



CABINET

DATE: Friday, 25 June 2021
TIME: 10.30 am
VENUE: Princes Theatre - Town Hall,
Station Road, Clacton-on-Sea,
CO15 1SE

MEMBERSHIP:

Councillor Stock OBE	- Leader of the Council
Councillor C Guglielmi	- Deputy Leader; Corporate Finance & Governance Portfolio Holder
Councillor P Honeywood	- Housing Portfolio Holder
Councillor McWilliams	- Partnerships Portfolio Holder
Councillor Newton	- Business & Economic Growth Portfolio Holder
Councillor Porter	- Leisure & Tourism Portfolio Holder
Councillor Talbot	- Environment & Public Space Portfolio Holder

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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 Ian Ford on 01255 686584.

DATE OF PUBLICATION: WEDNESDAY, 16 JUNE 2021

AGENDA

1 **Apologies for Absence**

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

2 **Minutes of the Last Meeting (Pages 1 - 12)**

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 21 May 2021.

3 **Declarations of Interest**

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

4 **Announcements by the Leader of the Council**

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

5 **Announcements by Cabinet Members**

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

6 **Matters Referred to the Cabinet by the Council**

There are none on this occasion.

7 **Matters Referred to the Cabinet by a Committee**

There are none on this occasion.

8 **Leader of the Council's Items - A.1 - Executive Decision(s) taken as a matter of Urgency (Pages 13 - 14)**

To notify Members of recent urgent Executive Decision(s) taken by the Leader of the Council on behalf of the Cabinet.

9 **Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.2 - Annual Capital and Treasury Strategy for 2021/22 (including Prudential and Treasury Indicators) (Pages 15 - 54)**

To agree the Annual Capital and Treasury Strategy for 2021/22 (including Prudential and Treasury Indicators) for submission to Council on 13 July 2021.

10 **Cabinet Members' Items - Report of the Partnerships Portfolio Holder - A.3 - Citizens Advice Tending - Service Level Agreement 2021/22 (Pages 55 - 72)**

To seek Cabinet's agreement to an updated Service Level Agreement with Citizens Advice Tending for 2021/22.

11 Management Team Items

There are none on this occasion.

12 Exclusion of Press and Public

The Cabinet is asked to consider passing the following resolution:

“That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Item 13 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, as amended, of the Act.”

13 Exempt Minute of the Meeting held on Friday 21 May 2021 (Pages 73 - 76)

To confirm as a correct record the exempt minute of the meeting of the Cabinet held on Friday 21 May 2021.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 16 July 2021.

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

Notice of Intention to Conduct Business in Private

Notice is hereby given that, in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Agenda Item No. 13 is likely to be considered in private for the following reason:

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

Exempt Minute of the Meeting held on Friday 21 May 2021

**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 21ST MAY, 2021 AT 10.31 AM
IN THE PRINCES THEATRE, TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

Present:	Councillor N R Stock OBE	Leader of the Council (Chairman)
	Councillor G V Guglielmi	Deputy Leader of the Council & Portfolio Holder for Corporate Finance and Governance
	Councillor P B Honeywood	Portfolio Holder for Housing
	Councillor L A McWilliams	Portfolio Holder for Partnerships
	Councillor M C Newton	Portfolio Holder for Business & Economic Growth
	Councillor A O J Porter	Portfolio Holder for Leisure and Tourism
	Councillor M J Talbot	Portfolio Holder for Environment & Public Space

Group Leaders Present by Standing Invitation: Councillors E T Allen (Leader of the Tendring First Group), J B Chapman (Leader of the Independents Group), I J Henderson (Leader of the Labour Group), G G I Scott (Leader of the Liberal Democrats Group) and M E Stephenson (Leader of the Tendring Independents Group)

Also Present: Councillor G R Placey

In Attendance: Lisa Hastings (Deputy Chief Executive & Assistant Director (Governance) and Monitoring Officer), Damian Williams (Corporate Director (Operations and Delivery)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Anastasia Simpson (Assistant Director (Partnerships)), Michael Carran (Assistant Director (Economic Growth & Leisure)), Gary Guiver (Assistant Director (Strategic Planning and Place)), Andy White (Assistant Director (Building and Public Realm)), Ian Ford (Committee Services Manager), William Lodge (Communications Manager), Debianna Messenger (Work Based Learning Manager), Kai Aberdeen (Theatre General Manager (Technical)) and Matt Cattermole (Communications Assistant)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence submitted on behalf of Councillors on this occasion.

2. MINUTES OF THE LAST MEETING

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 23 April 2021, be approved as a correct record and be signed by the Chairman.

3. DECLARATIONS OF INTEREST

No declarations of interest by Councillors were made in relation to any item on the agenda.

4. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

There were no announcements made by the Leader of the Council on this occasion.

5. **ANNOUNCEMENTS BY CABINET MEMBERS**

There were no announcements made by Cabinet Members on this occasion.

6. **MATTERS REFERRED TO THE CABINET BY THE COUNCIL**

There were no matters referred to the Cabinet by the Council on this occasion.

7. **MATTERS REFERRED TO THE CABINET BY A COMMITTEE**

There were no matters referred to the Cabinet by a Committee on this occasion.

8. **LEADER OF THE COUNCIL'S ITEMS**

There were no matters submitted to the Cabinet by the Leader of the Council on this occasion.

9. **CABINET MEMBERS' ITEMS - REPORT OF THE BUSINESS AND ECONOMIC GROWTH PORTFOLIO HOLDER - A.1 - JAYWICK SANDS COVERED MARKET AND MANAGED WORK SPACE**

The Cabinet had before it a comprehensive report of the Business & Economic Growth Portfolio Holder (A.1) which sought its approval for the development of a Covered Market and Managed Workspace facility at Jaywick Sands and for the necessary associated decisions required to deliver the project, including seeking approval to use the land held in the Council's Housing Revenue Account (HRA) for non-housing purposes.

Cabinet recalled that it had adopted the Council's Back to Business recovery plan at its meeting held on 13 November 2020, which had confirmed that a bid had been submitted to the South East Local Enterprise Partnership (SELEP) for a new Covered Market and Managed Workspace facility at Jaywick Sands. Further to that, on 19 February 2021 Cabinet had announced the success of that funding bid in the Back to Business Delivery Plan and its intention to deliver the project for Jaywick Sands, *to 'support the local economy, grow local entrepreneurship, and grow and retain economic activity and job creation in the local area.'*

Members were informed that the project formed part of a wider regeneration initiative that aimed to lift Jaywick Sands out of the bottom decile of the Index of Multiple Deprivation, improving poor quality housing, stimulating economic growth and maximising the potential of the beach for tourism, improving the public realm and increasing flood resilience.

It was reported that the proposal had been developed in response to community needs as well as a wider assessment of demand for small business space in the wider area. There was a demonstrated undersupply of commercial space and a high level of demand for affordable light industrial, studio and basic office facilities within the area. Using the Council-owned vacant site in a very central location in Jaywick Sands presented the opportunity to draw this tenant market to Jaywick Sands, creating employment in the area and stimulating the secondary economy, alongside supporting

local start-ups and small businesses in the community through creating a pathway from very affordable market stall accommodation to renting permanent space.

Cabinet was made aware that the site formed part of approximately 30h of land purchased by the Council as part of the regeneration strategy for Jaywick Sands and was currently used for a local market. Whilst the bulk of the land would be utilised for new build high quality, flood resilient housing, it was also vital that employment opportunities were provided to support the regeneration and economic well-being of the area. The land was held in the HRA and the original intention of the delivery of housing being a key regeneration principle remained the long term objective with the place plan for Jaywick developing over time. Therefore, to use the land for a meanwhile use, an application was required to the Secretary of State to make the case for retaining the land within the HRA but using it for non-housing purposes to develop the land (albeit on a temporary basis – 10 to 15 years).

Members were advised that the Jaywick Sands Covered Market and Managed Workspace Project had originally sought to construct 13 affordable rent business units offering 9,500sq ft. lettable area and a covered local market of 10 affordable pitches. Alongside this, the project sought to improve the public realm in the area, which included the creation of a new community garden and a multi-purpose hard landscaped area which could also be used for outdoor markets and seasonal events.

Members were reminded that in September 2020 the Council had applied to the SELEP for funding under the Government's Getting Building Fund (GBF) and that in November 2020 the Council had been notified by the SELEP that its bid for funding in the value of £1.97m, had been successful. This award of funding, together with that allocated by the Council (£105,535), and by Essex County Council (£50,000), provided a total project fund of £2,127,535.

Cabinet was informed that the SELEP's award of grant was subject to two critical conditions:

1. that its Funding Agreement would not be issued unless the scheme secured Planning Permission by the end of July 2021. Project costs to that point were at the Council's risk. Should planning permission not be secured within the stipulated timetable, then the SELEP would withdraw its offer of grant funding.
2. the Council must spend its full allocation of GBF funding by March 2022. Failure to meet this condition could result in the forfeiture and repayment of the funding awarded.

The principal elements of the project and the associated timetable were as follows:

KEY ACTIVITY	TARGET DATE
Feasibility Study Concluded	March 2020
GBF Application Submitted	July 2020
GBF Award	November 2020
Appointment of Professional Team (Initial Design Work and Surveys)	December 2020
Appointment of Operating Partner (Business and Space Planning)	February 2021
Final Design and Cost Plan	April/May 2021

Planning Application Submitted	May 2021
Cabinet Approval	May 2021
Planning Application Determined	July 2021
Funding Agreement Issued by SELEP and Signed by TDC	July/August 2021
Detailed Design, Tender Documentation	July - September 2021
Building Contractor Procurement	July – September 2021
Construction	October 2021 – April 2022
Operating Partner Lease	March 2022
Building Open and Operational	April 2022

Members were aware that this project formed part of a programme of wider regeneration and would deliver an extensive range of positive social impacts to help alleviate the severe deprivations experienced by much of the Jaywick Sands community including increased employment opportunities, increased training opportunities, a rise in skills and employability, pride in the area, a rise in aspiration, especially amongst younger people, and significantly improved health benefits through affordable access to fresh foods. It was highly deliverable, relatively quick to implement and would be the catalyst to unlocking future opportunities in the most deprived neighbourhood in England.

It was felt that this project responded to social and economic changes exacerbated by Covid-19, including the lack of access to neighbourhood shops and services for everyday necessities within walking distance, as well as the need to support employment and generate inward investment and jobs growth in the community given that coastal communities were amongst those hardest hit.

Members were aware that the Project had been identified by Cabinet as one of the proposed Key Priority Actions for 2021/22 at its meeting held in January 2021 (Reference D1) and following consultation with the Overview and Scrutiny Committees, had been formally approved and adopted with milestones in March 2021. The project would form part of the Council's performance monitoring report for 2021/22.

Cabinet was made aware that in December 2020, the Council had moved to procure its Professional Team (HAT Projects) to lead on the technical design and cost planning of the proposed building and to manage the construction phase through to completion. Subsequently, in February 2021, the Council had selected its Operating Partner (COLBEA). COLBEA would assist HAT Projects with the Building Design (Space Planning) and prepare a Business Plan and Marketing Plan during the pre-construction and construction phases of delivery. It was proposed (subject to Cabinet, Council and Secretary of State's approval) that COLBEA would be contracted via a lease to manage the building when the facility was constructed and it became fully operational.

Members were informed that COLBEA had a long history in the provision of business support services and was experienced in the successful management of incubation and managed workspace. COLBEA's expertise and advice had led to some changes in the planned internal space arrangements of the building, which if approved would require additional funding in the value of £300,000.

It was reported that Essex County Council had indicated that it might be able to support this requirement and work was in hand to secure confirmation of this additional allocation.

The Portfolio Holder's report therefore presented two development scenarios for Cabinet's consideration, namely:

- Scenario A – this development scenario fitted the original funding allocation of £2,127,535; and
- Scenario B – this development scenario was based on an amended design and required additional project funding in the value of £300,000 (giving a total scheme value (£2,427,535).

It was this latter scheme that the Portfolio Holder proposed would be put forward in the Council's Planning Application.

Pursuant to the provisions of Cabinet Procedure Rule 1.5(ii) the Leader of the Labour Group (Councillor I J Henderson) requested that his Group's concerns about the following matters be recorded in the minutes of the meeting:-

- the current levels of deprivation in the West Clacton & Jaywick Sands Ward and whether there was a target to reduce them;
- how many residents were living in sub-standard housing in that Ward?;
- how many Council owned or social rent houses had been built in that Ward?
- when would the next phase of social housing in Jaywick Sands be built in order to take people out of sub-standard housing?
- who would be the Accountable Officer for this project following the retirement of Paul Price, the former Corporate Director (Place & Economy)?

