



RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

AGENDA

DATE:	Monday, 24 May 2021
TIME:	7.30 pm
VENUE:	Princes Theatre, Station Road, Clacton on Sea, CO15 1SE

MEMBERSHIP:

Councillor M Stephenson
Councillor Scott
Councillor Allen
Councillor Barry
Councillor Codling

Councillor Griffiths
Councillor Harris
Councillor Land
Councillor Morrison

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

For further details and general enquiries about this meeting, contact Keith Simmons Email: democraticservices@tendringdc.gov.uk or Telephone on 01255 686580 Live stream will be available to watch via <https://www.tendringdc.gov.uk/livemeetings>

DATE OF PUBLICATION: Monday, 17 May 2021

AGENDA

1 Apologies for Absence and Substitutions

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

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

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Monday 1 February 2021.

To receive the notes of the informal meeting held on 29 March 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 Questions on Notice pursuant to Council Procedure Rule 38

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

5 REPORT OF ASSISTANT DIRECTOR FINANCE & IT - A.1 - ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2021/22 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS) (Pages 11 - 48)

To enable the Committee to review the Draft Annual Capital and Treasury Strategy for 2021/22 and to submit comments thereon to Cabinet.

6 A.2 - Tourism Strategy for Tendring (Pages 49 - 72)

To support the enquiry of the Committee into this matter attached is the report of the Cabinet Member for Leisure and Tourism as submitted to the Cabinet on 21 May 2021 for approval. The Cabinet Member and the Assistant Director Economic Growth and Leisure have been invited to attend the Committee's meeting to assist the enquiry.

7 Scrutiny of Proposed Decisions (Pages 73 - 74)

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

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

8 Recommendations Monitoring Report (Pages 75 - 86)

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

9 Review of work programme (Pages 87 - 96)

To present to the Committee a draft Work Programme. Following a discussion between the Chairmen of this Committee and the Community Leadership OSC on the allocation of items between the two Committees. This item will also be invited to consider the scope for proposed joint Panels to look at matters that span the responsibilities of both Committees.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Resources and Services Overview and Scrutiny Committee is to be held in the Princes Theatre, Station Road, Clacton on Sea CO15 1SE at 7.30 pm on Monday, 5 July 2021.

Information for Visitors

FIRE EVACUATION PROCEDURE

There is no alarm test scheduled for this meeting. In the event of an alarm sounding, please calmly make your way out of any of the fire exits in the hall and follow the exit signs out of the building.

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**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON MONDAY, 1ST FEBRUARY, 2021 AT 7.30 PM
THE STREAM IS AVAILABLE TO WATCH VIA
[HTTPS://WWW.TENDRINGDC.GOV.UK/LIVEMEETINGS](https://www.tendringdc.gov.uk/livemeetings)**

Present:	Councillors M Stephenson (Chairman), Scott (Vice-Chairman), Allen, Barry, Bray, Codling, Griffiths, Harris and Morrison
Also Present:	Councillor P Honeywood (Housing Portfolio Holder)
In Attendance:	Keith Simmons (Head of Democratic Services and Elections), Tim Clarke (Assistant Director of Environment and Housing) Keith Durran (Democratic Services Officer) and Matthew Cattermole (Communications Assistant).
Also in Attendance:	Lee Heley (Head of Housing Growth at Essex County Council).

118. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no absences or substitutions.

119. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Thursday 14 January 2021 were approved as a correct record and were then signed by the Chairman.

120. DECLARATIONS OF INTEREST

There were no declarations of interest.

121. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

On this occasion no Councillor had submitted notice of a question.

**122. REPORT OF THE HEAD OF HOUSING GROWTH AT ESSEX COUNTY COUNCIL. -
A.1 - DEVELOPING AN ECC HOUSING STRATEGY**

The Head of Housing Growth at Essex County Council (Lee Heley) shared his report on Essex County Councils Housing strategy with the Committee.

After a detailed discussion relating to the topic of the Housing Strategy the Committee thanked Lee Heley (Head of Housing Growth) for his attendance and his insights into the matter and his reported noted.

**123. REPORT OF THE ASSISTANT DIRECTOR FOR HOUSING AND ENVIRONMENT. -
A.2 - UPDATE ON HOUSING.**

Housing Acquisition and Development Strategy

The Committee heard how the Strategy had been adopted by Cabinet in October 2020 and that this Strategy set out a framework around which the council owned housing stock would be increased to achieve a target of 200 additional homes. The Strategy had been appended to this report for ease of reference.

Right to Buy

Members were informed that, when added to the housing stock held within the Council's Housing Revenue Account (HRA), the impacts of right to buy had to be taken into consideration and factored into the financial planning.

Right to Buy numbers over the last five years were shown in the table below:

Year	Number of properties	Av. Discount (£)	Total discount (£ loss)
2015/16	10	64,288	642,884
2016/17	20	63,460	1,269,190
2017/18	34	60,837	2,668,490
2018/19	10	69,790	697,900
2019/20	14	66,373	929,225
2020/21	8 to date	-	-

The total discount figure was essentially the financial loss to the HRA compared to the market value of the properties sold. Sales had peaked in 2017/18 and had now returned to a lower level. The addition of newer and more desirable properties to the Council's housing stock could have led to an increase in sales.

The current maximum discount was £84,200 (or £112,300 in London).

Houses: Discounts started at 35% when an individual had been a public sector tenant for three years and the discount remained at 35% until five years spent as a public sector tenant. After year five, the discount went up by 1% for every year up until a maximum of 70% or £84,200 across England (excluding London) whichever was the lower.

Flats: Discounts started at 50% for three years as a public sector tenant and remained at 50% until five years spent as a public tenant. After year five, the discount went up by 2% for every year until a maximum of 70% or £84,200 dependant on whichever was the lower.

Cost floor rule

Discount could be reduced by the 'cost floor' rule. That could apply if the property had recently been purchased or built by a landlord or they had spent money on repairing or maintaining it. The Discount could be reduced to nil if the cost floor was more than the value.

It was reported to the Committee that the cost floor period for council properties was either a 10 year period prior to receipt of the RTB application form or 15 years if the home had been built or acquired by the Council after 2 April 2012.

That meant that a house bought through right to buy after year 15 could subject the HRA to a loss of over £80k.

Extending the cost floor to 30 years would alleviate that risk and put the Council onto a much lower risk position. Officers had discussed that with representatives from MHCLG however this would require a change of government policy and legislation so at the present time all decisions around acquisitions and development had to be taken on the basis of the current 15 year cost floor.

Leaseback Housing Development

The Committee heard how leaseback was a means by which housing could be developed using funding from an institutional investor. The housing was then leased to the Council who managed it for the lease term, typically 40 years in the case of houses. At the end of the lease term the housing usually transferred into the ownership of the Council. During the lease term the management and maintenance costs were covered by the rental income, with the surplus rental income being passed on to the investor.

The Council was engaged in ongoing discussions with an institutional investor with a particular focus on providing housing in Jaywick Sands but had also considered options elsewhere in the District. Whilst favourable because the arrangement would provide a significant number of rental properties without exposing the Council to financial risk, there were a number of legal considerations to be understood. The investor needed to also understand the build and acquisition costs which presented a significant challenge in Jaywick Sands and the weekly rent needed to be set at a level that was attractive to renters.

Officers would continue to explore this option and would bring a report forward to Cabinet if and when a suitable arrangement had been developed.

Section 106 Funding

Members heard how the amount of s106 funding for affordable housing provision, often referred to as an *off-site* contribution, awarded to the Council was reported as part of the quarterly budget report. In Quarter 2, £1.7M had been available. That funding would be used to fund housing acquisition and development in order to achieve the Council's 200 additional homes target.

Housing Voids

Members also heard how housing voids had increased over the last year or so to a point where the Quarter 2 financial reporting had showed a figure of 4% financial loss. Given the COVID-19 pandemic an increase in void properties was to some extent to be expected and was something that all landlords would have experienced. All but urgent lettings had been suspended between April and mid-June 2020. General working restrictions both in respect of office based allocations staff and repair and maintenance contractors had meant a slower turnaround and allocation process had been in place.

There had not been an increase in properties being handed back during the pandemic and rent collection levels had remained very good in the circumstances.

The Committee was informed that at the time of the report there were 108 void properties, equating to 3.5% of the total housing stock. 42 of those properties were ready to let with 15 of those being offered to prospective tenants during the week commencing 18th January 2021. The target was to reduce that total number to around 62 which was 2% of the stock. Officers believed that was possible and had been working on measures to improve the housing allocations process for several months. Those measures would include new allocations and housing register software that would streamline processes and move them away from the current paper based processes.

Members heard that an officer working group had been set up with the first meeting held on 20th January 2021. The group would be standardising data collection across the allocations and repairs teams and would be improving communication and certain processes that collectively would enable void times to be reduced. In April 2021 a new term maintenance contract would commence, placing all void repair works with one contractor that would be subject to performance targets and financial penalties where turnaround times were not met.

Due to small outbreaks of COVID-19 in some sheltered schemes and the challenges in managing those outbreaks there would not be any new allocations of sheltered housing until it was safer to do so.

During the consideration of this matter it was **RECOMMENDED** to **CABINET** that:

- the quarterly Housing Revenue Account monitoring report (and the Out-turn HRA report) should include specific detail on the spend and funding for housing acquisitions to that point in the year and comparable data from previous years.
- the Small Housebuilding Scheme Pilot the Council was participating in continue to be given the full support of the Council as a tangible measure to getting local construction firms back working at capacity and helping to provide good quality homes for local people.
- Representations be made, or continue to be made, to Government to adjust the Cost Floor Period for new Council Housing from 15 years to 30 years and thereby mitigate the risks to Council Housing supply from the “Right to Buy” and consequently positively contribute to the (re-) provision of Council Housing as an element of a vibrant mixed economy in housing.

