Other Cycling Events	100,000	To support a cycling event in the next 12 months
Housing and Environmental Health	Fast Food Initiative	56,560	Grant funded ongoing project / long term initiative
Housing and Environmental Health	Private Sector Housing MH Support Pilot	183,560	Grant funding to be recovered by CCG to directly deliver the project themselves

Service	Description	Requested C/fwd Amount (£)	Comments
Housing and Environmental Health	Public Health - Improvement Projects	94,580	Partially grant funded (Sports England) ongoing project / long term initiative
Housing and Environmental Health	Public Health - Local Delivery Pilots	36,670	Grant funded (Active Essex) ongoing project / long term initiative
Housing and Environmental Health	Home Improvement Agency	19,000	Grant funded ongoing project / long term initiative
Housing and Environmental Health	Private Sector Innovation & Enforcement Grant	85,360	Grant funded ongoing project / long term initiative
Building and Engineering	Highways TDC - Highway Rangers	50,000	ECC contribution to support Highways Initiatives
Building and Engineering	Town Centre Enhancement Project	19,180	Town centre improvement works delayed in 2019/20, now scheduled for delivery in 2020/21
Building and Engineering	Recycling & Waste Contract	76,700	To continue to support the establishment of the new waste and recycling service
Building and Engineering	Weekly Collection Grant	13,780	Unspent weekly collection grant to support associated initiatives in 2020/21
Building and Engineering	Recycling Rewards Scheme	42,370	Use of recycling rewards scheme grant income to support projects and initiatives in 2020/21
Building and Engineering	Engineering Services	1,030	Delivery delayed at the end of 2019/20
Total for Operational Services		1,682,000	

Service	Description	Requested C/fwd Amount (£)	Comments
Planning and Regeneration			
<i>Planning and Development</i>	Planning and Enforcement	48,630	To support associated projects and initiatives
<i>Planning and Development</i>	Development Control - Chargeable Account	258,380	Long term project for improvements to Planning Service from 20% increase in fees
<i>Planning and Development</i>	Development Control - Chargeable Account	83,030	Ongoing agency planning staff
<i>Planning and Development</i>	Future High Streets Fund	306,790	To support the Future High Streets Fund project
<i>Planning Policy</i>	Planning Policy and Conservation	10,000	Long term project for the improvement of Town Centres
<i>Planning Policy</i>	Planning Policy and Conservation	713,430	Delivery of Local Plan ongoing and majority of spend will take place during the final period of the process
<i>Regeneration</i>	Rural and Urban Infrastructure Fund	1,184,310	To support the development of this project in 2020/21
<i>Regeneration</i>	SME Growth Fund	203,450	Money has been allocated to successful applicants with payments being made in instalments going into 2020/21
<i>Regeneration</i>	Business Investment and Growth	1,585,530	To support schemes and projects in 2020/21 and beyond.
<i>Regeneration</i>	Business Investment and Growth	(60,000)	Cabinet Report 24 Jan 2020 refers - Allocation of Section 106 funding to commission a 3 year business support service 2021 - 2024

Service	Description	Requested C/fwd Amount (£)	Comments
<i>Regeneration</i>	Town Team Partners	17,500	External funding awarded to partners with applications to apply the funding still awaited from the associated external organisation
<i>Regeneration</i>	Town Team Partners	(17,500)	External funding awarded to partners with applications to apply the funding still awaited from the associated external organisation
Total for Planning and Regeneration		4,333,550	
TOTAL GF REVENUE MEETING CARRYFORWARD CRITERIA		9,517,720	

Qualifying General Fund Carry Forwards	
Capital	
	Requested C/fwd Amount
	£
SME Growth Fund Capital Grants	43,250
Starlings and Milton Road Redevelopment	1,556,380
Joint HR and Payroll System	1,780
Information and Communications Technology Core Infrastructure	125,040
Agresso e-procurement	84,000
Enhanced Equipment replacement - Printing and Scanning	2,600
Office Rationalisation	323,340
Cranleigh Close, Clacton, landscaping works	1,830
Environmental Health Database Migration	5,250
Crematorium and Cemeteries Road Works	31,190
Bath House Meadow Play Area, Walton	4,870
Resurfacing Works, Off Valley Road	6,130
Bath House Meadow Security Measures	16,610
Clacton Multi-Storey car park repairs	180,000
Public Convenience Works	40,000
Replacement of High Volume Printers	29,000
Replacement debit and credit card payment facility	14,630
Housing in Jaywick	464,230
Private Sector Renewal Grants/Financial Assistance Loans	297,150
Disabled Facilities Grants	3,662,120
Private Sector Leasing	75,660
Empty Homes funding	152,220
Careline - Replacement Telephone System	21,860
Princes Theatre Toilets	40,000
Town Centre Fountain	159,080
CLC - Spa and Wetside Re-development	521,480
New Beach Huts	64,600
Cliff Stabilisation Scheme	438,630
Marine Parade West Clacton Cliff Works	29,930
Purchase of Street Cleansing Equipment	3,480
Total GF Capital Carry Forwards Requested	8,396,340