The Leader of the Council (Councillor Stock OBE) requested that a detailed response be sent to Councillor Henderson on the above.

Having considered all of the information and advice contained in the Portfolio Holder's comprehensive report and its appendices:-

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

RESOLVED that Cabinet –

- (1) formally approves the Jaywick Sands Covered Market and Commercial Space project to be delivered through the funding received from the South East Local Enterprise Partnership from the Government's GBF scheme;
- (2) agrees to the project being included within the 2021/22 Capital Programme with a budget of £2.428m funded by £1.97m from SELEP, £350k from ECC and £105k from the Council's existing budget relating to the provision of Housing in Jaywick Sands and authorises the Chief Executive to enter into the Funding Agreement with Essex County Council following consultation with the Portfolio Holders for Housing and Business and Economic Growth and the Section 151 and Monitoring Officers;
- (3) agrees, in principle, to the land on the north side of Brooklands, Jaywick Sands and known as the market site, Lotus Way, Jaywick Sands, Clacton-on-Sea, being used for the location of the Covered Market and Commercial space, subject to Secretary of State approval and planning permission being granted;

- (4) endorses the submission of a planning application for Scenario B, acknowledging that funding for the additional cost is currently being sought from Essex County Council;
- (5) authorises the Chief Executive, in consultation with the Portfolio Holder for Housing, to submit an application to the Secretary of State under Section 12 of the Housing Act 1985 seeking approval of the land held in the HRA being used for development on a meanwhile/temporary basis for non-housing purposes for the reasons set out within the Portfolio Holder's report;
- (6) recommends to Full Council to seek approval for submission of an application to the Secretary of State under Section 32 of the Housing Act 1985 to dispose of the land held in the HRA for a term of 10-15 years by way of lease to a third party to manage the covered market and commercial space once contracted, whilst the future regeneration of the area for housing purposes is developed;
- (7) subject to the Secretary of State's approval and following completion, the Council will look to adopt this building into its portfolio of assets;
- (8) subject to the Secretary of State's approval, agrees for the Chief Executive and Assistant Director (Governance) to agree the Heads of Terms for a Lease to COLBEA, as set out in Appendix Four to the Portfolio Holder's report with regards to future occupation of the site; and
- (9) authorises the Chief Executive, to complete the lease agreement on these terms and such other terms that may be considered necessary, in consultation with the Assistant Director (Governance) and the Portfolio Holders for Housing and Business & Economic Growth.

10. CABINET MEMBERS' ITEMS - REPORT OF THE BUSINESS AND ECONOMIC GROWTH PORTFOLIO HOLDER - A.2 - THE 'LEVELLING UP FUND' - PROPOSED BID FOR CLACTON TOWN CENTRE

The Cabinet had before it a detailed report of the Business & Economic Growth Portfolio Holder (A.1) which sought its approval for this Council to work with Essex County Council (ECC) to submit a bid to the Government's 'Levelling Up' Fund in order to secure monies towards delivering improvements in Clacton Town Centre that would help to rejuvenate the area, promote a shift towards electric vehicles and contribute towards achieving key elements of the 'Love Clacton Vision' that had been developed with local businesses and other stakeholders over the last few years.

Members were aware that since 2018, the Council had been working with local businesses and other stakeholders in order to develop the 'Love Clacton Vision' for the future of Clacton Town Centre and to identify measures aimed at boosting footfall and economic activity in the face of declining trade, shop closures and increasing problems around public perception. This had formed the basis for the Council's bid, working in partnership with ECC, to the Government's 'Future High Streets Fund'. Unfortunately, that bid had been unsuccessful and the Government had not awarded any funding to Clacton Town Centre, judging that the Council's proposal would not achieve a sufficient 'Benefit to Cost Ratio' (BCR) in respect of value for money.

It was reported that the Government had now launched a new fund, the 'Levelling Up' Fund designed specifically to support investment in places where it could make the biggest difference to everyday life, including ex-industrial areas, deprived towns and coastal communities. The Levelling Up Fund would invest in local infrastructure that had a visible impact on people and their communities and bring pride to a local area as it recovered from the economic impacts of COVID-19 – particularly measures aimed at regenerating a town centre, local investment in cultural facilities, upgrading local transport infrastructure and supporting carbon reduction (which reflected the Council's declaration of a climate emergency and its promotion of a shift towards electric vehicles).

Cabinet was informed that the 'Levelling Up' Fund differed from the previous Future High Streets Fund and its focus would be more on transport investments, regeneration and town centre investment and cultural investment with an expectation that some works would be implemented in the short term and within the remainder of the 2021/22 financial year. Local authorities were allowed to submit one bid per Parliamentary Constituency and the fund would focus investment towards projects that required up to £20million of funding.

It was felt that for Clacton Town Centre, the 'Levelling Up' Fund provided the opportunity to bid for money to progress some elements of the Love Clacton Vision and the previous Future High Street Fund proposals. The fund was however limited to three projects per bid so the Council would not be able to simply re-submit the previous Future High Streets Fund proposal without revisiting certain elements of it. For example, there was a stronger emphasis on promoting carbon neutrality and sustainable travel and a lesser emphasis on delivering residential development or large scale transformation.

The Portfolio Holder's report therefore sought Cabinet's authority to again work with colleagues in ECC to draw up and submit a bid for the Levelling Up Fund in respect of Clacton Town Centre that drew on those elements of the previous Future High Streets Fund submission that best met the objectives of the new fund as set out in the supporting prospectus and accompanying guidance.

During the consideration of this item and in response to concerns raised by Group Leaders, the Leader of the Council (Councillor Stock OBE) undertook to write to the Government to urge them to widen the scope of the 'Levelling Up Fund' scheme to encompass all sizes of coastal communities that may be suffering from levels of deprivation.

Having considered all of the information and advice contained in the Portfolio Holder's detailed report:-

It was moved by Councillor Newton, seconded by Councillor P B Honeywood and:-

RESOLVED that Cabinet –

- a) authorises the Assistant Director (Strategic Planning and Place), in consultation with the Portfolio Holder for Business and Economic Growth, to work with Essex County Council to submit a bid to the Government's 'Levelling Up Fund' in respect of Clacton Town Centre; and

- b) authorises the Assistant Director (Strategic Planning and Place) to utilise funds already set aside within the Council's budget for Clacton Town Centre projects and associated business case development to joint-fund any necessary further technical work required in support of the Levelling Up Fund bid.

11. CABINET MEMBERS' ITEMS - REPORT OF THE LEISURE AND TOURISM PORTFOLIO HOLDER - A.3 - TOURISM STRATEGY FOR TENDRING

The Cabinet had before it a report of the Leisure & Tourism Portfolio Holder (A.3) which sought its approval of the Tourism Strategy 2021-2026 and a work programme for the first year.

Cabinet recalled that, at its meeting held on 11 September 2020, it had approved the draft tourism strategy to be sent out for consultation for a two month period. Following that process, the final strategy was now presented for adoption.

Members were reminded that this five year plan replaced the previous strategy for Tendring, which had expired in 2016 and that tourism was estimated to be worth more than £402 million to Tendring, and was responsible for over 8,980 jobs, equivalent to 17.9% of the District's employment. To put matters into perspective, tourism had increased in value to the local economy by £115 million since the previous strategy had been written in 2010.

Cabinet was aware that the coronavirus pandemic had impacted significantly on the local tourism industry and that this strategy was tailored to extend 'back to business' support towards the recovery of the sector.

It was reported that the strategy set out a 10 point plan for delivery of the following objectives:

1. *Wealth creation*
2. *Job creation*
3. *Quality of life for local people*
4. *Long term growth of the tourism sector*

Members were informed that the strategy recognised that Tendring had wide attraction, with its towns and villages all having their own unique features, tourism offer and charm. It was important that the Council worked with partners to develop those unique selling points and promoted all of the District's component parts. From beautiful coastlines and visitor attractions, to picturesque countryside and heritage of international significance; the power of Tendring's tourism offer was in the diversity of its destinations and that should be embraced and marketed accordingly.

It was reported that there had been significant private sector investment in the local tourism industry in recent years, including multi-million pound investment into some of Tendring's key attractions. This had improved the quality of the District as a visitor destination and demonstrated local confidence and commitment to raising standards.

Cabinet was aware that the Council had invested in major projects such as the £36m Coastal Defence scheme for Clacton and Holland, creating tangible tourism assets in Harwich for Mayflower 400, was developing a scheme to celebrate the 150th anniversary of Clacton on Sea and public realm schemes to improve the appearance of the District.

Furthermore, the Council had invested resources into both organising and facilitating an expanding quality events programme in recent years. Building on the success of the nationally recognised Clacton Airshow and Harwich Illuminate, event organisers had felt empowered to bring events of national significance such as The Tour of Britain and the first 'on road' Motor Rally in England and Wales, to the Tendring District.

Cabinet was informed that the strategy recognised that tourism was a fast moving, agile economy and the Council was one partner in ensuring long term success. As such, this strategy had greater emphasis on the Council's role of facilitation than its predecessor. The strategy was also accompanied by a work programme for 2021/22, which set out actions the Council would take to deliver its strategic aims. It was recognised that this work programme was a live document and would adapt to a changing environment.

Having considered all of the information and advice contained in the Portfolio Holder's detailed report:-

It was moved by Councillor Porter, seconded by Councillor P B Honeywood and:-

RESOLVED that Cabinet approves the Tourism Strategy 2021-2026 and the work programme for 2021-2022.

12. **CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.4 - SURRENDER OF THE LEASE OVER CARNARVON HOUSE, CARNARVON ROAD, CLACTON-ON-SEA**

The Cabinet had before it a report of the Corporate Finance & Governance Portfolio Holder (A.4) which sought its approval, in principle, of accepting a surrender of the lease over Carnarvon House, Carnarvon Road, Clacton-on-Sea.

Members were aware that the freehold of Carnarvon House was owned by Tendring District Council (TDC) and that it had been leased to NHS Property Services since April 1994 and had been used by them as office space for their sub-contractors and health providers. Over the last several years the building had been underused as subcontracts and health providers had changed and property had been rationalised. In May 2019 the last occupiers had vacated and the property had been vacant ever since.

It was reported that though the current lease to NHS Property Services was due to expire in March 2024, NHS Property Services had stated that it would like to surrender the lease to TDC and give the property back early so that their resources could be used elsewhere rather than on a vacant building. This would also provide TDC with the opportunity to do something else with the building now, rather than wait until the end of the lease in 2024 with the building empty for another 3 years.

Officers had negotiated terms for a lease surrender and those were set out in the related private and confidential report of the Portfolio Holder which would be considered later on in the meeting.

Having considered all of the information and advice contained in the Portfolio Holder's report:-

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

RESOLVED that Cabinet approves, in principle, the surrender of the Lease over Carnarvon House, Carnarvon Road, Clacton-on-Sea.

13. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.5 - UPDATE ON APPRENTICESHIP PROVISION OF CAREER TRACK

The Cabinet gave consideration to a report of the Corporate Finance & Governance Portfolio Holder (A.5) which updated it on the activities carried out in regards to the apprenticeship provision, as part of the Career Track governance process required by Ofsted. The report also provided Cabinet with an update on its activities and sought its agreement for the priorities for the next 18 month period.

Members were reminded that Career Track had been established within Tendring District Council (TDC) in 1983. Since then it had continuously provided apprenticeship opportunities within the organisation and for other employers. Over the years the nature of the apprenticeships and the actual definition of "what is an apprentice?" had changed when Government priorities and focus had been amended as part of both education and employment policy.

Cabinet was aware that TDC's sustained commitment to the Career Track apprentice scheme had been a central plank of its work to develop a more skilled workforce and to "grow our own" employees of the future within Tendring.

It was reported that, in the last 10 years over 500 people had taken part in a Career Track apprenticeship programme and that the expected success rates for the end of the 2020/2021 year was 94%.

It was considered that TDC's Back to Business Agenda would add value to the Career Track Programme by improving opportunities and the quality of apprenticeship schemes for young people. That agenda would include providing small/medium employer wage incentives to encourage the engagement of 10 new employers and fund 25% of the apprentice's wages.

Members were advised that, following the Government's simultaneous overhaul of apprenticeship delivery rules with the introduction of the national Register of Approved Training Providers alongside the introduction of the Apprenticeship Levy May 2017, Career Track had maintained its accreditation and had successfully increased its offer both in terms of qualifications available and the range of employers it supported.

Having considered all of the information contained in the Portfolio Holder's report:-

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

RESOLVED that Cabinet continues its support for Career Track and its priorities for the next 18 months, including an increased emphasis on supporting local firms as part of the Council's Back to Business priority.

14. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.6 - UPDATE ON COMMUNITY PROJECTS

The Cabinet gave consideration to a detailed report of the Partnerships Portfolio Holder (A.6) which provided it with an update for a number of community projects that contributed to the organisation's Community Leadership role and sought Cabinet's endorsement of those projects.