124. REPORT OF THE LEADER OF THE COUNCIL. - A.3 - PRIORITY OF ACTIONS 2021/22 AND MONITORING DELIVERY OF THOSE ACTIONS.

It was reported to the Committee that the Council had approved a Corporate Plan for 2020/24 which established its strategic direction for those four years. That strategic direction itself sought to reflect the issues that mattered most to local people, the national requirements from Government and the challenges that faced the District over that time period. The Corporate Plan had been adopted unanimously at the Council meeting held on 21 January 2020 (Minute 78 referred).

The themes of the 2020/24 Corporate Plan were:

- Delivering High Quality Services
- Building Sustainable Communities for the Future
- Strong Finance and Governance
- Community Leadership through Partnerships
- A Growing and Inclusive Economy

Cabinet established each year its priority actions to deliver against the Corporate Plan and thereby ensure that the ambition of that Plan was central to its work. The priority actions did not cover every separate element of the ambition of the four year Corporate Plan; nor were they intended to indicate that other projects, schemes or activities were not being pursued. They were though intended to reflect imperatives across the Council and for the District and actions that it was right to focus on in that year.

Members heard that 2020 had been an exceptional year not only nationally but globally. In Tendring the Council's Community Leadership role had never been more important. The Council had taken on additional responsibilities in supporting its residents and businesses through the COVID-19 pandemic. Whilst Tendring District Council had not formally reported on its performance against priorities during 2020, much had been achieved including but not limited to:

- The roll out of numerous grants in excess of £38million to businesses;
- The adoption of a local Back to Business Agenda which was not only supporting businesses to survive but preparing to help them flourish;
- An Economic Growth Strategy focusing on recovery for the future;
- Allocation of monies from the Tendring Community Fund to Ward Councillors to provide grants to local organisations to enable them to respond to the pandemic locally;
- Business continuity arrangements immediately being invoked to ensure Council services remained in place where they were able to do so and for those services impacted by the various lockdowns, staff had been redeployed to work with different teams in response to the pandemic, such as the Community Hub.
- Adoption of a Climate Change Action Plan to meet the Council's aspirations towards the Climate Emergency;
- Section 1 of the Local Plan had been found to be sound by the Planning Inspectorate thereby establishing the 5 year housing supply of 550 dwellings per annum, a North Essex vision and the Garden Community at Tendring Colchester Borders;
- A balanced budget and revised governance arrangements to ensure democratic decision making continued throughout;
- Getting ready to build or acquire new council homes. The Council had adopted a Corporate Housing Strategy to deliver homes to meet the needs of local people, making the best use of and improving existing housing and supporting people in their homes and communities. Separate strategies and policies had been introduced to assist reducing homelessness and rough sleeping in the District,

providing financial assistance policies for private sector housing and acquiring land and buildings to increase council housing stock.

The Committee was informed that all of the above had provided a great foundation on which the Council would continue to deliver its priorities during the remaining years of the Corporate Plan. The 2021/22 actions would, of themselves, underpin further actions in 2022/23. As such, it was appropriate to invest time and energy to delivering them.

A provisional list had been prepared following consultation with individual Portfolio Holders and the Leader of the Council and that was set out at Appendix A to the report.

After a short discussion it was **RESOLVED** that the Committee notes and fully endorses this report and thanks the Cabinet for bringing forth this piece of work.

125. REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER.
- A.4 - PROTOCOL FOR CABINET AND OVERVIEW & SCRUTINY ROLES.

It was reported to Members that, in May 2019, Statutory Guidance had been published by the Ministry of Housing, Communities & Local Government on Overview and Scrutiny in Local and Combined Authorities. The Council in operating as a Leader and Executive Governance Model therefore must have regard to it when exercising their functions and that Guidance should be followed unless there was a good reason not to in a particular case. The Guidance was attached as Appendix A to the Report.

Section 2 of the Government's Statutory Guidance referred to Culture and expressly stated:-

"The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.

While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.

Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services. In contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill-focused work that serves to reinforce the perception that it is of little worth or relevance.

Members and senior officers should note that the performance of the scrutiny function is not just of interest to the authority itself. Its effectiveness, or lack thereof, is often considered by external bodies such as regulators and inspectors, and highlighted in public reports. Failures in scrutiny can therefore help to create a negative public image of the work of an authority as a whole."

The Committee was informed that the guidance recommended an 'executive-scrutiny protocol' in order to help define the relationship between the two arms of the organisation, dealing with the practical expectations of scrutiny committee members and the Executive, as well as the cultural dynamics. Councils should consider adopting a

protocol, e.g. formal agreement at scrutiny committees and Cabinet, then formal integration into the Council's constitution.

It was felt that the Council already had strong measures in place to demonstrate the openness of Cabinet being held to account and had introduced some time ago that Group Leaders of all political groups would have the right to attend Cabinet meetings, and speak on agenda items whilst not being able to vote. The Terms of Reference of the Resources and Services Overview and Scrutiny Committee stated that its Chairman and Vice-Chairman would normally be a Member of a political group not represented on the Cabinet. Informal Group Leaders' meetings were also held at which the Leader or Deputy Leader could share information in advance of going to Cabinet or other topics, which had proved particularly useful during the Council's response to the COVID-19 pandemic. The Chief Executive held regular All Member Briefings, at which Portfolio Holders presented early ideas on strategies and policies for discussion. And Furthermore the Deputy Leader chaired a Constitution Review Working Group, whose membership was made up by representatives from nearly all other political Groups on the Council.

The Members heard that, as previously requested by Cabinet, Senior Officers had produced a draft Protocol for Cabinet and Overview and Scrutiny roles for consultation with the Chairmen of the Overview and Scrutiny and Audit Committees together with the Deputy Leader and the Portfolio Holder for Partnerships. The Statutory Guidance had been considered in the production of the draft Protocol together with taking into account comments received through the consultation.

It was reported that the draft Protocol had introduced a number of principles and how it applied between the roles of Cabinet and Overview and Scrutiny building upon a relationship of trust whilst both bodies performed their statutory functions, acknowledging the inter-relationship with Audit too. It was designed to sit alongside the range of other commitments to openness and inclusiveness as set out above. It also set out how Policy Development Overview and Pre-Decision Scrutiny could work in addition to the traditional views of solely holding the Cabinet to account. The importance of timely overview and scrutiny in budget setting and monitoring throughout the year was highlighted to show how the process could add value, by reviewing whether the financial plans and strategies of the Council were sound and had taken into consideration all relevant factors.

It was further reported to the Committee that Performance Measurement and reporting provided insight into whether value for money was being achieved and whether improvements were necessary, feasible and affordable. The purpose of reporting general performance data to an Overview & Scrutiny Committee enabled scrutiny as to capturing the right level of data to support delivery of services or priorities – and to make recommendations, if necessary. In some instances further enquiry of an activity may could be warranted and the appropriate Committee would factor how that work could be accommodated in its work programme.

Members heard that, through their respective work programmes, the Overview and Scrutiny Committees would consider the Cabinet's adopted priorities in support of the Council's Corporate Plan, areas of planned policy development over the relevant Municipal Year (and the next) would be provided and they would be asked to highlight any areas where overview & scrutiny could be specifically invited to assist in work

(including Community Leadership areas). The enquiries included within the work programme should be identified to add value to the Council as a whole and the District. The allocation of enquires to specific Overview and Scrutiny Committees would be in accordance with their respective terms of reference.

The draft Protocol also referred to how Overview & Scrutiny recommendations to the Cabinet would be dealt with including seeking further clarity if needed. Some additional operational matters had been included for completeness in determining the relationship covering responding to urgent items of Cabinet Business, Scrutiny Consideration of Confidential Decisions, Call-in and Councillor Call to Action which built upon the existing requirements within the Constitution.

It was reported to the Committee that, with due regard to the Council's Statement on Councillors' development, training would be made available for Overview & Scrutiny Committee members, Cabinet Members and support Officers on the Protocol and elements referenced in it including work planning, budget scrutiny, using performance data and key lines of enquiry.

In the Overview & Scrutiny Annual Report submitted to Full Council each year there would be a section demonstrating the impact of Overview & Scrutiny and the effectiveness of the Protocol. All Members would be expected to adhere to the Protocol in their respective roles, and once formally adopted by Council, the Protocol would be incorporated within Part 6 of the Constitution.

After a detailed conversation it was moved by Councillor M Stephenson, seconded by Councillor Bray and **RESOLVED** that the Committee notes and endorses the contents of the report and that it be added it to the work programme for a future review.

126. SCRUTINY OF PROPOSED DECISIONS

The Members had before them a list of 31 proposed executive decisions published since 12 November 2020. The Committee noted the contents of the report.

127. RECOMMENDATIONS MONITORING REPORT

The Members had before them the current Recommendations Monitoring Report. The Committee was aware that the report outlined any recommendations it had made to the Cabinet, the Cabinet's responses thereto and any relevant updates.

The Committee noted the contents of the report.

128. REVIEW OF THE WORK PROGRAMME

The Committee noted that it had five items to add to its work programme and therefore decided to adjourn this discussion until the Committee's meeting in March 2021, at which and in accordance with the Chairman's request it would be the first item on the agenda.

The meeting was declared closed at 10.25 pm

Chairman

Informal Resource and Services Overview and Scrutiny Committee

29 March 2021
Minutes

In Attendance: Cllr M Stephenson, Bray, Harris, Allen, Morrison, Griffiths, Barry, Codling and Wiggins

Apologies received from Cllr Scott

1. The Sale of the Weeley site.

The Committee received an oral report from Andy White (Assistant Director of Building and public realm) in relation to the progress of the sale of the Weeley site. He explained how there were two bidders, who were very good high specification developers.

The Committee heard that the detailed level specification for the properties would be to the Council's standard, as to keep the properties in line with the rest of the housing stock so making repairs easier. The design of houses was yet to be provided but would be handled by the planning system.

Members also heard that "relationships and partnerships" was still a point of thought from the PfH and once a decision was made it would be recommended to Cabinet and as it was in excess of £1million pounds, Cabinet would then recommend it to full Council for its decision.