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

24 JULY 2020

REPORT OF CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER

A.6 OUTTURN 2019/20 AND PROPOSED ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR

(Report prepared by Richard Barrett and the Accountancy Team)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek approval of the allocation of the overall 2019/20 General Fund revenue variance.

EXECUTIVE SUMMARY

- The Portfolio Holder for Corporate Finance and Governance agreed the overall outturn position for 2019/20 on 17 July 2020, with a high level summary of the General Fund revenue position as follows:

Variance for the year before carry forward requests	(£11.038m)
Less agreed carry forwards that meet the carry forward criteria	£9.518m
Variance for the year after agreed carry forwards	(£1.520m)
Carry Forward requests from services that did not meet carry forward criteria	£0.658m
Remaining Variance for the year	(£0.862m)

- The variance for the year of **£0.862m** was agreed by the Portfolio Holder for Corporate Finance and Governance on 17 July 2020 as part of the overall consideration of the outturn position for the year.
- This report therefore presents for consideration the **£0.658m** requested to be carried forward by services and the allocation of the remaining variance for the year of **£0.862m**
- The **£0.658m** that has been requested by services to be carried forward at the end of the year has been subject to further review as the various items do not meet the associated qualifying criteria. As they do not meet this underlying criteria, they are in effect a 'bid' by services to retain a proportion of the overall favourable outturn variance of **£1.520m** before any further allocations are considered. The various items are set out in **Appendix A** and it is proposed to agree all of the items.

RECOMMENDATION(S)

That Cabinet:

- Agrees that the total of £0.658m requested by services can be retained by them via the associated carry forward requests as set out in Appendix A; and
- approves the allocation of the General Fund Variance for the year of £0.862m as set out in Table 1 of this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Careful planning to ensure financial stability underpins the Council's capacity to deliver against its priorities. Both the capital and revenue budgets of the authority are prepared and monitored with the aim of supporting key objectives. The outturn position reflects this process and supports the successful financial planning process.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The main financial implications are as set out elsewhere in this report.

Risk

There are no direct risks associated with this report although the ability to fund future financial forecasts is recognised as a strategic risk to support the achievement of financial resilience of the Council in both the short and long term.

LEGAL

The Council is legally required to calculate a Council Tax requirement each financial year. Within this framework is the requirement to monitor and report accordingly on the financial position of the authority against this requirement.

The approval of the outturn position each year is delegated to the Corporate Finance and Governance Portfolio Holder. Any further decisions that may be required following the outturn process, such as allocating money brought forward from the prior year will be reported to Cabinet at a subsequent meeting. In effect the approval of the outturn delegated to the Corporate Finance and Governance Portfolio Holder will primarily only place available funding that needs further allocation in reserves until such time as a formal / separate decision is presented to Cabinet.

The outturn position for 2019/20 and associated actions agreed by the Portfolio Holder for Corporate Finance and Governance on 17 July 2020 are within the Council's powers and reflect the statutory requirements and responsibilities of the Council in the preparation of its accounts.

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.

Although there are no direct equality and diversity issues, the overall Financial Strategy and budget process aims to recognise any such issues where appropriate within the Council's wider Financial Framework.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Financial Outturn for 2019/20 was agreed by the Portfolio Holder for Corporate Finance and Governance on 17 July 2020. As part of agreeing that report, carry forward amounts requested by services were split into two categories – those meeting the relevant carry forward criteria and those that did not. The carry forward criteria was set out in detail within the outturn report considered by the Portfolio Holder for Corporate Finance and Governance on 17 July 2020.