Cabinet was aware that the Council's Corporate Plan 2020-2024 placed Community Leadership at the forefront of everything the authority did through the delivery of high quality, affordable services and working positively with others.

To deliver that aspiration, a number of community projects had been formed under the following themes:

- Health and Wellbeing
- Education
- Community Safety
- Regeneration and Skills

Members were made aware that Officers had been instrumental in the sourcing of, and application for external funding, for the delivery of a number of those projects. To date this had secured £4.3 million of funding for those initiatives.

Cabinet was informed that the Portfolio Holder's report provided it with an overview of the projects which had been identified in accordance with the role of the Council, as a Community Leader. This Council was not the statutory provider for Education, Health and Wellbeing, however, through influence and bringing stakeholders and partners together to share and improve practices, there were a number of areas where the Council could offer support to Education and Health providers and ultimately children, learners, patients and residents across the District.

Members were advised that these projects would continue to form the subject of regular updates to the Portfolio Holder for Partnerships and to the Community Safety and Health and Wellbeing Boards.

Members present congratulated and thanked the Portfolio Holder for Partnerships (Councillor McWilliams), the Assistant Director (Partnerships) (Anastasia Simpson) and the other involved Officers for all of the tremendous work and successful outcomes involved in the aforementioned community projects.

Having considered all of the information contained in the Portfolio Holder's detailed report:-

RESOLVED that Cabinet –

- a) endorses the projects listed within the Portfolio Holder's report as those which will continue to be supported in 2021/2022 in alignment with the Council's Corporate Plan priorities; and
- b) tasks officers with the production of a Community Engagement Strategy to support the work of these projects and that this is presented to a future meeting of the Cabinet; and

- c) requests the Community Leadership Overview & Scrutiny Committee to continue to scrutinise this work programme.

15. MANAGEMENT TEAM ITEMS

There were none on this occasion.

16. EXCLUSION OF PRESS AND PUBLIC

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

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Items 17 and 18 on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, as amended, of the Act.

17. EXEMPT MINUTE OF THE MEETING HELD ON FRIDAY 23 APRIL 2021

It was **RESOLVED** that the exempt minute of the meeting of the Cabinet, held on Friday 23 April 2021, be approved as a correct record.

18. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - B.1 - TERMS FOR THE SURRENDER OF THE LEASE OVER CARNARVON HOUSE, CARNARVON ROAD, CLACTON-ON-SEA

RESOLVED that Cabinet –

- (a) approves the terms for the surrender of the Lease, as set out in the current position section of the Portfolio Holder's report;
- (b) authorises the Corporate Director (Operations and Delivery) to complete the surrender on those terms and on such other terms that may be considered necessary by the Assistant Director (Governance);
- (c) approves the demolition of the current building and clearance of the site in order to mitigate costs; and
- (d) initiates the Property Dealing Procedure in order that future proposals for the site can be explored.

The Meeting was declared closed at 12.09 pm

Chairman

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

25 JUNE 2021

REPORT OF THE LEADER OF THE COUNCIL

A.1 EXECUTIVE DECISION(S) TAKEN AS A MATTER OF URGENCY
 (Report prepared by Ian Ford, Committee Services Manager)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To notify Members of recent urgent Executive Decision(s) taken by the Leader of the Council on behalf of the Cabinet.

EXECUTIVE SUMMARY
In accordance with the procedures contained in the Note on Decision Making Business Continuity Arrangements issued by the Monitoring Officer (Lisa Hastings) on Friday 20 March 2020, this report formally notifies Members of recent urgent Executive Decision(s) taken by the Leader of the Council on behalf of the Cabinet.

RECOMMENDATIONS
<p>(a) That the contents of the report be noted; and</p> <p>(b) That the urgent decision(s) taken by the Leader of the Council, on behalf of the Cabinet, as detailed in this report, be formally endorsed.</p>

PART 2 – SUPPORTING INFORMATION

BACKGROUND
<p>As part of the Council’s response to the COVID-19 public health emergency the Council’s Monitoring Officer produced a formal “Note on Decision Making Business Continuity Arrangements” which set out the ways in which the normal operational business could continue in relation to decisions which would normally be referred to Cabinet, Council or Committees.</p> <p>In relation to Cabinet decisions the Monitoring Officer’s formal Note included, inter alia, the following information and advice:-</p> <p><i>“The Constitution requires certain matters to be decided by Cabinet <u>collectively</u>. The Leader of the Council may exercise any of the powers delegated to the Cabinet:</i></p> <p><i>a. Following a resolution of the Cabinet (subject to the Constitution), or</i></p> <p><i>b. In cases of urgency, in consultation with the Monitoring Officer and/or Section 151</i></p>

Officer.

In cases of urgency the decision of the Leader of the Council will be recorded and published in accordance with the Constitution. The Leader of the Council will also be required to make a public statement at the next formal meeting of the Cabinet which will explain why they had taken the decision as a matter of urgency.

Therefore, following consultation with the Leader of the Council, it is recommended that to enable formal decisions to be made on behalf of Cabinet the following procedure should be adopted:

- *a formal decision will be published recording the matters taken into account;*
- *at the first formal meeting of Cabinet a report of the decisions taken by the Leader under urgency powers will be produced; and*
- *if it was necessary for a key decision to be made under urgency provisions this must be reported to Full Council (in accordance with the Access to Information Procedure Rules 15 & 16.2).*

Whilst it is anticipated that decisions taken during urgency provisions would be limited or uncontroversial in nature, it must be highlighted that the ability of Members to undertake the statutory overview and scrutiny function is not removed.”

The Monitoring Officer considered that, in responding to COVID-19, the Council was in exceptional times which therefore satisfied the grounds of urgency.

In making the decision(s) in question the Leader of the Council exercised his delegated power as set out in the Council’s Constitution in Part 3, Schedule 3 (Responsibility for Executive Functions) - Section 3 (General Principles Regarding Decision Making by the Cabinet) – Principle 4b [Part 3.28].

DECISION(S) TAKEN AS A MATTER OF URGENCY

Additional Restrictions Business Grant Scheme [Published 7 June 2021]

Decision: That the Leader of the Council, on behalf of the Cabinet, approves the extension of the application deadline for the existing Additional Restrictions Business Grant Scheme from 31 May 2021 to 30 June 2021.

BACKGROUND PAPERS

Note on Decision Making Business Continuity Arrangements issued by the Monitoring Officer (Lisa Hastings) on Friday 20 March 2020.

Executive Decision(s) taken by the Leader of the Council published on 7 June 2021.

APPENDICES

None.

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

25 JUNE 2021

REPORT OF CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER

A.2 ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2021/22 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

(Report prepared by Richard Barrett and Wendy Borgartz)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To agree the Annual Capital and Treasury Strategy for 2021/22 (including Prudential And Treasury Indicators) for submission to Council on 13 July 2021.

EXECUTIVE SUMMARY

- The Annual Capital and Treasury Strategy for 2021/22, including Prudential and Treasury Indicators, was approved by the Corporate Finance and Governance Portfolio Holder on 7 April 2021 for consultation with the Resources and Services Overview and Scrutiny Committee.
- The Local Government Act 2003 and supporting regulations require the Council to set out its treasury strategy for borrowing, and to prepare an annual Investment strategy (as required by Investment Guidance subsequent to the Act) that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both documents were issued in December 2017.
- From 2019/20 the Capital Strategy has been combined with the Treasury Strategy into one document, which is required to be updated/approved annually.
- The Resources and Services Overview and Scrutiny Committee considered the Strategy at its meeting on 24 May 2021. Their comment along with the response of the Portfolio Holder for Corporate Finance and Governance is as follows:

Comment of the Resources and Services Overview and Scrutiny Committee	PFH Response
The Committee recommended that Cabinet approves the submission of all schemes for which there were reserve provisions and one off funds set aside, be subject to the assessment set out in the draft Annual Capital and Treasury Strategy 2021/22 and presented to the Officer Project Board to determine whether the funding should be released.	This will effectively form part of the review of all key projects and activities that is currently underway as part of the accelerated delivery programme.

- The proposed Annual Capital and Treasury Strategy for 2021/22 is set out in **Appendix A**. *(For completeness, **Appendix A** also includes the report considered by the Corporate Finance and Governance Portfolio Holder that was considered when approving the strategy on 7 April 2021 for consultation with the Resources and Services Overview and Scrutiny Committee).*
- The Capital Strategy element of the combined document covers the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.
- The Treasury Strategy element of the combined document covers the various elements that satisfy the requirements of the various codes that govern the borrowing and investment activities of the Council and has been prepared in the light of advice received from the Council's Treasury advisors and reflects the latest codes and guidance.
- Prudential and Treasury indicators are included as an Annex to the combined strategy and are therefore included within **Appendix A**.
- Under the Prudential Code the Council has freedom over capital expenditure as long as it is prudent, affordable and sustainable. The Prudential Indicators either measure the expected activity or introduce limits upon the activity, and reflect the underlying capital appraisal systems and enable the Council to demonstrate that it is complying with the requirements of the Prudential Code.
- The Council's investments will be undertaken in accordance with its Treasury Management Practices. These were expanded to include use of non-specified investment in property to yield both rental income and capital gains from 2016/17. If credit ratings remain at their current low levels it is likely that a significant proportion of the Council's investments will continue to be in government securities such as with other Local Authorities. The business rates grant process associated with COVID 19 has demonstrated a need to maximise flexibility in the range of counterparties the Council uses plus rates paid by the Debt Management Office have frequently been negative since autumn 2020, which is why two Money Market Funds were opened up in December 2020
- As part of the same report last year, the Capital and Treasury Strategy reflected the exploration of using property investment funds as part of the Council's wider investment portfolio. However, at the present time this is no longer being actively

pursued given the significant impact from COVID 19 and how unclear it has made the risk / reward equation going forward. All references to this type of investment have now been removed from the strategy for 2021/22. However, it will be revisited once the economic recovery from COVID 19 has reached the point where it may again be considered as a potential useful addition to the investment portfolio.

- As is always the case, other 'quality' investment opportunities will always be explored during the year in consultation with the Council's external advisors to maximise returns on investments within a continuing and overall risk-averse approach.

RECOMMENDATIONS

That Cabinet:

- a) notes the outcome from the Resources and Services Overview and Scrutiny Committee on the 24 May 2021 and agrees the response from the Portfolio Holder for Corporate Finance and Governance; and**
- b) agrees that the Annual Capital and Treasury Strategy for 2021/22 (including Prudential And Treasury Indicators) attached within Appendix A be submitted to Council for approval.**

APPENDICES

Appendix A – Annual Capital and Treasury Strategy for 2021/22 (*including Prudential and Treasury Indicators and the covering report considered by the Corporate Finance and Governance Portfolio Holder on 7 April 2021*)

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A.2 APPENDIX A(1)

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

7 APRIL 2021

A. ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2021/22 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

(Report prepared by Richard Barrett and Wendy Borgartz)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek the agreement of the Portfolio Holder for Corporate Finance and Governance to the Annual Capital and Treasury Strategy for 2021/22 (including the Prudential and Treasury indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.

EXECUTIVE SUMMARY

- The Local Government Act 2003 and supporting regulations require the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both documents were issued in December 2017.
- From 2019/20 the Capital Strategy has been combined with the Treasury Strategy into one document, which is required to be updated / approved annually.
- The proposed Annual Capital and Treasury Strategy for 2021/22 is set out in **Appendix A**.
- The Capital Strategy element of the combined document covers the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.
- The Treasury Strategy element of the combined document covers the various elements that satisfy the requirements of the various codes that govern the borrowing and investment activities of the Council and has been prepared in the light of advice received from the Council's Treasury advisors and reflects the latest codes and guidance.
- Prudential and Treasury indicators are included as an Annexe to the combined strategy and are therefore included within **Appendix A**.
- Under the Prudential Code the Council has freedom over capital expenditure as long as it is prudent, affordable and sustainable. The Prudential Indicators either measure the expected activity or introduce limits upon the activity, and reflect the

A.2 APPENDIX A(1)

underlying capital appraisal systems and enable the Council to demonstrate that it is complying with the requirements of the Prudential Code.