After a detailed discussion with members it was **RECOMMENDED** that the following be brought to the PfH:

- As the housing strategy shows that the Council are in need of 1 bedroom properties the most, should that not be priority when the Council is in a position to increase its housing stock?
- Back 2 Business was a consideration when valuing the bids as if a developer was planning to sit on the site for a few years, versus the other developer looking to start works straight away, it may be beneficial to the Council's Back 2 Business strategy to go with the developer that looked to start the work sooner.
- The PfH consider that the Council has signed up to a Climate Change strategy and this be considered in relation to this development.

The Committee thanked Andy White for his report.

2. Work Programme

The Committee discussed the work programme for 2021/22 and offered the following suggestions:

- DFGS and occupational therapist.
- Carbon Neutral by 2030. How will this affect us and our partners financially? Cost versus jobs.
- Town Centres, need a re-vamp.
- Freeports, that help business move into the district.
- Enforcement in the district. (waste on A12 and A33). A look at waste. Bin schedules and rotas, bring sites. How will we handle increased litter due to Tourism. Private Sector Housing and rental build quality. (rented sector housing survey).
- Back 2 Business- joined up thinking of skills, jobs and enterprise, in short medium and long term goals. Business round table. Order of the funded projects and initiatives.
- Suicide and mental health
- More bridal ways
- Leisure centres
- New voids contractor and are things getting back to normal and the 2% target.
- Logistics on voids and costings
- Heritage, how much money we have spent across the district and what was the outcome.
- Cliff stabilisation
- Section 106 money, where is it being spent across the district.
- TDCs communications to its residents, are we utilising the technology efficiently.

The Chairman closed the meeting at 10:05pm

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

24 MAY 2021

REPORT OF ASSISTANT DIRECTOR FINANCE & IT

A.1 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 enable the Committee to review the Annual Capital and Treasury Strategy for 2021/22 (including the Prudential and Treasury indicators).

BACKGROUND

On the 7 April 2021, the Corporate Finance and Governance Portfolio Holder agreed 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.

A copy of the report to the Portfolio Holder together with the Capital and Treasury Strategy 2021/22 is attached to this report.

RECOMMENDATIONS

That the Committee reviews the Annual Capital and Treasury Strategy for 2021/22 (including Prudential and Treasury Indicators) and determines its comments to Cabinet.

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

7 APRIL 2021

A.1 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 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.

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 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 preferential 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
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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

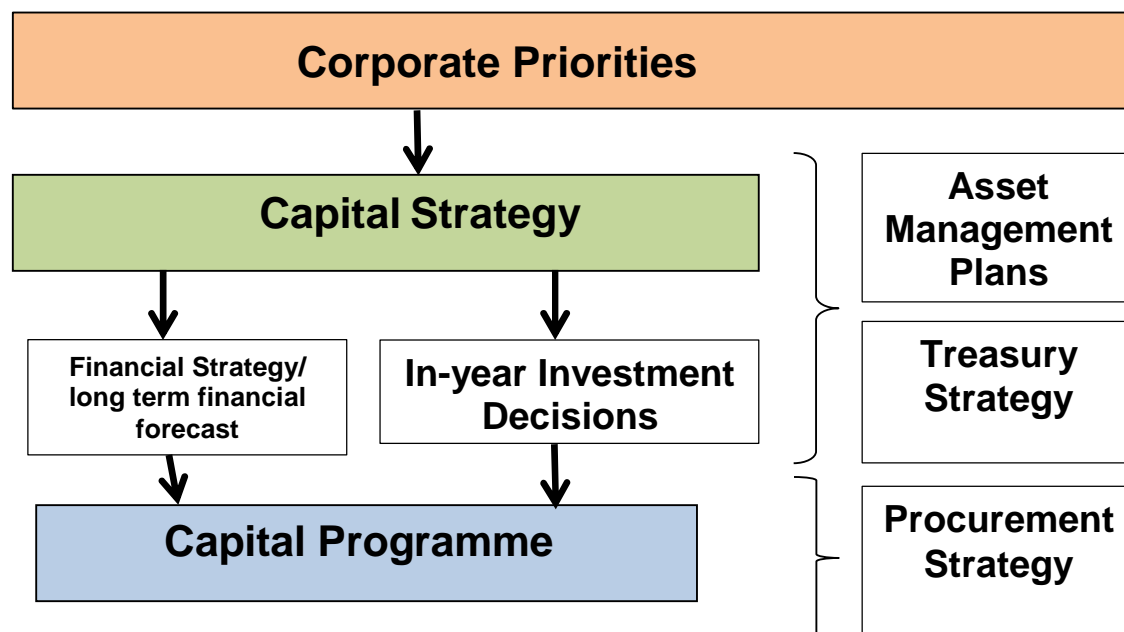
The Capital Strategy is subject to ongoing review and has a key role in supporting the delivery of the Council's Corporate Priorities

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	<i>Average earnings rate projected by the Council's External Advisors</i>			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	1.60	2.10	1.90
Sep 2021	0.10	0.10	0.10	0.20	1.20	1.60	2.10	1.90
Dec 2021	0.10	0.10	0.10	0.20	1.20	1.60	2.20	2.00
Mar 2022	0.10	0.10	0.10	0.20	1.20	1.70	2.30	2.10
Jun 2022	0.10	0.10	0.10	0.20	1.20	1.70	2.30	2.10
Sep 2022	0.10	0.10	0.10	0.20	1.20	1.70	2.30	2.10
Dec 2022	0.10	0.10	0.10	0.20	1.30	1.80	2.30	2.20
Mar 2023	0.10	0.10	0.10	0.20	1.30	1.80	2.40	2.20
Jun 2023	0.10	0.10	0.10	0.20	1.40	1.90	2.50	2.30
Sep 2023	0.10	0.10	0.10	0.20	1.40	1.90	2.50	2.30
Dec 2023	0.10	0.10	0.10	0.20	1.40	1.90	2.50	2.30
Mar 2024	0.10	0.10	0.10	0.20	1.40	1.90	2.50	2.30

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 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	38,441	36,777	34,563	33,149
Investments	66,460	58,000	15,000	15,000	15,000
Net debt	(26,147)	(19,408)	21,921	19,699	18,277

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			
	%	%	31/03/2021	31/03/2022	31/03/2023	31/03/2024
Under 12 months	25	0	4.33%	6.02%	4.10%	7.88%
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 Actual	2020/21 to28/2	2021/22 Upper limit
Average credit score for investments	1.26	1.01	2.00

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.

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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

24 MAY 2021

Report Reference for this Committee: A.2

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

21 MAY 2021

REPORT OF THE CABINET MEMBERS FOR LEISURE AND TOURISM

A.3 TOURISM STRATEGY FOR TENDRING

(Report prepared by Mike Carran, Assistant Director Economic Growth and Leisure)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present the Tourism Strategy 2021-2026 and a work programme for the first year to Cabinet for approval.

EXECUTIVE SUMMARY

- At their meeting on 11 September 2020 Cabinet approved the draft tourism strategy to be sent out for consultation for a two month period. Following that process, the final strategy is now presented for adoption;
- This five year plan replaces the previous strategy for Tendring, which expired in 2016;
- Tourism is estimated to be worth more than £402 million to Tendring, and is responsible for over 8,980 jobs, equivalent to 17.9% of the District's employment. To put matters into perspective, tourism has increased in value to the local economy by £115 million since the previous strategy was written in 2010;
- The coronavirus pandemic has impacted significantly on the local tourism industry and this strategy is tailored to extend 'back to business' support towards the recovery of the sector;
- The strategy sets 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*
- This strategy recognises that Tendring has wide attraction, with its towns and villages all having their own unique features, tourism offer and charm. It is important that the Council works with partners to develop those unique selling points and promotes 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 is in the diversity of its

destinations and that should be embraced and marketed accordingly;

- There has 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 has improved the quality of the District as a visitor destination and demonstrates local confidence and commitment to raising standards;
- The Council has invested in major projects such as the £36m Coastal Defence scheme for Clacton and Holland, creating tangible tourism assets in Harwich for Mayflower 400, is 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 has 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 have 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;
- The strategy recognises that tourism is a fast moving, agile economy and the Council is one partner in ensuring long term success. As such, this strategy has greater emphasis on the Council's role of facilitation than its predecessor;
- This strategy is accompanied by a work programme for 2021/22, which sets out actions the Council will take to deliver its strategic aims. It is recognised that this work programme is a live document and will adapt to a changing environment.

RECOMMENDATION(S)

That Cabinet agrees the Tourism Strategy 2021-2026 and the work programme for 2021-2022.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This strategy will support a number of priorities in the Corporate Plan as set below:

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

Further to that, the following opportunities listed in the plan will be impacted upon by the strategy:

- Clear vision for economic growth and prosperity;
- Our coast;
- Tourism, culture and sport.

This strategy compliments the Economic Growth strategy, which was adopted by Cabinet in July 2020.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Additional funding from the Economic Growth budgets has been made available to fund the delivery plan, as set out in Appendix B.

Cabinet has already committed finance and staffing resource to support tourism promotion and an events programme which includes Clacton Airshow, Mayflower 400 commemorations, Beside the Seaside, Illuminate Festival and Tour de Tendring. Funding has also been secured to provide a new tourism product to celebrate the 150th anniversary of Clacton on Sea.

Further to that, Cabinet have set out their Back to Business Recovery Plan, which includes a number of tourism projects, including seafront improvement schemes across the District.

LEGAL

The proposals are within the Council's powers. The Request for allocation of budget will be in accordance with the Budget and Policy Framework, as set out in Part 5 of the Council's Constitution.

OTHER IMPLICATIONS

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

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

Area or Ward Affected

The tourism strategy impacts on the entire District.

Health Inequalities

Improving employment opportunities through growing the sector will impact on quality of life of local people.