Based on the above approach, carry forwards totalling **£9.518m** were agreed, leaving **£0.658m** requiring further consideration as part of this report, as they did not meet the relevant criteria.

The items totalling **£0.658m**, referred to above and set out in **Appendix A**, are in effect requests by services to retain part of the overall variance for the year before any further allocations are considered. Following a review of these items, it is proposed to agree all of them.

As all of the items above have been agreed to be carried forward, the general overall variance for the year of **£0.862m** remains to be allocated, with proposals set out in the next section of the report.

PROPOSED ALLOCATION OF OVERALL GENERAL FUND VARIANCE FOR 2019/20

In respect of the overall general fund revenue variance of **£0.862m** highlighted above, it is proposed to allocate this funding in 2020/21 as follows:

Table 1

Proposed Allocation	Amount	Comments
'Back to Business' Initiatives and associated activities	£0.862m	<p>It is proposed to allocate the full uncommitted General Fund variance to this major initiative and associated regeneration and economic activities.</p> <p>As elsewhere in the country, the Tendring district has been hit hard by the COVID19 crisis. Therefore it is important that this Council establishes a clear focus and determination in supporting the district and the economy to not only recover as quickly as possible but to also strengthen and embed a level of resilience that will undoubtedly be required going forward. This approach will provide a solid foundation along with complimenting all of the Council's overall prioritised and strategic objectives.</p> <p>As already discussed by members, there should be no constraints to the range of projects and initiatives that are put forward for consideration to support the whole district or perhaps more locally at ward level.</p> <p>In agreeing the carry forwards of £0.658m set out earlier on in this report, along with other existing projects and actions, there will be an overlap with direct back to business activities going forward to make this initiative a success.</p> <p>In terms of this success, it is also acknowledged that local businesses must have a strong influence in terms of how the Council can help and support them through what has been and will continue to be a very challenging time for them and our residents.</p> <p>The 'Back to Business' initiative will continue to be developed over the coming weeks and further reports will be presented to members in late summer / early autumn.</p>

The Council continues to carefully balance its finances across investing in its priorities and delivering a long term sustainable financial plan. By taking the opportunity to maximise the benefit from the favourable outturn position to support the back to business approach and other supporting or complimentary initiatives will in the longer term support the delivery of the long term forecast.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A	Requests by Services to retain funding at the end of 2019/20 to apply in 2020/21 via requests to carry forward the associated budgets.
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Requests to Allocate 2019/20 Underspend

Revenue

Service	Description	Requested C/fwd Amount (£)	Comments
ITEMS NOT MEETING CARRYFORWARD CRITERIA			
Corporate Services			
<i>Deputy Chief Executive and Administration</i>	Deputy Chief Executive and Administration Service Unit	5,170	Training and other associated expenditure
<i>Finance - Other Corporate Costs</i>	New Burdens and non ring-fenced grant income received in 2019/20	289,060	Supporting projects and initiatives in 2020/21
<i>People, Performance and Projects</i>	Personnel and Human Resources Issues	73,150	Training and other HR related expenditure
Total for Corporate Services		367,380	
Operational Services			
<i>Public Realm</i>	Transport	9,880	To respond to the timing of expenditure associated with vehicle hire
<i>Public Realm</i>	Car Parks - Off St	53,010	Use of surplus and underspent budgets
<i>Customer and Commercial Services</i>	Print and Post Hub Service Unit	11,500	To support the cost of Neopost software in 2020/21
<i>Customer and Commercial Services</i>	CCTV	2,480	Unspent balance from previous CCTV projects
<i>Building and Engineering</i>	Office Accommodation Expenses	20,000	To support the ongoing office transformation project

Service	Description	Requested C/fwd Amount (£)	Comments
<i>Building and Engineering</i>	Highways TDC - General	35,570	Use of over-achieved street naming and numbering income to support street lighting upgrade costs in 2020/21
<i>Building and Engineering</i>	Garden Waste Collection Service	28,780	Use of 2019/20 surplus to support improvements to service delivery in future years
Total for Operational Services		161,220	
Planning and Regeneration			
<i>Planning and Customer Services</i>	Planning Service Unit	129,000	To support the grow your own initiative within the planning service
Total for Planning and Regeneration		129,000	
TOTAL GF REVENUE NOT MEETING CARRYFORWARD CRITERIA		657,600	

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

13 AUGUST 2020

REPORT OF THE ASSISTANT DIRECTOR (GOVERNANCE)

A.2 TENDRING BACK TO BUSINESS PRIORITIES AND PROJECTS 2020/21

(Report prepared by Keith Simmons, Lisa Hastings and Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable the Committee to contribute to the development of 'Priorities and Projects' to be incorporated as part of the Council's Back to Business and Recovery Plan, and Performance Management framework for the Council for 2020/21 in advance of any decisions by Cabinet/Council on those matters.