- The Council's investments will be undertaken in accordance with its Treasury Management Practices. These were expanded to include use of non-specified investment in property to yield both rental income and capital gains from 2016/17. If credit ratings remain at their current extremely low levels it is likely that a significant proportion of the Council's investments will continue to be in government securities such as with other Local Authorities. The business rates grant process associated with COVID 19 has demonstrated a need to maximise flexibility in the range of counterparties the Council uses plus rates paid by the Debt Management Office have frequently been negative since autumn 2020, which is why two Money Market Funds were opened up in December 2020.
- As part of the same report last year, the Capital and Treasury Strategy reflected the exploration of using property investment funds as part of the Council's wider investment portfolio. However, at the present time this is no longer being actively pursued given the significant impact from COVID 19 and how unclear it has made the risk / reward equation going forward. All references to this type of investment have now been removed from the strategy for 2021/22. However, it will be revisited once the economic recovery from COVID 19 has reached the point where it may again be considered as a potential useful addition to the investment portfolio.
- As is always the case, other 'quality' investment opportunities will always be explored during the year in consultation with the Council's external advisors to maximise returns on investments within a continuing and overall risk-averse approach.

RECOMMENDATIONS

That the Portfolio Holder for Corporate Finance and Governance approves the Annual Capital and Treasury Strategy for 2021/22 (including Prudential and Treasury Indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The adoption of the Capital and Annual Treasury Strategy for 2021/22 will ensure that the Council's Investment and Treasury Management activities are carried out and managed in accordance with best practice, thereby safeguarding money held by the Council and making an appropriate contribution to the Council's overall financial position.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

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

A.2 APPENDIX A(1)

Risk

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

LEGAL

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

At its meeting on 29 January 2021 Cabinet agreed a delegation to the Portfolio Holder for Corporate Finance and Governance to approve the Capital and Treasury Strategy 2021/22 for consultation with the Resources and Services Overview and Scrutiny Committee.

OTHER IMPLICATIONS

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

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

There are no other implications.

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The Annual Capital and Treasury Strategy for 2021/22 is set out in **Appendix A** and is based on the most up to date Treasury Management Code of Practice and the revised Prudential Code, both of which were published by CIPFA in December 2017.

No significant changes are proposed in the Annual Capital and Treasury Strategy for 2021/22 with limited amendments in areas such as the general economic outlook and interest rate forecasts – the changes made to the strategy since last year are shaded in grey and are in italic font.

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

Although not specified within the Treasury Strategy, the need to borrow money may arise in future years to reflect the Council's current commitments, corporate priorities and strategies. If the need / option to borrow money was identified, then it would form part of the associated and separate decision making process and would be considered within the overall Treasury Strategy framework.

The Council maintains a very low risk appetite approach to its treasury activities. Given the extremely low interest rate environment, even if the Council were to increase the level of risk it would be willing to accept, the increased returns would only be marginal and therefore would not provide a credible / alternative option at the present time. However, officers will continue to explore opportunities to maximise investment returns, within this

A.2 APPENDIX A(1)

overall context in 2021/22.

One of the key elements within the Capital Strategy is to have processes in place to ensure projects are delivered on time and within budget. However, COVID 19 has had a significant and unprecedented impact on the delivery of a number of projects over the past 12 months. However, the Council has taken steps that seek to accelerate the delivery of a number of projects as part of recovering from the pandemic's impact which includes increasing officer capacity which was backed by a £200k commitment by Cabinet at its 19 March meeting.

In terms of sources of funding, the Government introduced a significant new constraint in terms of borrowing from the Public Works Loan Board (PWLB) during the year. If a local authority purchases assets or plans to purchase assets over a future three year period to generate investment income, then they will no longer be able to borrow money from the PWLB. This applies to all such purchases regardless of how they are funded. Although no such purchases are currently planned, this constraint may need to be considered in the future, as the Council could lose access to the referential rates available from the PWLB.

Draft Prudential Indicators are set out in Annex 1 to Part 2 of the Capital and Treasury Strategy. Annex 2 to Part 2 of the Treasury Strategy sets out the specified and Non-Specified investments the Council may use in 2021/22.

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

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A - Annual Capital and Treasury Strategy 2021/22

Tendring
District Council



**ANNUAL CAPITAL AND
TREASURY STRATEGY
2021/22**

PART 1 – CAPITAL STRATEGY 2021/22 to 2023/24

1. Introduction

SECTION A - Achieving Outcomes / Delivering Against Priorities

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

SECTION B - Capital Investment and Sources of Funding

4. Capital Investment Considerations
5. Sources of Funding

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

Part 1 Annex 2 – General Fund and Housing Revenue Account Capital Programmes 2021/22 to 2024/25

PART 2 – TREASURY STRATEGY FOR 2021/22

1. Introduction
2. Treasury Limits for 2021/22 to 2023/24
3. Prudential and Treasury Indicators for 2021/22 to 2023/24
4. Current Portfolio Position
5. Borrowing Requirement
6. Economic Position
7. Interest Rates
8. Borrowing strategy
 - 8.1 External v internal borrowing
 - 8.2 Gross and Net Debt Positions
 - 8.3 Policy on borrowing in advance of need
9. Debt Rescheduling
10. Annual Investment Strategy
 - 10.1 Investment Policy
 - 10.2 Creditworthiness Policy
 - 10.3 Credit Limits
 - 10.4 Country Limits
 - 10.5 Investment Strategy
 - 10.6 Allocation of Investment returns between GF and HRA.
 - 10.7 End of year investment report

Part 2 Annex 1 – Proposed Prudential Indicators 2020/21 revised, 2021/22 and forecasts for 2022/23 to 2023/24

Part 2 Annex 2 – Specified and non-specified investments

PART 1 – CAPITAL STRATEGY

INTRODUCTION

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

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

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

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

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

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

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

Investment can include expenditure on:

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

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

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

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

SECTION A - ACHIEVING OUTCOMES/DELIVERING AGAINST PRIORITIES

CORPORATE PRIORITIES

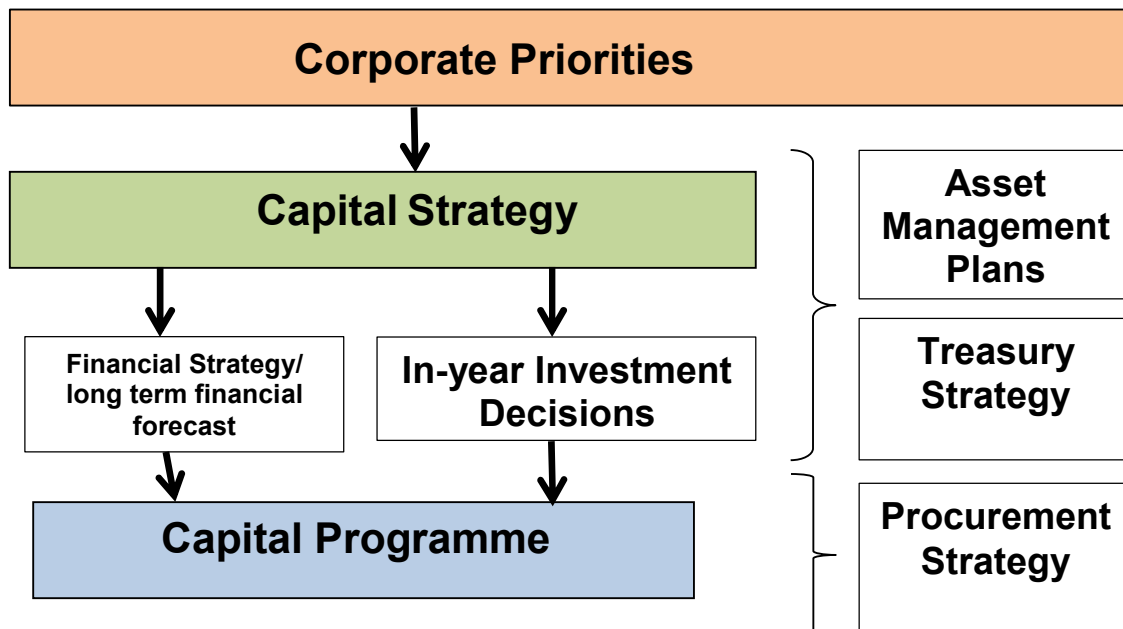
The Capital Strategy is subject to ongoing review and has a key role in supporting the delivery of the Council’s Corporate Priorities

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

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

LINKS TO OTHER KEY STRATEGIES

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



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

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

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

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

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

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

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

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

Departments support Management Team in the above process through the development and investigation of investments opportunities and submitting

reports / project initiation and development documentation in support of the associated capital projects.

Cabinet (including Portfolio Holders acting within approved delegations)

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

Council – Approves a *multi-year* Capital Programme as part of the budget setting process in February each year and approves the Capital / Treasury Strategy in March each year *or as soon as possible thereafter*.

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

CONSULTATION

The views of the local community and stakeholders are an important element in developing the priorities for the Council and identifying capital investment opportunities. This can be achieved in a number of ways depending on the specific investment that is considered, *which should be complemented by wider consultation exercises such as those associated with the development of corporate priorities and the long term forecast where necessary*.

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

MONITORING OF THE CAPITAL INVESTMENT/CAPITAL PROGRAMME

In terms of performance and monitoring the delivery of capital investment, this is primarily achieved through the existing and comprehensive financial processes such as the long-term financial forecast and budget setting process, outturn review and the quarterly financial performance reporting. In respect of the quarterly financial performance reports, an update on the delivery of projects and the position against the budget is included, which is reported to both Cabinet and the relevant Overview and Scrutiny Committee during the year. Some capital projects may also form part of the Council’s separate Performance Monitoring process that is also reported to Members *during the year*.

Where capital investment is material, the scheme or project may be subject to review by internal audit which would be at the discretion of the Internal Audit

Manager as part of the annual Internal Audit Plan or if required by other key stakeholders.

SECTION B – CAPITAL INVESTMENT AND SOURCES OF FUNDING

CAPITAL INVESTMENT CONSIDERATIONS

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

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

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

The Council faces ongoing significant financial challenges over the period of this Capital Strategy due to the significant reductions in Government Funding *over recent years and the potential longer impact of the COVID 19 pandemic on Council funding. The latest long-term financial forecast for 2021/22 to 2026/27 reflects annual deficits, albeit on a reducing basis over the remaining period of plan, which is supported by the Forecast Risk Fund.* To deliver the level of efficiencies and transformation that will in turn support the delivery of the long-term forecast, the following key principles have been identified which should be a key consideration of capital investment decisions:

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

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

Foster effective working relationships with potential funders/partners.
Carefully consider value for money and efficiency of projects and associated outcomes.
Project risk is fully explored and mitigating actions identified and taken as necessary.
Ensure appropriate project management tools and documentation are used <i>and that project timescales are adequately matched to the capacity to deliver the project, both internally and externally (where internal, this needs to include services such as Legal, Finance and HR).</i>
Responsibility for the delivery of the project is clearly defined and understood.
How the proposed investment contributes to the Council's commitment to be carbon neutral by 2030.

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

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

Impact Assessments

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

SOURCES OF FUNDING

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

In limited cases the cost of capital investment is supported by external grants/contributions. Any other capital investment the Council wishes to make has to be funded from its own resources or by borrowing (the revenue cost being met entirely by the Council). The Council's Financial Strategy/long term financial forecast includes consideration of a ten-year forecast, taking into account the revenue implications of capital investment plans and the resources available to fund capital investment. The level of capital investment will be constrained

by the available resources identified via the long-term financial forecast process including revenue contributions or the ability to attract external funding and the generation of capital receipts. Any decision to invest in capital projects will need to match the available resources against criteria set out above, including how it meets corporate priorities.