Consultation/Public Engagement

This strategy has been subject to consultation with private and voluntary sector partners in the local tourism sector, together with Town and Parish Councils. This principles for this strategy was subject to scrutiny by the Resources and Services Committee in July 2018. The recommendations from that committee were as follows:

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

*note: this has now increased to £402m in the latest economic impact assessment

Following on from the consultation, there have been no further comments received which relate to the strategy, but operational comments have been reflected in the delivery plan. These include:

- (a) Investigating a rural cycling network with partners;
- (b) The top 10 places to photograph in Tendring.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

There has been significant investment by both the public and private sector in tourism over recent years. Amongst others, there has been multi million pound investments into Clacton Pier, Clacton Pavilion and the Pier Hotel, Harwich. In addition to this, in 2015 the Council completed a £36 million coastal defence project stretching from Clacton to Holland on Sea in partnership with the Environment Agency. Not only has this protected the coastline, it has led to the creation of 23 new sandy beaches which provide a major opportunity for tourism development.

Cabinet adopted the 'Back to Business' agenda at their meeting on 13 November 2021, which set out how the Council would work across its range of services and portfolios to support the local economy, Tending businesses and residents in recovering from the Covid-19 pandemic. The tourism projects set out in that plan are reflected in the work programme for 2021/22.

Clacton celebrates its 150th anniversary in 2021, which provides a strong hook for promotion during these challenging times. External funding to the value of £250,000 was secured from National Lottery Heritage, to develop a wayfinding trail, organise a mass participation event and develop a range of schemes/events to encourage visitors and residents to explore the heritage of our seafronts.

2020 marked the 400th anniversary of the Mayflower's voyage to the New World. Harwich played a central role in this iconic story, with the ship and its Captain, Christopher Jones hailing from Harwich. Despite the national and international restrictions, Tending continues working with ten national partners together with others in the USA and Holland to maximise the benefit. Although the Coronavirus pandemic has clearly impacted on the 'in year' potential of opening up to new tourism markets from the US and Holland, the long term possibilities are still very much alive. It is widely hoped that the anticipated 1.7 million additional visitors anticipated to the UK during 2020 will arrive when travelling restrictions are lifted. There is also potential to widen the tangible heritage offer in Tending, through working with the private sector on historical links to The Witch-finder trails and other narratives around heritage.

It is also important to recognise the role of quality visitor accommodation plays in a healthy tourism economy and to use this strategy to guide planning decisions. There needs to be a concerted effort to increase the quantity of quality bed space available in the District and protecting what already exists.

The Council has increasingly worked closely with partners over recent years, in recognition that a holistic approach is the key to success. This has included working with the private sector in Clacton to develop the 'Love Clacton' promotional campaign and with the Harwich and Dovercourt Tourism Group, where key successes include the development of a new best in practice promotional website and a new brand for Harwich which has been adopted across the town.

The Council has been working with representatives from the public, private and voluntary sectors over the last 3 years to develop the tourism industry in Harwich. This is Chaired by the Managing Director of the Milsom Hotel Group and includes representatives from the Harwich Haven Authority, Harwich Society, Harwich Town Council, Harwich Festival of the Arts, Harwich Mayflower Trust, representatives of the retail sector, Harwich Connexions, Hotels/Restaurants and others. The Council has played a key role in this group and has contributed towards delivering new branding for Harwich, a new website and promotional campaign. This model can be used as the benchmark to roll out similar groups across the District to improve partnership working and guide decision making.

BACKGROUND PAPERS FOR THE DECISION
None.

APPENDICES
Appendix A: Tourism Strategy for Tendring 2021 – 2026 Appendix B: Tourism Work Programme, 2021 - 2022

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Tourism Strategy for Tendring 2021—2026



INTRODUCTION

Tendring: A Tourism Industry ‘on the up’

Tendring has a thriving tourism economy incorporating a blend of heritage, stunning natural environment and high quality leisure attractions. The District’s towns and villages all have their own unique characteristics and charm, which should be embraced and nurtured to maintain and develop the overall offer to visitors. A thriving Tendring tourism economy not only has the effect of improving local wealth and job creation, but also the quality of life for local people by enhancing the natural and built environment.

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The District is less than 50 miles from Greater London, 35 miles from Stansted Airport, benefits from links with Europe via Harwich, and is surrounded by some of the region’s most attractive countryside. The net worth of Tendring’s tourism economy has grown by around £115 million since 2010, with private sector investment, an expanding events programme and new hospitality and leisure opportunities driving momentum in the sector. The sector is worth almost £402 million to Tendring, with the industry responsible for almost 9,000 jobs, equivalent to 17.9% of the District’s employment. The Council has worked with partners to develop a programme of events that will draw visitors to Tendring and raise the profile of the area. In 2018 Tendring hosted the first ever on-road rally in England which was followed by a second event in 2019. This attracted significant media interest and had a positive impact on Clacton. Tendring also stages the annual Clacton Airshow, now in its 29th year, which attracts around a quarter of a million visitors each year.

There has been significant investment by both the public and private sector in tourism over recent years. Amongst others, there has been multi million pound investments into Clacton Pier, Clacton Pavilion and the Pier Hotel, Harwich. In addition to this, in 2014 the Council instigated a £36 million coastal defence project stretching from Clacton Pier to Holland on Sea in partnership with the Environment Agency. Not only has this protected the coastline, it has led to the creation of 23 new sandy beaches which provide a major opportunity for tourism development.

Tendring: A Tourism Industry 'on the up' (cont.)

The Coronavirus Pandemic has impacted significantly on the national and local economy and Central Government has recognised the specific challenges faced by the tourism industry. The core goals of this strategy will ensure the impending delivery plan will be focussed on supporting our local tourism businesses, to recover from their forced closures. Furthermore, with evidence suggesting that more and more people are less likely to travel abroad over the next few years there is potential to take advantage of this opportunity.

Clacton celebrates its 150th anniversary in 2021, which provides a strong hook for promotion during these challenging times. External funding to the value of £250k has been secured to develop a wayfinding trail, organise a mass participation event and develop a range of schemes/events to encourage visitors and residents to explore the heritage of our coastline. 2020 marked the 400th anniversary of the Mayflower's voyage to the New World. Harwich played a central role in this iconic story, with the ship and its Captain, Christopher Jones sailing from Harwich. Tendring has been working with ten national partners together with others in the USA and Holland to maximise the benefit of a projected 1.7 million additional visitors anticipated by this commemoration. Although the pandemic has disrupted the 'in year' opportunity for this opportunity, the US travel trade has indicated that all the planned trips will be postponed until it is deemed safe to travel.

The Council has increasingly worked closely with partners over recent years, in recognition that a holistic approach is the key to success. This has included working with the private sector in Clacton to develop the 'Love Clacton' promotional campaign and with the Harwich and Dovercourt Tourism Group, where key successes include the development of a new best in class town website and a Harwich brand for which has been adopted across the town. The latter is a consortium of public, private and voluntary sector organisations and chaired by a local business owner. This is considered to be a model which works in bringing together the key tourism related stakeholders to ensure that projects are developed by and for partners, with the Council often acting in the role of facilitator.

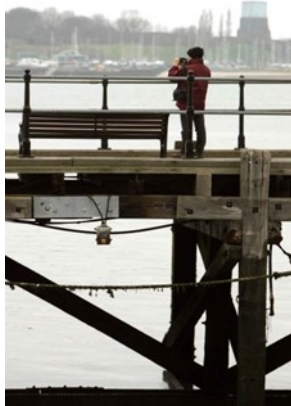
With 36 miles of coastline, a rich and entertaining history, beautiful countryside and award winning local restaurants, there's much to be discovered for visitors in Tendring. Through a concerted effort of effectively managing resources, tailoring promotional campaigns and importantly working with key partners, Tendring is well placed to meet the challenges of the current climate and continue to develop its tourism offer to further improve the sector's importance to the local economy.

SCOPE OF THE STRATEGY

This strategy covers the development and promotion of tourism in the Tendring District, with input and integration from partners in the private, voluntary and wider public sector. The high level strategic objectives within this plan, will inform a detailed delivery plan to set out the actions to be taken to achieve successful outcomes.

The following points are considered to be the drivers in developing this strategy:

- 1. Increase the volume and value of tourism**
- 2. Improve and consolidate existing markets and exploit new markets**
- 3. The delivery of this strategy must account for available resources, so innovation is paramount**
- 4. Progression can only take place through collaborative/partnership attainment**



VISION

“To develop tourism as a platform to improve the quality of our environment and the quality of Tendring life.”