INVITEES

The Deputy Leader of the Council & Portfolio Holder for Governance and Corporate Finance, Councillor G V Guglielmi, has been invited to attend the meeting to set out the position in relation to the development of the Back to Business Priorities etc. to be considered by the Committee.

BACKGROUND

Tendring District Council's adopted Corporate Plan 2020/24 sets out the Council's key strategic aims and priorities, the document includes three specific whole Council cross cutting themes. The Corporate Plan forms part of the Council's Policy Framework. The whole Council cross cutting themes are:

- Community Leadership
- Transformation
- Tendring4Growth

Within those themes there are five strong strands:

- A Growing and Inclusive Economy
- Building Sustainable Communities for the future
- Delivering High Quality Services
- Strong Finances and Governance
- Community Leadership Through Partnerships

Determining the impact of COVID on the District's economy and what actions and initiatives can be taken to support its recovery in the Council's Community Leadership role.

Set against this overall aim, the following have been identified as key objectives:

- Reviewing the Council's projects and priorities following the impact of COVID;
- Determining the impact of COVID on the Council's recovery of operational services;
- Assessment of our resources to deliver the priorities;
- How we work with stakeholders; and

- Development of specific deliverables for success to be measured against.

In preparation for a more detailed report to be presented to a future meeting of Cabinet, wider consultation with members and in some instances, the businesses has taken place and is ongoing. This Committee is able to examine the consultation responses and to identify to Cabinet those strands of work that it believes should be a focus.

As the new 'normal' evolves so we must also review arrangements to secure good performance, avoid things like mission creep, and maintain the Council's focus where it can be most impactful. The performance management arrangements will need to be reviewed to ensure that it is fit to meet this purpose.

The Covid-19 pandemic, the resulting national lockdown and the restrictions on social gatherings, and safety measures in retail and leisure facilities mean that simply continuing to report performance based on pre-lockdown criteria would not reflect the agility and flexibility of the Council to respond to the demands now facing the District and the Council. We will work to bring forward a new performance management arrangement for 2021/22.

Having considered this report, and the associated data to be provided to it, the Committee is invited to make recommendations to Cabinet on those strands of work that it believes should be a focus for the Council.

DETAILED INFORMATION

In order to develop and implement measures that will be particularly impactful in delivering improvements in economic and wellbeing advantages for the District, all Councillors have been asked to contribute to the ideas around restarting the local economy, keeping residents and visitors safe and harnessing the power of the voluntary sector to deliver much needed services and improve the quality of life locally. This encouragement of ideas included through the All Member Briefing on 1 July and a direct request from the Deputy Leader. Small groups of Councillors have also been invited to come together to discuss actions and feed in views that way. Likewise, Members of this Committee were supported to discuss these matters in small groups as part of the work it is undertaking as part of the overall exercise underway at the Council.

In addition to the above there has been:

- A business questionnaire has been issued to develop an action plan to support the local economy 'Back to Business', following the Covid-19 restrictions on trading. The plan should complement the emerging Economic Development Strategy and contribute to the Council's target to 'develop a growing and inclusive economy' by supporting existing businesses. The project has the overarching aim of driving footfall, raising the District's profile and place shaping to protect jobs and stimulating the local economy throughout an unprecedented period.
- Preparation to reopen Council services in a 'Covid Secure' manner, through thorough risk assessments whilst reviewing business planning in respect of the current climate, e.g. Sports Facilities, Princes Theatre.
- Drafting a Housing Acquisition & Development Strategy, which is a key aspect of the Housing Strategy and the Council's commitment to increasing our housing stock by 200 homes. It is important as homelessness is expected to rise as a result of COVID and house building will have a beneficial impact on the local economy. This will be

presented for approval following adoption of the Council's Housing Strategy.