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

- a) **Revenue Funding (Including Reserves)** – This continues to be limited each year given the challenging financial environment and on-going government grant reductions. This funding stream will need to be considered within the overall financial planning processes each year, including that for the HRA, which operates under a self-financing environment where changes in Government Policy have limited the revenue contributions available to support capital investment.
- b) **Capital grants/contributions** – These have contributed significantly to past and current capital projects and many aspects of the Council's and its partners' objectives can only be met if this funding source continues to be pursued. *The delivery of the Council's priorities and commitments* continue to be supported by successful grant applications. Section 106 money flowing from the planning process is also a significant source of external funding.
- c) **General Fund Capital Receipts** – It is acknowledged that the Council's current property/land holdings are not of significant high value or volume. Nevertheless the Council recognises this important funding source and continually reviews its assets as *part of separate asset management / investment plans* which provide the context to consider opportunities to dispose of any assets that are surplus to requirements and/or not contributing to the delivery of the Council's priorities or where they provide alternative investment opportunities.
- d) **Borrowing within the Prudential Framework (Prudential Borrowing)** – The Council has the freedom to borrow to finance its capital expenditure provided it can demonstrate the prudence of the investment and its affordability and sustainability. *During 2020/21 the rules governing borrowing from the PWLB were amended such that from 25 November 2020 no borrowing from the PWLB is allowed if an authority has purchased assets for yield in its capital programme for the following three years. Neither the General Fund nor the Housing Revenue Account capital programmes for 2021/22 to 2023/24 involve any such schemes. This means the Council is still able to access PWLB funding at preferential rates if it is prudent, affordable and sustainable.*

CAPITAL STRATEGY CONCLUSIONS

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

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

Formal Investment Considerations/Decisions/Business Cases
Link to priorities (including commitment to be carbon neutral by 2030) and/or 'safeguarding' of a Council Asset and what are the measurable benefits of the planned investment
Return on Investment/Net Present Value
Whole Life Costing/Revenue Consequences
Payback Periods
Key risks and how they will be managed
Alternative Options/Opportunity Costs
Sustainability
Financial Resources Available/Funding Options
Impact assessment where relevant
Capacity/Deliverability
Other considerations/important information to discuss/share with relevant internal department(s) and/or for inclusion in the formal decision making process if significant
Cash Flow Forecasts
VAT Arrangements/Implications
Insurance issues
Risk Management implications
Procurement processes

PART 1 - ANNEX 2**General Fund Capital Programme 2021/22 to 2023/24**

Capital Expenditure - General Fund £000s	2019/20 Actual	2020/21 Revised	2021/22 Estimate	2022/23 Forecast	2023/24 Forecast
Total Capital Expenditure	5202	10,783	816	824	812
Financing - General Fund					
External contributions	(23)	(43)	-	-	-
Section 106	(7)	(109)	-	-	-
Coast protection grant	(1,670)	(439)	-	-	-
Other Government grants	(40)	(282)	-	-	-
Disabled Facilities Grant	(1,507)	(5,265)	(757)	(757)	(757)
Capital receipts	(28)	(825)	-	-	-
Direct revenue contributions	(341)	(57)	(55)	(55)	(55)
Earmarked reserves	(1,586)	(3,763)	(4)	(12)	-
Total Capital Financing	(5,202)	(10,783)	(816)	(824)	(812)
Net Financing need (External Borrowing)	0	0	0	0	0

HRA Capital Programme 2021/22 to 2023/24

Housing Revenue Account Capital Schemes £000	2019/20 Actual	2020/21 Revised	2021/22 Estimate	2022/23 Forecast	2023/24 Forecast
Total Capital Expenditure	5,370	3,457	3,457	3,176	3,176
Financing - Housing Revenue Account					
Major repairs reserve	(3,652)	(3,176)	(3,176)	(3,176)	(3,176)
Direct revenue contributions	(1,197)	(281)	(281)	-	-
Section 106	(86)	-	-	-	-
Capital receipts	(368)	-	-	-	-
External contributions	(67)	-	-	-	-
Total Capital Financing	(5,370)	(3,457)	(3,457)	(3,176)	(3,176)
Net Financing need (External Borrowing)	0	0	0	0	0

PART 2 – TREASURY STRATEGY

1. Introduction

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

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

The Council’s risk appetite is low and it takes a risk-averse approach to Treasury Management, with the security and liquidity of the investment the prime concern, and the budget for income from investments being formulated on this basis. The Annual Strategy for 2021/22 is based on this risk-averse approach continuing.

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

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

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

2. Treasury Limits for 2021/22 to 2023/24

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

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

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

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

The authorised limit reflects the additional borrowing requirement as part of the Housing Revenue Account (HRA) self-financing reforms. The Housing self-financing reforms also set an overall ‘debt cap’ for the HRA which in itself reflects an affordability level based on the Government’s model of how much debt can be supported by the HRA after considering the forecast of income from rents and management and maintenance costs over a 30 year period. The HRA debt cap for Tendring was £60,285,000, but the Government announced the abolition of the HRA debt cap from 29 October 2018. *Any borrowing for the HRA will be in accordance with the Council’s Housing Strategy 2020-2025.*

3. Prudential and Treasury Indicators for 2021/22 to 2023/24

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

4. Current Portfolio Position

The Council’s treasury position at the end of *February 2021* comprised:

- *GF borrowing from The Public Works Loan Board (PWLB) of £0.152 million at fixed rates at an average rate of interest of 7.37%*
- *HRA borrowing from the PWLB of £38.441 million at fixed rates at an average rate of 3.47%*
- *Investments of cash flow surpluses, which include reserves and capital receipts, on a short-term basis (less than 1 year) totalling £72.698 million at an average rate of interest of 0.30%.*

5. Borrowing Requirement

No new, alternative or replacement borrowing is currently reflected in the budgets for both the General Fund and HRA for the period *2021/22* to *2023/24*. This position therefore excludes any assumptions on additional borrowing, which would be subject to further consideration as necessary set against the underlying principle of the Council’s borrowing requirement being kept under on-going review to respond to any new / future burdens or priorities and overall financial position.

6. Economic Position

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

World economy

World growth has been in recession in 2020, due to the global coronavirus pandemic and this is likely to continue into the first half of 2021 before recovery in the second half. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand. Central banks are likely to support growth by keeping interest rates very low for longer. Governments are also likely to help quicker recovery by providing more fiscal support to their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand.

UK economy

The Bank of England Monetary Policy Committee kept the bank rate and quantitative easing unchanged on 4 February 2021, but revised its economic forecasts to take account of the third national lockdown, which will delay economic recovery. Although the short-term forecasts were cut, the medium-term forecasts were more optimistic based on an assumption that the current lockdown will be gradually eased after Quarter 1 as vaccines are gradually rolled out and life can then start to go back to some sort of normality. It is now likely that total borrowing will probably reach around £420 billion. However, the low interest rates on gilts locked in for the future due to the level of quantitative easing means the total interest bill paid by the Government is manageable. Quarter 4 GDP data for 2020 shows that the economy was 8.6% smaller than in Quarter 4 2019. A strong recovery in the second half of 2021 is likely to mean that the economy recovers to its pre-pandemic level during Quarter 1 of 2022.

There will be some painful longer-term adjustments as, for example, office space and travel may not recover for several years. The impact of the pandemic is also likely to reverse globalisation as it has exposed the vulnerability of long-distance supply chains, although digital services have seen huge growth, But this is the backdrop for the expected long-term very low interest rate environment.

7. Interest Rates

The following table gives the Council's External Treasury Advisor's view on Bank Rate movements and their forecast for the PWLB new borrowing rate based on that view. The PWLB rates are based on the 'Certainty Rate' introduced by the Government for local authorities providing improved information and transparency on their locally-determined long-term borrowing and associated capital spending plans. Investment returns are likely to remain *exceptionally* low during 2021/22 and beyond.

	Bank Rate	Average earnings rate projected by the Council's External Advisors			PWLB Borrowing Rate			
		3 month	6 month	12 month	5 yr.	10 yr.	25 yr.	50 yr.
Mar 2021	0.10	0.10	0.10	0.20	1.20	1.60	2.10	1.90
Jun 2021	0.10	0.10	0.10	0.20	1.20	1.70	2.20	2.00
Sep 2021	0.10	0.10	0.10	0.20	1.20	1.70	2.20	2.00
Dec 2021	0.10	0.10	0.10	0.20	1.30	1.70	2.20	2.10
Mar 2022	0.10	0.10	0.10	0.20	1.30	1.80	2.40	2.20
Jun 2022	0.10	0.10	0.10	0.20	1.30	1.80	2.40	2.20
Sep 2022	0.10	0.10	0.10	0.20	1.40	1.90	2.40	2.20
Dec 2022	0.10	0.10	0.10	0.30	1.40	1.90	2.50	2.30
Mar 2023	0.10	0.10	0.20	0.30	1.40	1.90	2.50	2.30
Jun 2023	0.10	0.10	0.20	0.40	1.40	2.00	2.50	2.30
Sep 2023	0.25	0.30	0.40	0.50	1.50	2.00	2.50	2.30
Dec 2023	0.25	0.30	0.40	0.50	1.50	2.00	2.50	2.30
Mar 2024	0.25	0.30	0.40	0.50	1.50	2.00	2.60	2.40

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings up to 4th February. As shown in the forecast table above, no increase in Bank Rate is expected until 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

8. Borrowing Strategy

8.1 External v Internal Borrowing

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

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

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

Total External Debt

	Actual 2019/20	Revised 2020/21	Estimate 2021/22	Forecast 2022/23	Forecast 2023/24
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	42,076	40,313	38,593	36,922	34,700
Estimated change in debt	(1,763)	(1,720)	(1,671)	(2,222)	(1,422)
Estimated debt as at 31 March	40,313	38,593	36,922	34,700	33,278
CFR as at 31 March	45,554	43,673	41,800	39,384	37,777
Difference - internally financed	5,241	5,080	4,878	4,684	4,499

General Fund External Debt

	Actual 2019/20	Revised 2020/21	Estimate 2021/22	Forecast 2022/23	Forecast 2023/24
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	306	207	151	144	136
Estimated repayment of debt	(99)	(56)	(7)	(8)	(8)
Estimated debt as at 31 March	207	151	144	136	128
CFR as at 31 March	5,448	5,231	5,022	4,820	4,627
Forecast of internal financing	5,241	5,080	4,878	4,684	4,499

HRA External Debt

	Actual 2019/20	Revised 2020/21	Estimate 2021/22	Forecast 2022/23	Forecast 2023/24
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	41,770	40,106	38,442	36,778	34,564
Estimated repayment of debt	(1,664)	(1,664)	(1,664)	(2,214)	(1,414)
Estimated debt as at 31 March	40,106	38,442	36,778	34,564	33,150
CFR as at 31 March	40,106	38,442	36,778	34,564	33,150
Forecast of internal financing	0	0	0	0	0

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

The Council's officers have made an assessment, based on advice from treasury advisors, of the amount of internal resources that it is prudent to use to finance capital expenditure and it is felt, taking into account the Council's financial position, that approximately £4m-£5m would at the present time and over the medium term be an appropriate level of internal borrowing. A maturity loan of £1m fell due for repayment in 2014 but this was not replaced which has led to the current internal borrowing position running just ahead of the £5m level. However given the continuing *very* low return on investments and no significant increases in PWLB interest rates in the immediate future, *(the 1% unexpectedly added to all PWLB rates in October 2019 was reversed in November 2020 provided an authority has no plans for commercial property investment, however that is to be funded)* it is felt prudent to maintain this position in the short term although this will be kept under review in consultation with the Council's external advisors.

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

8.2 Gross Debt v Investments

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

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

Comparison of gross and net debt positions at year end	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Probable out-turn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
General Fund external debt (gross)	207	151	144	136	128
HRA external debt (gross)	40,106	38,442	36,778	34,564	33,150
Investments	66,460	58,000	15,000	15,000	15,000
Net debt	(26,147)	(19,407)	21,922	19,700	18,278

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

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

Against this background caution will be maintained within the 2021/22 treasury operations. Interest rates will be monitored and a pragmatic approach adopted to changing circumstances with appropriate action taken in accordance with the Council's Financial Procedure Rules.

8.3 Policy on borrowing in advance of need

The Council cannot borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

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

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits and demerits of alternative forms of funding;
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

9. Debt Rescheduling

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

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

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

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

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

10. Investment Strategy

10.1 Investment Policy

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

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

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

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

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

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

The property will be subject to annual revaluation to reflect current value under the requirements of the Accounting Code of Practice and this will be reported in the Statement of Accounts. At 31 March 2020 the carrying value of the property was reduced by the Council's external Valuer to £2.155 million and at 30 September 2020 the carrying value was further reduced to £1.985 million. The anticipated return on the property through rental income compared to the historic cost is forecast to remain in line with the figures included in the report to Cabinet where the decision to purchase was made. Although the property is currently not being used for trading, the terms of the lease require payment of the rent until the end of the lease term.

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

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

During 2020/21 the Council opened accounts with two Money Market Funds, as the Debt Management Office interest rates became negative on occasions in late 2020 and additional liquidity flexibility was required beyond that of the call accounts. Both Money Market Funds are triple A rated and are currently paying interest at 0.01%.

10.2 Creditworthiness Policy and changes to the credit rating methodology

This Council uses credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors. In determining the appropriate credit rating the Council will use the lowest rating available to determine the investment limits both in terms of amount and period for a particular counterparty. This is in accordance with the recommendations of The Code. Counterparties rated by only one agency will not be used.

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

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

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

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

3. Information on government support for banks and the credit ratings of that government support

10.3 Credit Limits

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

100% of the Council's investments may be in Treasury Bills or Gilts or invested with the Government's Debt Management Office (DMO). Although these sums are very secure the rate of interest is usually lower than the market rate, however Treasury Bills are a valuable tool in providing security and liquidity whilst the DMO offers a variety of investment terms and is a valuable source of investment should credit ratings of other financial institutions result in a reduction in the number of counterparties that meet the Council's minimum credit rating criteria. There is no limit on the amount that can be invested with other local authorities in total, although there is a limit of £6 million with each individual local authority.