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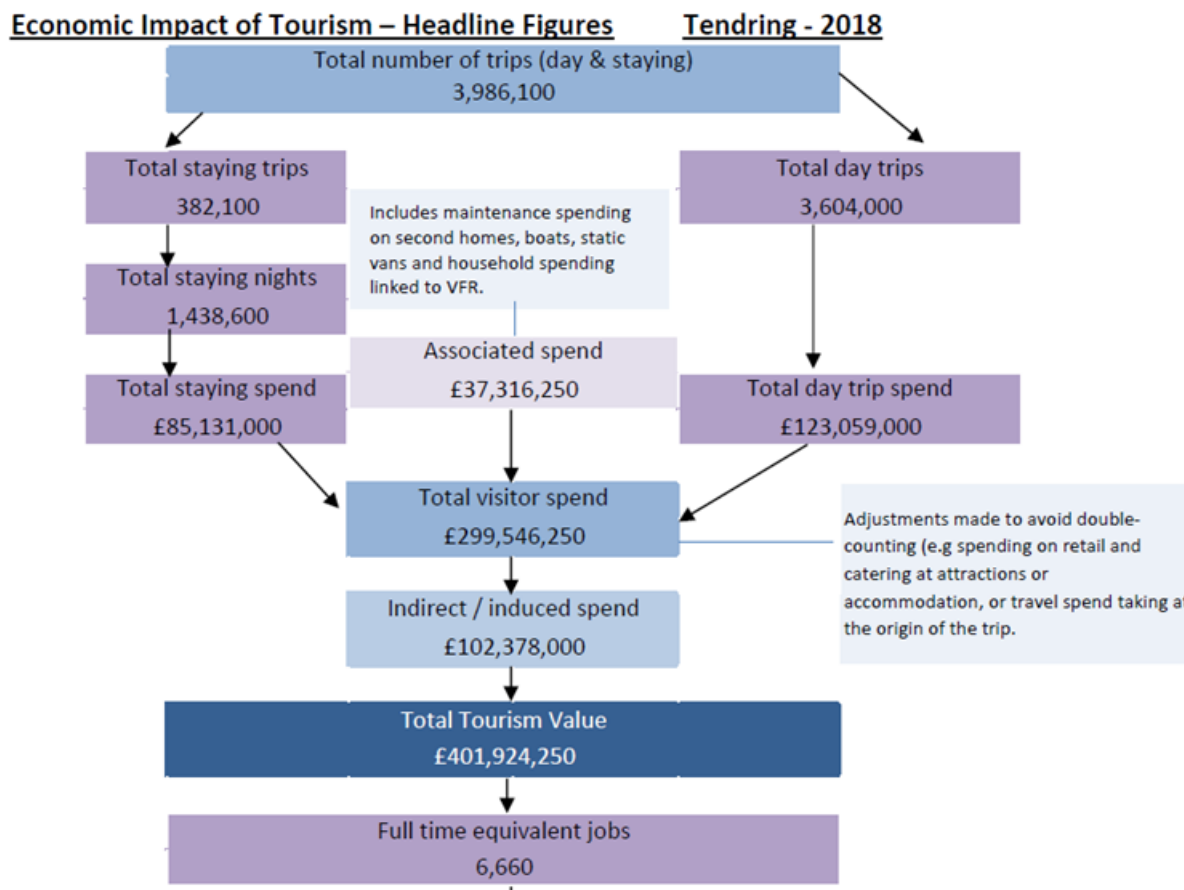
MISSION STATEMENT

“Grow the volume and value of tourism for the wider benefit of the Tendring economy and increase recognition of our brands. Work with partners to drive improvements to the local tourism offer for our residents and visitors”



TAKING STOCK

Each year a report is published, setting out the economic impact of tourism for the Tendring District. The results are derived using the Cambridge Economic Impact Model based on the latest data from national tourism surveys and regionally/locally based data. The following chart sets out the high level findings from the latest report for 2018, which is the latest available data (the reports are carried out in arrears).



CORPORATE ROAD MAP

The Council's Corporate Plan sets out the organisation's corporate goals and tourism is considered a key opportunity. Through the Council's role as community leader, a strong tourism economy will contribute towards the *following* targets set out in the document:

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

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These corporate priorities, have guided the strategic goals of this strategy, which are set out below:

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



STRATEGIC OBJECTIVES

These are the high level objectives which will measure the success of this strategy over its lifecycle.

Target	Details	Review Date
Increase visitor numbers	Work with the local Tourism Sector and wider partners to increase visitors numbers. Baseline data: <i>Total number of trips: 3,986,100</i> <i>Total number of day trips: 3,604,000</i> <i>Total number of staying trips: 382,100</i>	Dec 2026
Increase economic benefit	Work with the local Tourism Sector and wider partners to increase the economic benefit of tourism. Baseline data: £401,924,250	Dec 2026
Improve profile	Increase website hits by 5% Increase social media interaction by 20% Reach 10,000 App Users <i>Baseline Data:</i> <i>Website hits: 657,000</i>	Dec 2026
Improve partnership working	Set up and sustain 4 local partnership 'boards' to collaborate on driving forward tourism promotion	Dec 2026
Improve the visitor offer	Protect current high quality visitor attractions and visitor accommodation and work to increase available quality bed space	Dec 2026 and beyond

THE 10 POINT PLAN

The following high level plan will be used to deliver the strategy and will be underpinned by an annual delivery plan will be based on the 10 points set out in the table:

Priority	Details
1	Develop individual brand identity Recognise, embrace and promote the unique nature and selling points of the individual towns and destinations around the District. Where appropriate promote and develop existing brands, e.g. Love Clacton, Historic Harwich etc
2	Develop Events Programme Develop and sustain a quality District wide programme to attract visitors, extend the tourism season and to increase brand awareness through: 1.Quality in-house managed events, e.g. Clacton Airshow, Beside the Seaside, Tour de Tendring, Illuminate Festival Princes Theatre 2.Attract, facilitate and support quality externally delivered events
3	Promotion of the District/Digital Marketing Promote the District as a great place to visit. Develop resources to focus on digital marketing, through appropriate websites and social media channels, to include: Web development, Creative PR, TV/VOD and Social Media

The 10 POINT PLAN (continued)

Priority		Details
4	Improve tourism infrastructure	Work to develop the resident & visitor experience by improving presentation of key areas, wayfinding and enforcement where appropriate. Support and facilitate the private sector to invest in new opportunities which meet the objectives of this strategy
5	Develop/Improve Seafront Offer	Ensure the 27 miles of coastline in the District is maintained to the highest standards achievable within available resources and seek opportunities to develop seafront attractions to improve the resident and visitor offer
6	Private Sector Support	Provide guidance to private sector tourism providers/investors to support job creation. Work with partners to encourage new tourism attractions and improve existing facilities
7	Promotion of the District as an area for Outdoor Activities	Work with partners to improve infrastructure and raise the profile of the District as a destination for walking, cycling, water sports, dog walking and other outdoor activities.
8	Manage Resources	In order to focus long term planning, set up partnership boards of public, private and voluntary sector partners in key locations around the District. Actively seek external funding opportunities for projects which meet the aspirations set out in this strategy

THE 10 POINT PLAN (continued)

Priority Details		
9	Planning	Use the Tourism Strategy to guide Planning Policy to protect quality visitor attractions and visitor accommodation. Work with the private sector to attract new high quality tangible assets in our towns to attract and retain visitors. Work with the private sector to increase the number of high quality bed spaces.
10	Develop/Improve Heritage Offer	Work to create a tangible, bookable product to enhance and improve the resident & visitor experience. Develop and deliver a stand alone action plan for the long term development of the District's heritage assets and wider expansion into other heritage offers, e.g. Witchfinder Trails

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Appendix B: Work Programme 2021 - 2022

Priority		Actions
1	Develop individual brand identity	<p>Develop the Essex Sunshine Coast website and maintain updates to drive optimisation and to ensure the Council's digital content remains relevant. Maximise effectiveness and efficiency and highlight our tourism brand resulting in physical visits. Ensure that the website is easily accessible and user friendly and use as a tool to influence visitor's needs.</p> <p>Web: www.clactonairshow.com Web: www.essexsunshine-coast.org.uk</p> <p>Use digital media and limit any tradition print to the exception. Develop social media channels, and participate in targeted paid campaigns to further grow brand awareness, engage with audiences and increase audience reach to drive clicks to our main website and tourism offer. Linking in with partners for up to date content.</p> <p>Facebook: @TheSunshineCoastOfficial Instagram @EssexSunshineCoast Facebook: @ClactonAirshow</p> <p>Utilise Facebook Business Manager and link in with Twitter and Instagram pages, providing more regular and consistent content throughout. Linking in with partner brands of Love Clacton and Historic Harwich including having presence on all our Tourism pages.</p> <p>Develop Love Tending app – currently being redeveloped into a more user friendly interactive. Continually update the content, to include events and 'live' information about seafronts and visitor updates. This will include which beaches are crowded and car park updates.</p>

		Develop concerted campaigns about all the unique features of our visitor towns, which highlight their unique charms and reasons to visit.
2	Develop Events Programme	<p>If national guidelines allow, implement a 'Celebrate Tendring' initiative in 2021, to include an event which would celebrate Clacton's 150 year anniversary and the Harwich Illuminate Festival.</p> <p>Based on national guidance for mass participation events, make a decision on the 2021 Clacton Airshow prior to the end of May 2021. The alternative option, could be an aspiration to run an event during Autumn Half Term, subject to guidelines allowing this to take place.</p> <p>Host stage 5 of the Women's Tour, which forms a part of the prestigious UCI Women's WorldTour series. A high profile, globally recognised event showcasing our open spaces and aiding in the Districts economic recovery.</p> <p>Work with external organisers to facilitate a wider series of quality local events which (subject to national guidance) will take place throughout the 2021 and 2022 seasons. Following on from the Back to Business Delivery Plan, produce the criteria and promote seed funding for local event organisers to facilitate a high quality programme to support the Tendring tourism economy in its recovery.</p> <p>Deliver an art sculpture trail for Tendring, in the summer of 2021. This will serve to drive footfall for retail and tourism related businesses, with a key link to the Local Delivery Pilots scheme to encourage active travel around the District. Data collected for a previous local sculpture trail, shows 100,000 QR code scans – demonstrating the potential power of these projects.</p>
3	Promotion of the District/Digital Marketing	<p>Refresh web pages & social media – update content to make and staycation focused.</p> <p>Improvements to Love Clacton app making it user friendly and interactive providing more tailored visitor focused information and introducing instant updates on car park indicators and seafront related information.</p> <p>TDC led campaigns will include but not limited to Sea/Beach Safety raising awareness of key "Needs to</p>