- The Climate Emergency declaration and net zero by 2030 target is a key piece of work. COVID has created a scenario where we have reduced carbon emissions by remote working. We must take this opportunity to continue with this working arrangement where possible, whilst setting out clearly our action plan for becoming net zero carbon by 2030.
- Programme planning moving towards the creation of a new Garden Community on the Tendring/Colchester Boundary to provide a long-term programme of growth aimed at delivering high quality development of housing, employment and infrastructure and maximising the area's economic potential.
- Specific promoting the rejuvenation of Clacton Town Centre by supporting short-term interventions to boost footfall and trade and managing the medium-long-term transformation to a centre of diverse economic and community activity in response to the decline of traditional retail.
- The launch of the following 3 Business Grant Schemes:
 - 1) Small Business Rate Relief Grants Scheme
 - 2) Retail, Hospitality and Leisure Grants Scheme
 - 3) Discretionary Grants Scheme

The schemes remain open until the 28 August 2020 (the deadline set by the Government), with phase 3 of the Discretionary Grants scheme launched on 3 August 2020 which sees a focus on local supply chain businesses e.g. manufacturers and wholesalers who were not eligible for support under the earlier Government Schemes set out in 1) and 2) above.

The refreshed Economic Strategy for the District referred to earlier was approved by the Council's Cabinet at its meeting on 24 July 2020. The Strategy reflects the commitment of the Council and its partners, to creating the conditions needed to stimulate economic growth in the period to 2023. The refresh highlighted that further work would undoubtedly be required when the economic consequences of the pandemic were fully understood and whilst it is clear that those consequences are not yet fully known the Council can play a major role in starting to address the impacts, and, indeed is already doing so.

The Strategy identified **five key Objectives**. In summary these are:

Objective 1: Targeting Growth Locations – Intervening in locations where the potential for growth is highest and where there is a strong case for intervention (Clacton & Jaywick Sands, Harwich & Dovercourt and the Tendring / Colchester border).

Objective 2: Targeting Growth Sectors – Focusing activity on the sectors that are most important not only to Tendring, but also to Essex and the UK economy (Clean Energy and Care & Assisted Living, in addition to a range of wider sector opportunities).

Objective 3: Ensure Residents Have the Skills and Information to Participate – Working with education providers, training organisations and businesses to ensure that Tendring residents have the means to access opportunities in Tendring and beyond.

Objective 4: Support Growth & Innovation in Tendring's Businesses – Working with existing businesses to ensure that they are given support to grow and to innovate in Tendring, particularly those businesses that have high growth potential.

Objective 5: Delivering Housing to Support Economic Objectives – support an increase in population and housing (alongside appropriate infrastructure), to support a stronger labour market and increased local spending.

The nature of the Strategy means that there will be a need to maintain a strong dialogue between the Council and its partners. Also fundamental to the success of this Strategy will be the Council's ability to work alongside national, regional and sub-regional development partners (including the South East LEP, Essex County Council and neighbouring districts) and to ensure that partners can see the long-term vision for Tendring's economy.

As a demonstration of its commitment to the aims of the Strategy, Cabinet agreed to allocate £862k from the 2019/20 Outturn to deliverables around 'Back to Business'. This is in addition to the £100,000 allocated from uncommitted resources within the Council's Regeneration Budgets to support the development and delivery of projects that will deliver key interventions against the five objectives of the Strategy.

In this report mention has already been made of the Council's Economic Growth Team's business survey aimed at securing intelligence on the range and type of business support required by the District's businesses. Data from the survey will be available for consideration by this Committee and otherwise will be used to inform project interventions.

Likewise, the submissions from Councillors as part of the consultation with them will be submitted to this Committee as part of its work in developing a submission to Cabinet on strands of work that it believes should be a focus over 2020/21.

In view of the timing of the meeting of this Committee, the publication of its agenda and this report and the ongoing work on gathering data for it to consider, the detailed information of collated responses from businesses and Councillors will be published closer to the day of the meeting.

RECOMMENDATION

That the Committee identifies its collective view on the themes and activities that should be key strands of work to focus on helping the district recover and includes restarting the local economy, keeping residents and visitors safe and harnessing the power of the voluntary sector to deliver much needed services and improve the quality of life locally.

APPENDICES

Appendix A – Data from businesses and Councillors on priorities for the Council as part of back to business **(Appendix is to follow)**