10.4 Country Limits

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

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

10.5 Investment Strategy

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

The bank rate fell to 0.10% in March 2020 and no increases are forecast for several years (see Section 7). The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile without compromising the Council's priority of security of the investments.

For 2021/22 the Council has budgeted for investment returns based on the principles set out in this strategy including the forecast position on interest rates.

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

10.6 Allocation of Investment returns between GF and HRA

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

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

- Equity
- Risk Sharing
- Minimising volatility between years

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

10.7 End of year investment report

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

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-specified investment – as defined in Annex 2.

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

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

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

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

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

Specified investments – as defined in Annex 2.

Proposed Prudential Indicators 2020/21 revised, 2021/22 and forecasts for 2022/23 to 2023/24

Indicators for Prudence

CAPITAL EXPENDITURE

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

Capital Expenditure - General Fund	2019/20	2020/21	2021/22	2022/23	2023/24
£000s	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	5,202	10,783	816	824	812
Financing - General Fund					
External contributions	(23)	(43)	-	-	-
Section 106	(7)	(109)	-	-	-
Coast protection grant	(1,670)	(439)	-	-	-
Other Government grants	(40)	(282)	-	-	-
Disabled Facilities Grant	(1,507)	(5,265)	(757)	(757)	(757)
Capital receipts	(28)	(825)	-	-	-
Direct revenue contributions	(341)	(57)	(55)	(55)	(55)
Earmarked reserves	(1,586)	(3,763)	(4)	(12)	-
Total Capital Financing	(5,202)	(10,783)	(816)	(824)	(812)
Net Financing need (External Borrowing)	0	0	0	0	0

Housing Revenue Account Capital Schemes	2019/20	2020/21	2021/22	2022/23	2023/24
£000	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	5,370	3,457	3,457	3,176	3,176
Financing - Housing Revenue Account					
Major repairs reserve	(3,652)	(3,176)	(3,176)	(3,176)	(3,176)
Direct revenue contributions	(1,197)	(281)	(281)	-	-
Section 106	(86)	-	-	-	-
Capital receipts	(368)	-	-	-	-
External contributions	(67)	-	-	-	-
Government grant	-	-	-	-	-
Total Capital Financing	(5,370)	(3,457)	(3,457)	(3,176)	(3,176)
Net Financing need (External Borrowing)	0	0	0	0	0

CAPITAL FINANCING REQUIREMENT

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

CAPITAL FINANCING REQUIREMENT	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
General Fund	5,448	5,230	5,021	4,820	4,627
Housing Revenue Account	40,106	38,442	36,778	34,564	33,149
Total	45,554	43,672	41,799	39,384	37,776

GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT

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

PRUDENTIAL INDICATOR	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Capital Financing Requirement	45,554	43,672	41,799	39,384	37,776
External debt	40,313	38,592	36,921	34,699	33,277
Internal borrowing	5,241	5,080	4,878	4,685	4,499

OPERATIONAL BOUNDARY AND AUTHORISED LIMIT

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

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

PRUDENTIAL INDICATOR	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Operational boundary - borrowing	67,704	67,525	67,342	67,885	67,078
Authorised limit - borrowing	76,455	76,156	75,355	75,958	75,294

Indicators for Affordability

RATIO OF FINANCING COSTS TO NET REVENUE STREAM

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

ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Revised	Estimate	Forecast	Forecast
	%	%	%	%	%
General Fund	-2.49	-0.40	0.94	0.58	0.10
Housing Revenue Account	57.54	47.09	47.29	47.78	40.86

INTEREST RATE EXPOSURE

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

PRUDENTIAL INDICATOR	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Upper limit for Fixed Interest Rates on debt	45,554	43,672	41,799	39,384	37,776
Upper limit for Variable Interest Rates on debt (based on 30% of the fixed rate limit)	13,666	13,102	12,540	11,815	11,333

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

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

PRUDENTIAL INDICATOR	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Limits on the total principal sum invested to final maturities longer than 364 days	3,500	3,500	3,500	3,500	3,500

MATURITY STRUCTURE OF FIXED RATE BORROWING

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

PRUDENTIAL INDICATOR	Upper limit	Lower limit	Estimated outstanding debt maturity % at			
	%	%	31/03/21	31/03/22	31/03/23	31/03/24
	Under 12 months	25	0	4.33%	6.02%	4.10%
12 months and within 24 months	30	0	5.76%	3.85%	7.56%	7.28%
24 months and within 5 years	60	0	16.76%	20.22%	17.10%	13.83%
5 years and within 10 years	75	0	17.57%	14.76%	14.60%	14.07%
10 years and above	95	25				
10-20 years			15.76%	14.52%	13.41%	11.86%
20-30 years			0.95%	18.96%	25.94%	33.06%
>30 years			38.87%	21.67%	17.29%	12.02%

TREASURY INDICATOR - EXPOSURE TO CREDIT RISK

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

TREASURY INDICATOR	2019/20	2020/21	2021/22
	Actual	to28/2	Upper limit
Average credit score for investments	1.26	1.01	2.00

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SPECIFIED AND NON-SPECIFIED INVESTMENTS

This schedule sets out the specified and Non-Specified investments the Council may use in 2021/22.

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

SPECIFIED INVESTMENTS:

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

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

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

High credit quality

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

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

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

NON SPECIFIED INVESTMENTS

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

The only Non-Specified investments that the Council will use in 2021/22 are investments for periods of longer than 12 months with any institution or investment instrument that would have been classed as a Specified Investment if the investment had been for less than 12 months or property. The Council currently holds an investment property in Clacton. The historic cost of this property (including stamp duty) is £3.245 million, but this was revalued at 31 March 2020 at £2.155 million by the Council's external valuer and has now been revalued at 30 September 2020 at £1.985 million. The purchase of the property was financed from revenue resources.

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

25 JUNE 2021

REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER

A.3. CITIZENS ADVICE TENDRING – SERVICE LEVEL AGREEMENT 2021/22
 (Report prepared by Alison Rowlands)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To seek Cabinet’s agreement to an updated Service Level Agreement (SLA) with Citizens Advice Tendring (CAT) for 2021/22.

EXECUTIVE SUMMARY
<ul style="list-style-type: none"> • Tendring District Council has provided grant funding to CAT backed by an annually agreed SLA, for a number of years. This arrangement supports the provision of free, confidential and impartial advice to our residents across a wide range of issues. Since 2013/14, the core grant awarded each year has been £144,000, payable in two instalments of £72,000. • During the Covid-19 pandemic, CAT has remained a vital information and advice service to the residents of Tendring. They have helped many people navigate their way around both established and entirely new challenges such as furlough, government schemes for the self-employed, redundancy, claiming benefits, dealing with debt, accessing food and services and housing issues. The CAT team also now includes a Warm Homes Adviser. This is a 2 year funded post to assist clients with income generation, accessing energy grants, switching suppliers and insulation advice. • Schedule 2 (2.8) of the 2020/21 SLA provides for reductions in CAT core services beyond their control. On 31 March 2020, CAT reported that they had been operating a reduced service since 16 March 2020 due to the Covid-19 outbreak and subsequent lockdown. This involved an envisaged temporary cessation of all face-to-face advice. Advice staff were deployed to remote home working, providing advice via email, telephone and in writing. The CAT’s office closures and suspension of services at their outreach sites have remained in force since that time. CAT have seen the departure of a significant number of volunteers during the course of the pandemic but have recently recruited a number of new volunteers and are in the process of undertaking intensive training with these individuals.

RECOMMENDATION
<p>That Cabinet agrees the following:</p> <ul style="list-style-type: none"> a) Tendring District Council continues to enter into a Service Level Agreement with Citizens Advice Tendring (CAT) for a further year from 1st April 2021/22 on the terms and conditions as set out in the updated agreement shown in Appendix C; and b) delegated authority is given to the Assistant Director, Partnerships to sign the agreement on the Council’s behalf.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The partnership working with CAT is consistent with the Council's commitment to put Community Leadership at the heart of everything we do through delivery of high quality, affordable services and working positively with others.

FINANCE, OTHER RESOURCES AND RISK

As previously mentioned, the core grant paid to CAT is £144,000 per annum. The SLA provides that the grant be paid in two instalments of £72,000 in July and September 2021.

The budget for 2021/22 also makes provision for a sum of £23,000 to assist with the delivery of the Tendring Mental Health Hub, (a project initiated by CAT), for a further year.

CAT undertakes to comply with the procedures and directions contained within the Citizens' Advice Quality Assurance Standards Membership Agreement. Whilst the ongoing impact of the pandemic on CAT's ability to maintain service delivery during 2021/22 is unknown, the risk that CAT fails to provide value for money for the grant funding is mitigated by the monitoring measures set out in the SLA. These provide that CAT will supply statistical information reasonably required by the Council for monitoring purposes, subject to those requirements not being in breach of clients' confidentiality. Any such information will not be required more frequently than at quarterly intervals and the Council's designated Contact Officer will discuss any concerns about performance with the designated CAT Contact Officer. In addition, these monitoring arrangements can be amended by agreement between the Council and CAT to reflect changes in service practice, subject to Citizens Advice guidelines.

LEGAL

The Council can rely on the General Power of Competence under the Localism Act 2011 to provide grant funding the CAT to benefit the residents of the district. The service level agreement sets out the requirements for the grant funding, is not a contract for services being commissioned on behalf of the Council.

CAT is a registered charity and company limited by guarantee.

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.

CAT's aims and principles set out that they value diversity, promote equality and challenge discrimination and practice impartiality. The SLA continues to require that CAT have all necessary policies in place in terms of the applicable protected characteristics, as detailed in the Equality Act 2010, and equality, inclusion and diversity.

There are no direct environmental or other identified implications for TDC in paying over the grant.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

In 2017/18, the SLA was thoroughly reviewed following substantial changes in the governance, management and service delivery of CAT. The revised SLA for 2017/18 was agreed by Cabinet at the meeting held on 17 March 2017.

All subsequent SLA's have remained largely the same as the 2017/18 SLA with minor changes only, and all have been agreed by the relevant Portfolio Holder. This being the Portfolio Holder for Health and Education in respect of the 2018/19 SLA and for the 2019/20 and 2020/21 SLA's, the Portfolio Holder for Partnerships.

CAT have produced a statistical dashboard, (the template used nationally), for 1 April 2019 to 25 March 2020 and 1 April 2020 to 25 March 2021, which are attached at Appendices A and B respectively. Each client is recorded by CAT once, irrespective of how many enquiries they raise over the reporting period. The data provided shows a 36% increase in formal client numbers from 4650 to 6333 and almost a 20% rise in the number of issues dealt with. Universal Credit remains the most prominent issue at 5022 enquiries, representing a 42% increase over the same period in 2019/20. Based on the method CAT use to calculate the value of benefits advice achieved, in 2020/21 benefit gains totalled £14,100,450, which amounts to a 20% increase on 2019/20. The figures set out in Appendix A exclude anyone who would have been recorded as a "drop in client", this being an individual who would have personally attended the CAT offices and hubs with a query or queries that did not progress further to a formal case. As a result of the pandemic and the ability of only offer advice remotely, no "drop in clients" were seen during 2020/21.

Other significant increases by enquiry type include Employment (252%), Consumer Goods & Services (62%) and Housing (62%). Conversely, debt enquiries dramatically reduced by 65% during the pandemic, a trend witnessed by Citizens Advice both countywide and nationally. Due to the associated stigma and fear, CAT recognise that there are considerable challenges going forward in terms of encouraging people to seek help with their debt problems and will be actively looking at innovative ways of reaching those affected by this issue. CAT's records also show a small increase in contacts originating from women rather than men and a slight rise in contacts from non-white ethnicity communities. Another notable difference for 2020/21 is that contacts from the over-65's constituted a lower percentage of contacts overall.