		<p>know” when visiting our seafronts and staying safe.</p> <p>Encouraging staycation & domestic holidays and choose Tendring as a destination of choice.</p> <p>Open spaces – Highlighting places to explore & discover & the variety of what we have to offer such as green spaces, gardens, walks & trails, wildlife.</p> <p>Locals campaign highlighting things to see and do on your own doorstep encouraging people to support local tourism.</p> <p>Partner campaigns with Visit Essex including Coastal campaign, Live Local Love Local, Great adventures close to home.</p> <p>Develop a digital competition for the Top 10 places to photograph in Tendring</p>
4	Improve tourism infrastructure	<p>Following the successful bid to the National Lottery Heritage Fund, as outlined in the Back to Business report, deliver a project to celebrate the 150th anniversary of Clacton. This will provide new heritage features on the seafront between Jaywick Sands and Holland Haven, including the Town Centre. Furthermore, two additional members of staff could be recruited on a fixed term basis to promote and develop our seafront tourism offer.</p>
5	Develop/Improve Seafront Offer	<p>Following on from the Back to Business Delivery Plan, bring forward proposals for improvements to the District’s seafront offer and aspire to complete as many as possible prior to the high season. This will include improvement projects in the following locations, prior to the School summer Holiday period:</p> <ul style="list-style-type: none"> - Clacton/Holland on Sea - Harwich/Dovercourt Bay - Brightlingsea - Walton on the Naze - Frinton on Sea <p>Apply for a range of Blue Flag and Seaside Awards in the following locations:</p>

		<table><tr><td>Blue Flags:</td></tr><tr><td>Brightlingsea</td></tr><tr><td>Dovercourt Bay</td></tr><tr><td>Walton (on the Naze) Albion</td></tr><tr><td>Seaside Awards:</td></tr><tr><td>Brightlingsea</td></tr><tr><td>Martello Bay</td></tr><tr><td>Dovercourt Bay</td></tr><tr><td>Frinton on Sea</td></tr><tr><td>Walton on the Naze</td></tr><tr><td>Harwich</td></tr></table> <p>Carry out an in-house feasibility study on the work required to extend the number of Blue Flags for 2022 and beyond in the District, for means of tourism promotion.</p>	Blue Flags:	Brightlingsea	Dovercourt Bay	Walton (on the Naze) Albion	Seaside Awards:	Brightlingsea	Martello Bay	Dovercourt Bay	Frinton on Sea	Walton on the Naze	Harwich
Blue Flags:													
Brightlingsea													
Dovercourt Bay													
Walton (on the Naze) Albion													
Seaside Awards:													
Brightlingsea													
Martello Bay													
Dovercourt Bay													
Frinton on Sea													
Walton on the Naze													
Harwich													
6	Private Sector Support	<p>Under the Tendring 4 Growth banner, a specialist third party provider will be providing a comprehensive range of business engagement, support and outreach services to Tendring businesses</p> <p>A wide range of services and interventions will be offered, to include generic business support, business planning, cash-flow management, Covid safe working and recovery support, marketing and communications and support with funding applications. The tourism team will work with colleagues in Economic Growth to ensure this service is widely promoted to the tourism sector.</p>											
7	Promotion of the District as an area for Outdoor Activities	<p>Work with partners to improve infrastructure and raise the profile of the District as a destination for walking, cycling, water sports, dog walking and other outdoor activities.</p> <p>Develop promotional campaigns on outdoor activities, such as water sports, cycling, walking etc.</p>											

		Working with land owners, look into the feasibility of a rural cycleway
8	Manage Resources	Following on from the success of the Harwich and Dovercourt Tourism Group, work with public and private sector partners to develop two new Tourism collectives in Tendring in preparation for 2021 season.
9	Planning	<p>Focus of tourism development include:</p> <p>Both the Council's adopted and emerging Local Plans support growth in the tourism sector and the diversification of attractions and accommodation. The Council's emerging Local Plan is set to be adopted in late 2021 following examination and key policies within it include Policy PP8: 'Tourism' which gives general support proposals that would help improve the tourism appeal of the District to visitors; and Policy PP9 'Hotels and Guesthouses' which supports proposals for new hotels, guesthouses and other visitor accommodation as well as proposals to expand on existing provision whilst seeking to protect hotels and guesthouses from redevelopment to residential in town centres and seafront locations.</p> <p>Policy PP10: 'Camping and Touring Caravan Sites' and Policy PP11 'Holiday Parks' seek to safeguard camping, touring and holiday parks, encourage the modernisation of their accommodation, facilities and attractions and support their expansion in appropriate locations, with flood risk and ecology being key considerations. The Council's approach is informed by a recent study undertaken by specialist consultants Frontline in 2019/20 which recognised the important role that parks play in the local tourism economy and which recommended safeguarding sites from redevelopment to other uses and support their growth and sustainability as tourism assets – particularly as the current supply of accommodation is broadly meeting current levels of demand. The study also recommended promoting a mixture of owner occupied and rentable units on holiday park sites to widen their appeal and strengthen their economic viability.</p>

10	Develop/Improve Heritage Offer	<p>Develop the Mayflower 400 visitor offer in Harwich to attract visitors and work with international and local partners to extend and develop tourism markets. Open the following attractions with Mayflower links:</p> <ul style="list-style-type: none"> - Open the house of Christopher Jones to visitors - Open the Mayflower Visitor Centre - Mayors Garden - Blue Roundabout Project - Mayflower Trail & new Harwich Sign - Prepare for Mayflower Tours <p>Following preliminary feasibility studies, work with the Portfolio Holder to consider external funding bids for heritage assets in the District, including:</p> <ul style="list-style-type: none"> - The refurbishment of Clacton Victorian Lights - The refurbishment of Dovercourt Leading Lights
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Agenda Item 9

Resources and Services Overview and Scrutiny Committee 24 May 2021

OVERVIEW AND SCRUTINY PROCEDURE RULE 13 – SCRUTINY OF PROPOSED DECISIONS

(Prepared by Keith Simmons – forthcoming decisions published since 01/04/2021)

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

DESCRIPTION OF DECISION	KEY DECISION YES/NO	– DECISION MAKER	Decision Due Date
Acceptance of funding from health partners, To determine whether to accept funding from the North East Essex Clinical Commissioning Group East Suffolk North Essex Foundation Trust	YES	CABINET	18 Jun 2021
Financial Outturn 2020/21, To provide an overview of the financial outturn for the year 2020/21 and to seek approval of associated financial decisions related to the end of year accounting processes.	YES	Deputy Leader of the Council and Corporate Finance & Governance Portfolio Holder	21 Jun 2021
Clacton Town Centre: Bid to the Levelling Up Fund, Cabinet approval sought to submit a bid to the government's new 'Levelling Up Fund' in respect of Clacton Town Centre.	YES	CABINET	21 May 2021
Clacton Leisure Centre Artificial Grass Pitch	YES	CABINET	18 Jun 2021

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

<https://tdcdemocracy.tendringdc.gov.uk/mgDelegatedDecisions.aspx?RP=0&K=0&DM=0&HD=0&DS=1&Next=true&H=0&META=mgforthcomingdecisions&v=0&bcr=1>

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Resources and Services Overview and Scrutiny Committee
24 May 2021

RECOMMENDATIONS MONITORING REPORT
(Prepared by Keith Simmons)

Recommendation(s) Including Date of Meeting and Minute Number	Actions Taken and Outcome	Completed, follow-up work required or added to Work Programme
<p>Resources and Services Overview and Scrutiny Committee held on 22 June 2020 (Minute 62 refers)</p> <p>FINANCIAL PERFORMANCE REPORT: IMPACT OF COVID-19</p> <p>The Committee RECOMMENDED TO THE CABINET that:</p> <p>[...]</p> <p>(b) within the allocation of £4,000,000 for cliff stabilisation work, a District wide survey is commissioned this year to identify the implications for the Council of works and thereby assist in the resource considerations of the Council over the long term.</p> <p>[...]</p>	<p>On 11 September Cabinet approved:</p> <p>(a) That the RSOS Committee is thanked for the work they have undertaken; and</p> <p>(b) That Cabinet notes the comments raised, which will be considered as part of associated activities going forward.</p> <p>The Portfolio Holder for Corporate Finance and Governance made the following comments:</p> <p>[...]</p> <p><i>In respect of point (b), a lot of work is undertaken within the framework of the long term forecast in terms of keeping an eye on potential cost pressures that the Council faces, such as cliff stabilisation that the Committee refers to. Such considerations will continue to be an important element of the long term forecast in 2020/21 and beyond. In addition, the Council continues to support the approach of keeping work in-</i></p>	<p>The Resources and Services Overview and Scrutiny Committee on 21 September 2020 (Minute 85 refers) requested an update in relation to an item regarding the cliff stabilisation survey, to clarify whether the Portfolio Holder's response included a District-wide survey as recommended.</p>

	<p><i>house wherever possible, which has already proved a success with the management of previous cliff stabilisation work that has been completed on time and within budget.</i></p> <p><i>[...]</i></p> <p>On 27 April 2021 Council approved the use of the £1.5m beach recharge reserve to fully fund the proposed cliff stabilisation scheme (Minute 15 refers) involving three areas of cliff in Holland-on-Sea which had collapsed or been identified as likely to collapse.</p>	<p>At the Committee's meeting on 14 January 2021, it was advised:</p> <p>"The £4m capital allocation is for specific works to two slipped areas in Holland on Sea.</p> <p>A previous piece of high level consultancy linked to the recently completed cliff stabilisation package identified that all of the cliffs owned by the Council have low factors of safety and could be subject to future movement. In general secure slopes of this type would be at 18o and those owned by the Council are as steep as 30o in places."</p>
<p>Resources and Services Overview and Scrutiny Committee held on 21 September 2020 (Minute 86 refers)</p> <p>SCRUTINY OF THE WASTE AND RECYCLING COLLECTION SERVICE</p> <p>The Committee RECOMMENDED TO THE CABINET that</p> <p>1. that the Committee's recommendation from 17 February 2020 about waste minimisation information to residents</p>	<p>On 18 December 2020 Cabinet RESOLVED that the comments and recommendations of the Resources and Services Overview and Scrutiny Committee be noted and the comments of the Environment and Public Spaces Portfolio Holder, in response thereto, be endorsed.</p> <p>The comments of the PfH were as follows. <i>"I would like to thank the Chair and the Committee for their recommendations and I too share their ambitions and future aspirations for the waste and recycling services provided to the residents of Tendring by this authority.</i></p>	<p>It is the intention of this Committee to re-address some elements relating to the topic of waste, in particular the recycling collection, in the district in its 2021/22 Work Program.</p>

<p>(perhaps in the council tax leaflet) be repeated;</p> <p>2. that the Cabinet be invited to set the aspiration for this Council over the next four years to reach the mean level of recycling for all local authority districts in the East of England;</p> <p>3. that (further to (2) above) the aspirational information presented to the meeting be assessed and an action plan be developed to take the relevant ones forward in the short, medium and long term and aimed at achieving the aspiration referenced. This action plan to be submitted to this Committee for its overview.</p> <p>4. that work with primary schools on waste reduction, minimisation and recycling should start at the first practical opportunity and details of such involvement be passed to the relevant ward councillors in advance of such work commencing. Cabinet should also explore the possibility of funding for schools to support recycling efforts;</p> <p>5. that details of all bring sites be submitted to the Committee detailing the recycling available, the extent of use as far it is known, the collection frequency and the plans for improving them, the range of recycling to be made available to extend that provision and address any excess of use over capacity for it and the signage at</p>	<p><i>The officers continue to work tirelessly not only to improve and enhance our network of bring sites but to deliver projects over the period of the current contract which will provide residents with new opportunities to recycle more and reduce the amount of waste sent to Landfill.</i></p> <p><i>I also look forward to the appropriate time when they can engage with primary school students in promoting the key messages of waste reduction and recycling, a key message which hopefully once installed in to them at an early age will stay with them throughout their adulthood and perhaps even share with their parents.</i></p> <p><i>In relation to the aspiration to reach the mean level of recycling as compared against all local authorities in the East, with so many different waste and recycling arrangements in place, as Portfolio Holder we must ensure that any comparisons made to other authorities is based on a like for like basis and in doing so will provide us with a true and meaning comparison.”</i></p>	
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<p>those sites to be clear that side waste should not be left.</p>		
<p>Resources and Services Overview and Scrutiny Committee held on 21 September 2020 (Minute 87 refers)</p> <p>LEISURE PROVISION BY THE COUNCIL IN THE DISTRICT</p> <p>The Committee RECOMMENDED TO THE CABINET that</p> <ol style="list-style-type: none"> 1. the Committee, whilst noting the intentions of a sports and leisure strategy to be considered in early 2021, nevertheless requests that such strategy be brought forward as early as possible as it believes that the additional time will ensure that the strategy can address the issues facing the District, including encouraging people to progress from being fairly active to active and from inactive to fairly active and with provisions for those with disabilities. The Committee would welcome the early sight of the emerging strategy and the associated action plans to support delivery of that strategy. The strategy itself, should rightly address the position beyond COVID. 	<p>On 18 December 2020 the Cabinet RESOLVED that the comments and recommendations of the Resources and Services Overview and Scrutiny Committee be noted and the comments of the Leisure & Tourism Portfolio Holder, in response thereto, be endorsed.</p> <p>The comments of the PfH were as follows. <i>“The Portfolio Holder for Leisure and Tourism welcomes the comments of the Resources and Services Overview and Scrutiny Committee. The emerging Sports Facilities strategy has rightly been postponed until there is a stable operating position for our Leisure Facilities and robust, long term decisions can be made. The strategy will be subject to consultation with the committee as well as wider partners and stakeholders. The planned Leisure Centre refurbishment has been carefully prepared by appropriately skilled and experienced professionals and the specification of works will be robust and invite proposals for carbon reduction. The Committee will have noted the refurbishment of Clacton Skate Park was incorporated in the short term plans for the Council’s Back to Business report. Officers will now work with park users to take the project forward and meet the aspirations of local people. The Council has set out its objectives for branding in the draft Tourism Strategy, which</i></p>	<p>It is the intention of this Committee scrutinise Leisure in its 2021/22 Work Program.</p>

<p>2. the Committee notes that intentions for the redevelopment of Clacton Leisure Centre has been shelved for the end of this calendar year but reminds the Cabinet that this Committee has previously requested that the consultation with users should be undertaken and a detailed examination of the costs of the works be undertaken in order to secure value for money and a positive contribution to the Council's aims of reducing its carbon foot print.</p> <p>3. proposals around refurbishing the Clacton Skate Park be pursued and that the associated lessons from the site in Dovercourt as delivered to Harwich Town Council, be harnessed.</p> <p>4. the previous issue, of the vital importance of consistent and common branding as previously identified by this Committee in respect of tourism, should also be applied to leisure services in order to help promote the area and its facilities to both residents and visitors.</p> <p>5. all tenders for improvements to the Council's leisure facilities should contain a specific recommendation in respect of energy efficiency costs and savings and the long term impact of</p>	<p><i>will be finally considered in the New Year, following a period of consultation."</i></p>	
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<p>the carbon foot print of Tendring District Council.</p> <p>6. the Sports Facilities Strategy should focus on the District as a whole.</p>		
<p>Resources and Services Overview and Scrutiny Committee held on 14 January 2021 (Minute 116 refers).</p> <p>FINANCIAL FORECAST/BUDGET 20221/22</p> <p>It was RESOLVED that the CABINET be RECOMMENDED that:</p> <p>(a) In respect of future outturn positions on the Council's annual budget, to allocate as a priority any available underspend following permitted carry forwards to extend further the measures to achieve the Back to Business Agenda of the Council. Resources and Services Overview and Scrutiny Committee 14 January 2021</p> <p>(b) Further to (a), to establish a Business Roundtable for the District as part of the Back to Business Agenda and to inform that Agenda going forward.</p> <p>(c) To reassess all the current reserves, provisions and one off sums allocated by the Council to determine whether they were still required, relevant to the Council's Corporate Plan and the associated sum was at the appropriate level and:</p>	<p>The Cabinet had before it the following responses thereto which had been submitted by the Portfolio Holder for the Corporate Finance & Governance:-</p> <p>(a) <i>The allocation of any favourable outturn position each year will need to take into account a number of issues, including the funding of the Council's priorities, one being the very important back to business initiative. The allocation of this funding will therefore need to take into account the Council's wider financial position at the appropriate time.</i></p> <p>(b) <i>This would be something that I would be happy to support as part of the on-going development of the back to business initiative.</i></p> <p>(c) <i>The assessment of reserves, provisions and one-off budgets form part of the existing financial performance monitoring and budget setting processes throughout the year. They will therefore form part of these activities in 2021, which will include the reallocation of budgets as necessary,</i></p>	<p>It is the intention for the Committee to consider the outturn position at a future meeting of the Committee.</p> <p>Reference to the proposed Joint Panel looking at Town Centers, Back2Buisness and Tendring4Growth.</p>

<p>(i) to re-allocate sums such as those for the Clacton Town Centre Fountain and Residents Free Parking (where the cost has been incorporated in the base revenue budget) to more closely align with the Corporate Plan priorities of the Council.</p> <p>(ii) to identify the specific intentions for the £1.585M for Business Investment and Growth Projects reserve or otherwise look to reallocate that reserve.</p> <p>(iii) To allocate a further £56k to resourcing public realm improvements across the District (supplementing and extending the £44k set aside to fund '2 One year fixed term posts to support improvements to the overall appearance of the District') thereby allocating a total of £100k to this initiative in total.</p> <p>(iv) From the reallocation process, and in recognition of the additional £110k in recycling credits achieved by the Council in 2020/21, to identify £10k to improve recycling bring sites operated by the Council in the District to improve the attractiveness of those sites, signage at and to those sites and thereby further encourage their use and address relevant issues at those sites.</p> <p>(d) To request that proposals for use of the Tendring Community Fund be developed</p>	<p><i>where the specific funding allocations put forward by the Committee can also be considered.</i></p> <p><i>(d) Work is underway to progress this initiative.</i></p> <p><i>(e) This will be considered as part of the Back to Business initiative, along with the activities set out in the response to (c) above.</i></p> <p><i>(f) This is currently being considered as part of the 'audit' of the various funded projects and initiatives to ensure their delivery, which must be both timely and effective to maximise value for money for the Council.</i></p> <p>On 29 January 2021 Cabinet RESOLVED that the recommendations of the Resources and Services Overview and Scrutiny Committee be noted and the comments of the Corporate Finance & Governance Portfolio Holder, in response thereto, be endorsed.</p>	
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<p>swiftly so that these can be put in front of a meeting of the Portfolio Holder Working Party on the Tendring Community Fund without delay.</p> <p>(e) To identify whether existing funding in the revenue budget and reserves, provisions and one-off sums enables the Council to support measures adequately to address the mental health needs of the local population as we ultimately come out of covid-19 pandemic restrictions and if this is found to be insufficient to look to providing funding to achieve this.</p> <p>(f) To pro-actively assess and monitor the resources required to deliver a dynamic and expansive Tourism Strategy for the District (and the Year 1 delivery plan to accompany that Strategy) to maximise the advantage to the District as soon as covid-19 pandemic restrictions are lifted and extending beyond the normal summer season.</p> <p>It was further RESOLVED that:</p> <p>(a) The work underway in respect of 'auditing' one off sums and the schemes they are intended to fund and to review progress with this at the March meeting of the Committee. That this review should include details of the original decision to allocate the funds and an assessment as to whether the scheme is on target to be</p>		
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<p>delivered.</p> <p>(b) The receipt, allocation, timing and use of section 106 funds to support community infrastructure associated with development in the District be reviewed by the Committee as part of its work programme. Resources and Services Overview and Scrutiny Committee 14 January 2021</p> <p>(c) The Chairman of the Committee is requested to urge the Portfolio Holder for the Environment to undertake further efforts with Essex County Council and Highways England to secure a good level of cleaning on the A120 and A133 in view of the extensive uses of those roads and the impression given to visitors that litter is acceptable from the current level of rubbish alongside those roads.</p> <p>(d) That the Community Leadership Overview and Scrutiny Committee be invited to consider the mental health support to residents referenced above in recommendation to the Cabinet (e).</p>		
<p>Resources and Services Overview and Scrutiny Committee held on 14 January 2021 (Minute 117 refers).</p> <p>HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2021/2022</p> <p>It was RESOLVED that CABINET be RECOMMENDED to set a target level for</p>	<p>The Cabinet had before it the following responses thereto which had been submitted by the Portfolio Holder for the Corporate Finance & Governance:-</p> <p><i>A number of issues / actions were highlighted in the Housing Revenue Account Budget report that was considered by the Committee, which will be monitored as part of the quarterly financial</i></p>	<p>It is the intention of this Committee to consider the HRA in its 2021/22 Work Program.</p>