The reviewed SLA for 2021/22 is attached at Appendix C for agreement by Cabinet. Although much of the SLA remains the same as last year's version, it has been necessary to completely revise Schedule 2 (2.4) to reflect the current reduction in service channels and reference CAT's intention to undertake a phased return to the in-person service once Covid-19 restrictions are lifted. Schedule 2 (2.8) also now includes a reference to the impact of the pandemic on the service's availability.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

APPENDIX A - Key Statistics 1/4/19 to 25/3/20

APPENDIX B - Key Statistics 1/4/20 to 25/03/21

APPENDIX C - Service Level Agreement 2021/22

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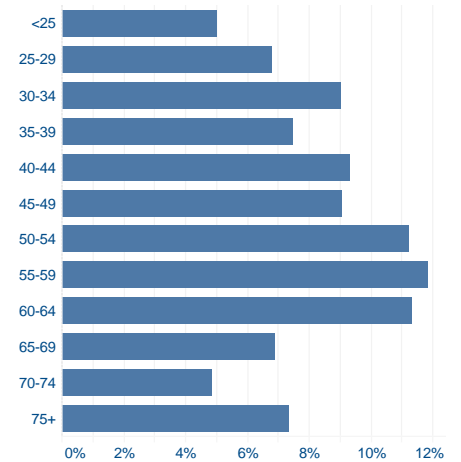
Summary

Clients	3,071
Quick client contacts	1,579
Issues	10,771
Activities	6,002
Cases	3,148
Outcomes	
Income gain	£172,945

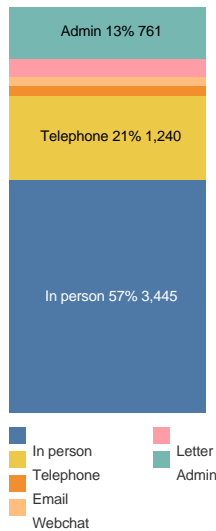
Issues

Issues	Clients
Benefits & tax credits	820
Benefits Universal Credit	967
Consumer goods & services	8
Debt	2
Discrimination & Hate & GVA	434
Education	4
Employment	7
Financial services & capability	1
Health & community care	5
Housing	180
Immigration & asylum	8
Legal	1
Other	8
Relationships & family	366
Tax	2
Travel & transport	3
Utilities & communications	139
Grand Total	3

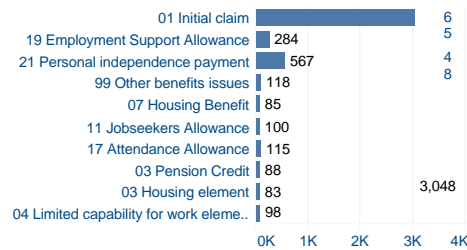
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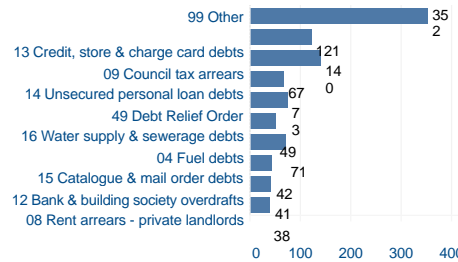
Channel



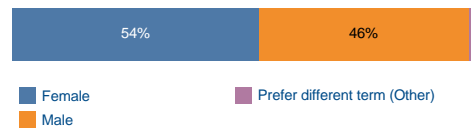
Top benefit issues



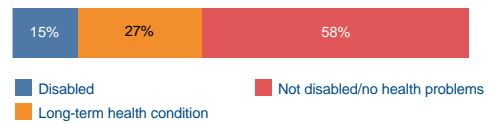
Top debt issues



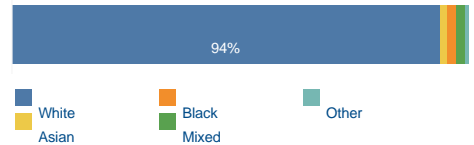
Gender



Disability / Long-term health



Ethnicity



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Summary

Clients	3,868
Quick client contacts	2,465
Issues	13,039
Activities	6,424
Cases	3,764

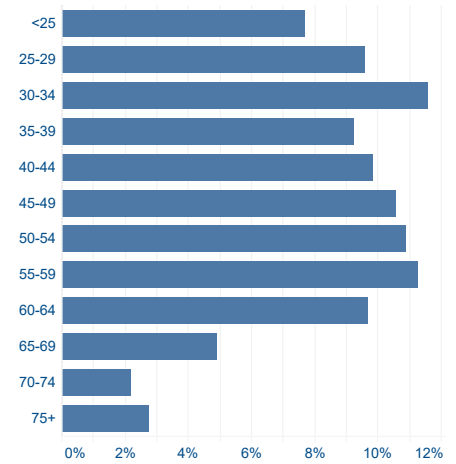
Outcomes

Income gain	£10,564
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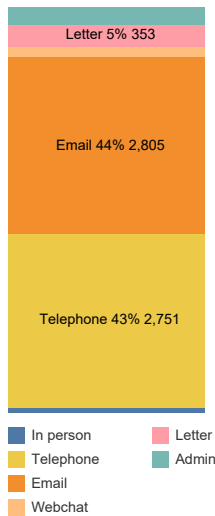
Issues

Issues	Clients
Benefits & tax credits	700
Benefits Universal Credit	1,167
Consumer goods & services	171
Debt	195
Discrimination & Hate & GVA	90
Education	27
Employment	721
Financial services & capability	93
Health & community care	69
Housing	713
Immigration & asylum	76
Legal	170
Other	58
Relationships & family	282
Tax	21
Travel & transport	72
Utilities & communications	64
Grand Total	13,039

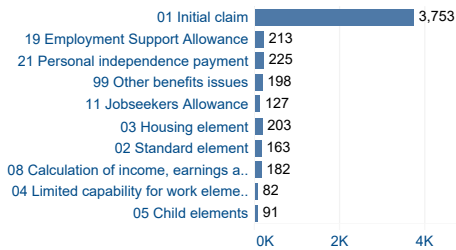
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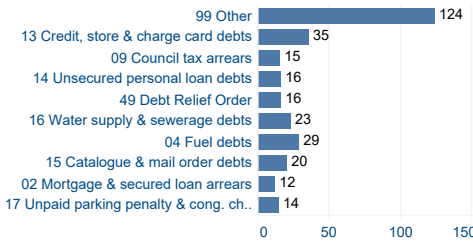
Channel



Top benefit issues



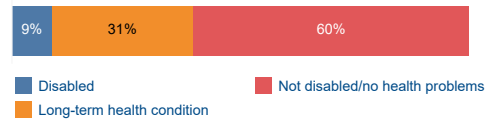
Top debt issues



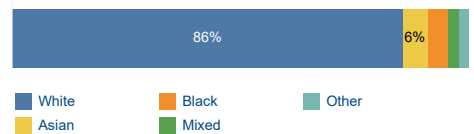
Gender



Disability / Long-term health



Ethnicity



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AN AGREEMENT made on **X** July 2021

BETWEEN:

- (1) **TENDRING DISTRICT COUNCIL** (TDC) of Town Hall, Station Road, Clacton-on-Sea, Essex CO15 1SE (“the Council”) and
- (2) **CITIZENS ADVICE TENDRING** (CAT) (a company limited by guarantee registered under company number 04345160 and charity number 1091777 registered with the Charity Commission) whose registered office and address registered with the Charity Commission is 8 Carnarvon Road, Clacton-on-Sea, Essex CO15 6QF (“CAT”)

WHEREAS

- (A) General Information concerning the Partnership Working and Targets or Objectives relevant to this Agreement is set out in the First Schedule
- (B) The Council wishes to support the Services of CAT for the purpose of providing an information and advice service operated within the aims, principles and policies of Citizens Advice subject to an agreed grant and to a defined level of service as hereinafter provided

NOW IT IS HEREBY AGREED as follows:

1. Definitions

1.1 In this Agreement, unless the context requires otherwise:

“Agreement” means this Agreement

“**annexed**” means a copy of which is attached to or placed with this Agreement and which has (for identification) been signed or initialled by or on behalf of each of the parties hereto

“CAT” means Citizens Advice Tendring

“Contact Officer” shall be construed in accordance with clause 7 below

“Citizens Advice” means The National Association of Citizens’ Advice Bureaux (registered charity number 279057) a company limited by guarantee registered with company number 1436965

“Grant” means the monies to be paid to CAT by the Council as provided by schedule 3

“Services” means the Service or Services to be provided by CAT as stated in this Agreement

“Term” shall be construed in accordance with clause 2

1.2 Where in this Agreement reference is made to a Clause Paragraph Schedule Plan Drawing or Recital such reference (unless the context otherwise requires) is a reference to a clause paragraph schedule plan drawing or recital of or (in the case of a plan or a drawing) attached to this Agreement

1.3 Where in any Schedule or Part of a Schedule reference is made to a paragraph such reference shall (unless the context otherwise requires) be to a paragraph of that Schedule or (if relevant) part of a Schedule

1.4 Words importing the singular meaning where the context so admits include the plural meaning and vice versa

1.5 Words of the masculine gender include the feminine and neuter genders and words denoting natural persons include companies, corporations and firms and all such words shall be construed interchangeably in that manner

1.6 Words denoting an obligation on a party to do any act, matter or thing include an obligation to procure that it be done and words placing a party under a restriction include an obligation not to cause permit or allow infringement of the restriction

1.7 The clause headings and table of contents shall not be taken into account for the purposes of the construction or interpretation of this Agreement

2. **Term**

2.1 The term of this Agreement is 12 months beginning on 1 April 2021 and ending on 31 March 2022, subject to the right of either party to terminate in accordance with clause 3 below.

3. **Termination**

3.1 The Agreement can be terminated by either party giving the other party not less than 6 months prior notice in writing expiring at any time.

3.2 Notice can be served if delivered, posted, or emailed to the Contact Officer.

3.3 If the Agreement is terminated so as to end before the expiry of the Term, a proportion of the Grant shall forthwith be refunded to the Council pro rata to the number of days of the Year remaining at the date when the notice terminating the Agreement ends the Agreement

4. **The Parties Obligations**

4.1 CAT agrees to provide the Services specified in Schedule 2 of this Agreement (Service Objectives and Specifications).

4.2 The Council agrees to make the grant payment specified in paragraph 3.1 of Schedule 3.

5. **Status of Agreement**

5.1 Each party shall use all reasonable endeavours to honour its obligations to the other under this Agreement, but it is not the intention of the parties that either of them shall be legally liable to the other in damages for failure on its part to observe the terms of this Agreement.

5.2 Nothing in the Agreement shall be construed as creating a partnership or legal relationship of any kind that would impose liability upon one party for the act or failure to act of the other party, or to authorise either party to act as agent for the other party. Neither party shall have authority to make representations, act in the name of, or on behalf of, or to otherwise bind the other party.

6. **Management**

6.1 Responsibility for the management of CAT is vested in the Trustee Board, the membership and operation of which is laid down by the Memorandum and Articles of

Association of CAT (registered company number 04345160 and registered charity number 1091777)

7. Parties Representatives

7.1 The Council and CAT will each appoint a Contact Officer.

7.2 The role of the Council's Contact Officer is to:

- Be the initial point of contact within the Council for CAT
- Inform CAT, in writing, of any issues which may have an effect on the implementation of the service provision in this Agreement
- Provide information, advice and support to CAT as reasonably required
- Set up monitoring meetings with CAT Contact Officer to consider the information set out in Schedule 4
- Inform CAT, in writing, of any change in the Council's Contact Officer.

7.3 The role of CAT's Contact Officer is to provide the information required in Schedule 4 of this Agreement and to inform the Council's Contact Officer, in writing, if there is:

- a proposal by CAT to change or reduce the services set out in Schedule 2
- any amount to be taken into account under 3.3
- a major change to CAT's financial budget;
- a change to CAT's constitution; or
- a change in CAT Contact Officer.

7.4 The parties' Contact Officers will be Anastasia Simpson of the Council and Melanie Hammond of CAT or such other officer as either party shall from time to time appoint to represent it and notify to the other party.

8. Confidentiality

8.1 The Council accepts that CAT offers a confidential service and that all matters raised by individual clients are kept confidential.

9. Staffing

9.1 Paid and volunteer staff will be recruited and selected by CAT with full regard to all human resources policies and procedures approved by Citizens Advice.

9.2 Paid staff will be employed and remunerated by CAT with full regard to Citizens Advice Guidelines.

10. Quality Assurance

10.1 CAT undertakes to operate the quality assurance systems described in Schedule 2.

11. Health and Safety

11.1 CAT shall have regard to the requirements of the Health and Safety at Work Act, 1974 and any other Acts, Regulations, Directives or Orders etc about health and safety.

12. Insurances

12.1 CAT will arrange adequate insurances to cover such liabilities as may arise in the course of CAT's work.

13. Dispute Resolution

- 13.1 If either party considers the other to be in breach of their duties under this Agreement or has a grievance about some aspect of the Agreement's operation, the parties shall make every reasonable effort to resolve the issue through joint discussions. Where this fails:
- 13.2 the party wishing to make the complaint should provide the other with written details, including proposals for resolving the matters in dispute;
- 13.3 a written response should be sent to the initiating party within 14 days;
- 13.4 if the response is not considered to resolve the issue, the initiating party may request in writing to the Contact Officer a meeting of the authorised signatories (or their successor);
- 13.5 where possible the meeting should be held within 14 days of the Contact Officer receiving the request;
- 13.6 where the meeting does not resolve the complaint, the issue should be considered by the Bureau's Trustee Board or the relevant Council committee as a confidential item. Any submissions should be sent in advance to the other party and representation permitted;
- 13.7 If either party is dissatisfied with the outcome as notified to it in writing within seven days of the meeting, arbitration can be requested and this will take place with a mutually acceptable external party.