<p>reducing void periods in 2021/22 in the housing stock with a view to providing specific focus to those measures.</p>	<p><i>monitoring reports. The overall target is to return to the historic 'stable state' position of 2% over the coming year.</i></p> <p>On 29 January 2021 Cabinet RESOLVED that the recommendations of the Resources and Services Overview and Scrutiny Committee be noted and the comments of the Corporate Finance & Governance Portfolio Holder, in response thereto, be endorsed.</p>	
<p>Resources and Services Overview and Scrutiny Committee held on 1 February 2021 (Minute 123 refers).</p> <p>UPDATE ON HOUSING</p> <p>During the consideration of this matter it was RECOMMENDED to CABINET that:</p> <ul style="list-style-type: none"> the quarterly Housing Revenue Account monitoring report (and the Out-turn HRA report) should include specific detail on the spend and funding for housing acquisitions to that point in the year and comparable data from previous years. the Small Housebuilding Scheme Pilot the Council was participating in continue to be given the full support of the Council as a tangible measure to getting local construction firms back working at capacity and helping to provide good quality homes for local people. 	<p>The Cabinet had before it the following response thereto which had been submitted by the Portfolio Holder for Housing:-</p> <p><i>"It is great to have the Committee's support for our SME builder project, something that I am optimistic will enable us to deliver some new council homes – contributing to our 200home target - whilst at the same time supporting local firms. There is also a strong alignment to the Council's Back to Business initiative.</i></p> <p><i>Quarterly reporting on our spending on housing acquisitions is something that I support and I am told this can be incorporated into the existing reporting process relatively easily. Cabinet 19 February 2021 The Right to Buy does present a risk to any house building or acquisition programme. With careful budgeting the risk can be minimised but an extension of the cost floor to 30 years would prove to be enormously helpful. I therefore welcome the support for making further representations to Government in that respect."</i></p>	

<ul style="list-style-type: none"> • Representations be made, or continue to be made, to Government to adjust the Cost Floor Period for new Council Housing from 15 years to 30 years and thereby mitigate the risks to Council Housing supply from the “Right to Buy” and consequently positively contribute to the (re-) provision of Council Housing as an element of a vibrant mixed economy in housing. 	<p>Having considered the recommendations submitted by the Resources and Services Overview & Scrutiny Committee together with the Portfolio Holder for Housing’s response thereto:</p> <p>RESOLVED that the recommendations of the Resources and Services Overview and Scrutiny Committee be noted and the comments of the Housing Portfolio Holder, in response thereto, be endorsed.</p>	

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Resources and Services Overview and Scrutiny Committee (OSC)

Work Programme 2021/22

SCRUTINY PROPOSALS FOR THE REMAINDER OF NEXT MUNICIPAL YEAR

Article 6.01 of the Council's Articles and Rule 7 of the Council's Overview and Scrutiny Procedure Rules both require each OSC to submit a work programme for the year ahead and a review of the previous year's activities to the Annual Meeting of the Council for approval.

The Committee will need to determine its programme for scrutiny in 2021/22; including items covered, the scope of the programmed reviews and whether Portfolio Holders or others are to be invited to present to them. Specific information requirements of Councillors to undertake the programmed reviews should also be identified as should any Councillor development needs.

The following have been identified to this point:

Date of Committee Meeting	Broad topic for examination	Matter to be examined and the purpose of the examination	Relevant Portfolio Holder(s)/Outside bod(y)(ies)	Relevant TDC Officer
24 May 2021	Tourism	To scrutinise the draft Tourism Strategy as approved by Cabinet on 11 September 2020 and associated with this, the Committee will enquire in respect of: <ul style="list-style-type: none">Marketing of the varied activities, events and attractions across the district to audiences likely to be attracted to (or return to) the area to secure not just attendance at a specific event but to venture out and use other facilities/attractions. The market	Alex Porter	Mike Carren

		<p>segmentation evidence to support those decisions will also be considered.</p> <ul style="list-style-type: none"> • The positive contribution that a well maintained public realm; buildings, street furniture, cleaning and weed control on the visitor experience. • The Committee is interested to look at possible measures to drive up the quality of guest accommodation • In respect of disabled access, that access to beaches and the sea (and plans to extend it) will be discussed. The Committee would like to explore whether there is an opportunity for the area to be exemplar for disabled access to the coastal facilities/attractions. Associated provision of changing facilities will form part of this work. • Local 'wayfinding' information and signage, including consistent branding to attract use of facilities is a stream of work to be included in this review. • The support for water sports will be examined including the designation of specific areas for this and the sign posting of those areas. • The opportunities for group travel and the promotion of those will be looked at. <p>The development of a year round set of events to encourage out of season/a lengthened season approach to support tourism will be a topic for discussion.</p>		
	Treasury Report	To Scrutinise the Annual Capital and Treasury Strategy for 2021/22	C Guiglielmi	Richard Barrett

SCRUTINY TO BE PROGRAMMED

Topic	Detail and Comments	Lead Officer(s)

SCRUTINY UNDERTAKEN TO THIS POINT IN THE MUNICIPAL YEAR

Meeting Date	Topics	Detail

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RESOURCE AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE 24 MAY 2021

WORK TO BE CONSIDERED FOR WORK PROGRAM 2021/22

	Relevant Corporate Plan Theme/Annual Cabinet Priority	Information to be provided in advance	Those to be invited to attend	Articulated value of undertaking the review
<p><u>Possible Joint Panel with Community Leadership Overview and Scrutiny Committee</u></p> <p>Carbon Neutral by 2030. The assessment of measures to progress towards the policy unanimously agreed by Full Council and adopted into the Council's Policy Framework. How will these carbon reduction measures affect us and our partners financially (and is there a consequence for job numbers/skills of the individual measures)?</p>	A7 - Carbon Neutral by 2030			
<p><u>Possible Joint Panel with Community Leadership Overview and Scrutiny Committee</u></p> <p>Post COVID Regrowth Town Centres, Supporting them to survive and thrive (adapting to the post covid uses by residents and</p>	B6 - Effective planning policies B3 - Vibrant Town Centres D2 - Support existing businesses			

RESOURCE AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE 24 MAY 2021

WORK TO BE CONSIDERED FOR WORK PROGRAM 2021/22

visitors) and investment into those Town Centres. Revisit Tendring4Growth and see when and where the money is being spent. Back 2 Business- joined up thinking of skills, jobs and enterprise, in short medium and long term goals. Progress with the previously discussed Business round table proposal. The prioritisation of the funded projects and initiatives.				
TDC Enforcement in the district.	A6 - Effective Regulation and Enforcement			
Waste – Specifically waste material that is generated around the Waste Transfer Station and occurs along the A12 and A133. Public Litter bin provision (determination of such sites and gaps in provision), replacing damaged bins, bin emptying schedules and rotas. How will that provision accommodate increased litter due to increased visitor numbers during the	A6 - Effective Regulation and Enforcement			

RESOURCE AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE 24 MAY 2021

WORK TO BE CONSIDERED FOR WORK PROGRAM 2021/22

<p>usual tourism season and outside of that season (where popularity is increasing). Recycling bring sites – looking at previously discussed improvements and progress with these to ensure such sites are accessible, known about, the adequacy of the range of opportunities to recycle, the cleanliness of those sites and the recording of usage/provision of additional capacity.</p> <p>Progress of the recycling service growth.</p>				
<p>Disabled Facilities Grants – progress with the measures previously agreed and the occupational therapist support capacity to assess grant applications.</p>	<p>A6 - Effective Regulation and Enforcement</p>			
<p>Leisure centres and the Leisure Strategy – looking at the developing Strategy against previously discussed intentions for it and the implication for investment in Leisure provision locally</p>	<p>E5 - Sport England and Active Essex- for physical activity and wellbeing</p>			

RESOURCE AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE 24 MAY 2021

WORK TO BE CONSIDERED FOR WORK PROGRAM 2021/22

to address those areas where Tendring is below comparable averages in activity levels among the local community.				
VOIDS- The implementation of the new contractor to bring void Council House properties back into use and progress towards getting the level of voids/duration of properties being void down to the stated aim of 2% and whether this target itself is appropriate based on comparator authorities. This enquiry will also look at the logistics on voids and costings.	B5 - Building and managing our own homes			
Celebrating the Area's Heritage – what is being done, how much money the Council is investing in this and what are the outcomes of that investment.	D4 - Promote Tendring's tourism, cultural and heritage offers			
Seafront Expenditure Cliff stabilisation – Looking at the issue based on previous discussions around the risks and evaluating/surveying them	C1 - Balanced annual budget			

RESOURCE AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE 24 MAY 2021

WORK TO BE CONSIDERED FOR WORK PROGRAM 2021/22

to support financial decision making in the medium and long term, preventative maintenance measures to mitigate the risks of those cliffs with the greatest incline and assessing opportunities to look at introducing more access for the disabled from the upper promenade to the lower one when cliff stabilisation work is being undertaken.				
Beach Huts Beach recharge				
Use of Section 106 monies - where is it being spent across the District, what schemes are being supported through those monies, the process for monitoring use of such monies and the governance of choices of schemes/scheme details approval.	Building Sustainable Communities			
To examine the Council's communications strategy – using different media, utilising technology				

RESOURCE AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE 24 MAY 2021
WORK TO BE CONSIDERED FOR WORK PROGRAM 2021/22

efficiently, assessing the impact of communication				
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