14. Review

- 14.1 This Agreement may require amendments in the light of experience of implementing its terms. Any amendments will need to be negotiated and agreed in writing by both parties.

15. Renewal

- 15.1 This Agreement applies to a one-off payment and no guarantee, representation or warranty by or on the part of the Council is given as to its renewal for any year or other period subsequent to the Term or that the Council will pay any money to CAT otherwise than as expressly provided by this agreement.

Schedule 1

(Background Information, Partnership Working and Targets or Objectives)

1.1 INTRODUCTION

1.1.1 The objective of CAT is to provide free, confidential, impartial and independent advice to enable residents of the Tendring District to deal with a wide range of issues, including benefits, housing, debt advice, money advice, employment, consumer, relationships, taxation and many more. The nature of the assistance provided will depend on a client's needs and ranges from the provision of information to full rights based advice.

1.1.2 The standard of service is set out in the Citizens Advice Quality Assurance Standards Membership Agreement and the Advice Services Alliance Generalist Quality Mark.

1.1.3 CAT also receives funds from the Money Advice Service, Police, Fire and Crime Commissioner, NEE CCG, Essex County Council and other grant making trusts. Loss of any funding streams for specific projects making a substantial contribution to CAT's central costs may affect CAT's ability to deliver the core service. If this were the case the Citizens Advice contact would discuss the position with the Council.

1.2 WORKING IN PARTNERSHIP

CAT recognises the Council's key priorities identified in its 2020-2024 Corporate Plan.

Delivering High Quality Services

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

Community Leadership Through Partnerships

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

Building Sustainable Communities for the Future

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

Strong Finances and Governance

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

A Growing and Inclusive Economy

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

1.3. TARGETS OR OBJECTIVES

1.3.1 CAT will work in partnership with the Council in order to:

- Prevent homelessness
- Promote take-up of benefits (including Housing Benefit, Universal Credit and the Local Council Tax Support Scheme)
- Manage debt and improve financial resilience in order to ensure that clients are able to pay priority bills such as rent and Council Tax
- Support clients accessing Discretionary Housing Payments to plan and manage their finances.
- Highlight and resolve community issues

- Address health inequalities
- Promote reduce, reuse and recycle
- Reduce social isolation
- Reduce the number of Tending residents living in fuel poverty
- Support clients to move into employment and training

Schedule 2

(Service Objectives and Specifications)

2.1 AIMS OF THE SERVICE

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The service aims:

- To work proactively to enhance community resilience.
- To provide the advice people need for the problems they face.
- To improve the policies and practices that affect people's lives.

2.2 PRINCIPLES UNDER WHICH THE SERVICES ARE PROVIDED

CAT will provide an information and advice service which is:

- free
- confidential
- impartial
- open to all regardless of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership (only in respect of eliminating unlawful discrimination).

2.3 SERVICES FUNDED UNDER THIS AGREEMENT

The service (to which the funding arrangements in Schedule 3 relate) offered by CAT shall be 'assisted information' and 'general help' (as defined by the Advice Services Alliance Quality Mark - see paragraph 2.5 of Schedule 2), and Debt and Welfare Benefits 'casework'.

Assisted information is a service in which staff are available to help clients access information, and to identify where a client needs further information or advice.

General help is:

- Diagnosing the client's problems
- Giving information and explaining options
- Identifying further action the client can take and
- Giving basic assistance e.g. filling in forms, helping the client draft letters, and contacting third parties to seek information on the client's behalf.

Where necessary for a particular client, the service provided by CAT will also include contacting a third party to negotiate on the client's behalf.

In accordance with the Citizens Advice Membership Agreement the subjects covered will include:

- | | |
|--------------------|-------------------------------|
| • Consumer | • Money advice |
| • Welfare Benefits | • Employment |
| • Housing | • Family and personal matters |

- Taxes
- Health
- Immigration and nationality
- Education

The service covered by this Agreement includes Debt and Welfare Benefits casework as defined by the Advice Services Alliance Quality Mark i.e. with casework, the service provider takes responsibility for further action, whereas with a general help service, the client retains responsibility for the case. Casework also includes representing a client at appeal proceedings where necessary, which general help does not.

CAT will also provide 'Universal Credit Access Points' staffed by volunteers to facilitate supported access to the DWP's online benefit claims system. The aim of this service (which will operate outside of the advice surgery times in order to utilise CAT's interview rooms) will be to:

- Provide Internet access
- Process applications for Universal Credit and ensure they have been correctly completed
- Update claims with changes in circumstances to help clients avoid the £50 Civil Penalty
- Provide extra support for clients with low literacy, mental ill health or other access issues.

CAT Tendring shall contribute to the priorities and core values of Tendring District Council through the following actions:

CAT will:

- Assist TDC with its aim to identify those in the district who have failed to claim ANY benefits to which they may be entitled and in particular Housing Benefit & Local Council Tax Support and assist those claimants with accessing benefits they are entitled to;
- Advise clients seeking debt advice that Council Tax and National Non Domestic Rates are priority debts and assist them by liaising with TDC at individual case level to set up a repayment plan;
- Support the tackling of crime and disorder by taking part in TDC's/Community Safety and Health and Wellbeing Board's local "Community Days of Action"
- Signpost and advise residents on matters around crime and disorder and in particular antisocial behaviour;
- Provide clients with support and information to assist them to remain within their own homes as far as possible and prevent them getting into financial difficulties which would render them homeless;
- Assist clients in the prevention of homelessness by providing advice and support.
- Ensure that clients are aware of benefits and grants to ameliorate fuel poverty and assist them in securing the benefits they are entitled to;
- Assist vulnerable people to obtain the benefits that they are entitled to especially those living in the most deprived areas;
- Inform clients of the advantages of fuel efficiency, reducing their outgoings and protecting the environment;
- Work with partners, including TDC, to reduce health inequalities across the district.

2.4 MEANS OF ACCESSING THE SERVICE

Due to the Covid-19 pandemic and to reduce the spread of coronavirus, CAT's offices and outreach sites have been closed to the public and face-to-face sessions suspended since 16 March 2020. At the time of preparing this SLA, the service is operating on a remote basis only with CAT providing telephone and email advice, as below:

- a) by phone - 01255 377080, Monday to Thursday 10am to 4pm
- b) by email - supervisor@cabtending.org.uk
- c) on the Citizens Advice website (<https://www.citizensadvice.org.uk/>)
- d) online chat with trained advisor via the 'Contact Us' section of above website
- e) CAT Adviceline (0800 1448848) - as part of their membership of NCA, CAT in the provision of a public advice line to increase access to advice and information over the phone.

The present intention is that any in-person service provision at CAT's premises will initially resume on a part-time basis, when CAT are satisfied that it is safe to do so and all relevant national and/or local restrictions permit. CAT anticipate that a gradual return to offering an in-person service will allow for their digital channels to continue to be sufficiently resourced and their new advisers to receive the necessary training.

Subject to the lifting of any national or local lockdowns and the arrangements referred to above, the service shall also be made available on days, times and specific CAT and outreach sites to be determined and confirmed when known, as follows:

- f) by letter
- g) to personal callers on a drop-in basis, at some or all of the locations set out below

Clacton CAT, 18 Carnarvon Road, Clacton on Sea

Harwich CAT, Jobcentre Plus, 164 High Street, Harwich

13 High Street, Manningtree

21 New Pier St, Walton on the Naze

Brightlingsea Council Offices, Victoria Place, Brightlingsea

Holland-on-sea Library, Holland-on-Sea

2.5 QUALITY ASSURANCE

National Citizens Advice (NCA) introduced a new membership in 2017 outlining the responsibilities of the National and Local Citizens Advice offices. Citizens Advice Tending (CAT) have signed up to the new membership which will include the following responsibilities known as The Performance Quality Framework (PQF) :-

- * Quarterly Surveys of Client experience sampled
- * QAA - Quality of Advice Assessments conducted monthly (CAT) but reviewed and sampled by NCA quarterly
- * FCA - Financial Health Monitoring - Financial reports submitted to NCA quarterly
- * LSA - Leadership Self Assessment - Annually to include 9 areas of People Management, Operations, Research and Campaigns, Equality and Diversity, Risk Management, Governance, Strategic Management, Finance and Partnerships.

2.6 SERVICE DEVELOPMENT AND IMPROVEMENT

CAT has a business and development plan (see paragraph 4.6 of Schedule 4), the monitoring of which and the results of audits (see paragraphs 4.2 and 4.3 of Schedule 4) lead to innovation and improvements in its service

CAT will participate in the relevant networks in order to enhance the services provided to local residents.

CAT will work to secure additional funding in order to meet unmet needs for advice amongst the diverse local communities.

CAT will make use of clients' experiences to inform and influence the policy and delivery of other local services, and will inform the Council of relevant issues.

2.7 USER FEEDBACK AND INVOLVEMENT

CAT will operate a procedure for representations and complaints about the service in accordance with Citizens Advice guidelines and shall take all reasonable steps to bring this to the attention of the users of CAT.

CAT undertakes an annual client satisfaction survey. From 2017, the National Association of Citizens Advice Bureaux will be implementing an external quarterly survey of clients.

CAT will consult both clients and potential clients about service provision and opening hours.

CAT will encourage users to take up appropriate training opportunities within CAT.

The Trustee Board are to be constituted in such a way as to encourage representation from as wide a range of local people and relevant organisations as possible.

2.8 CIRCUMSTANCES BEYOND CAT'S CONTROL

CAT will not be held responsible for any interruption in or disruption to the core services due to circumstances beyond its control.

The services specified are subject to any national or local restrictions that may be in force due to Covid-19 and are dependent on the availability of suitable advisers and the continued availability of rent free accommodation for delivery of the Harwich, Manningtree, Brightlingsea and Walton service; or additional external funding to meet such costs.

Schedule 3

(Financial and Resourcing Arrangements)

- 3.1 The Council has agreed that the grant to be paid by the Council to CAT for the twelve months beginning 1 April 2021 shall be £144,000.
- 3.2 The grant in 3.1 will be paid in two instalments of £72,000 payable by 1 July 2021 and 1 September 2021.
- 3.3 Together with the funds from Essex County Council, these grants shall be construed as being sufficient to fund the services referred to in Schedule 2 of this Agreement. Separate grant funding will be sought for new service development.
- 3.4 Any reduction in funding from other organisations that prevents CAT from providing the service detailed in Schedule 2, including the level of availability in 2.4, will result in the Council reviewing its Grant to CAT.
- 3.5 All amounts specified under this Agreement are exclusive of VAT.

CAT agrees to submit, to the Council a copy of its latest approved accounts, within the meaning of the Charities Act, 1992 and 1993 within 7 days of their formal approval.

Any change to the core funding provided by Essex County Council referred to in 3.3 could cause CAT to be unable to provide the services specified in Schedule 2 of this Agreement.

Where CAT gains a surplus of income from grants, fundraising or other sources in any one year, the Council will not seek repayment of any part of the grant provided the service level specified in Section 2 has been fully met.

Schedule 4

(Monitoring Arrangements)

- 4.1 CAT monitors and evaluates its services in accordance with the procedures and directions set out in the Citizens Advice Quality Assurance Standards Membership Agreement.
- 4.2 CAT is subject to an annual organisational self assessment and quarterly audit of quality of advice.
- 4.3 CAT is subject to a yearly audit by National Citizens Advice.
- 4.4 CAT is required meet the standards set in Section 2.5 a & b, following the audits in 4.2 and 4.3, in order to receive the Council's grant detailed in Section 3.

CAT will provide a copy of the Annual Report to the Council and an invitation for the Council's Contact Officer at the Annual General Meeting of CAT.

- 4.5 CAT will provide to the Council figures on the following targets:-
 - Number of clients seen at Clacton, Harwich, Manningtree, Walton and Brightlingsea and/or remotely.
 - A breakdown of the topics on which advice is sought
 - Amount of benefits claimed by supported clients
 - Amount of debt managed
 - Amount of debt written off
 - Number of people avoiding homelessness

CAT will provide information reasonably required by the Council, subject to those requirements not being in breach of clients' confidentiality. Information will not be required more frequently than at quarterly intervals. The Council's Contact Officer will discuss any concerns about performance with the CAT Contact Officer.

Subject to Citizens Advice guidelines these monitoring arrangements can be amended by Agreement between the Council and CAT to reflect changes in service practice, for example data collection.

Signed on behalf of
Tendring District Council
by its duly authorised signatory
and Assistant Director, Partnerships

Signed on behalf of
Citizens Advice Tendring
by its duly authorised signatory and
Chief Officer

ANASTASIA SIMPSON

MELANIE HAMMOND

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

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