



## CABINET

<b>DATE:</b>	<b>Friday, 17 September 2021</b>
<b>TIME:</b>	<b>10.30 am</b>
<b>VENUE:</b>	<b>Council Chamber - Council Offices, Thorpe Road, Weeley, CO16 9AJ</b>

### MEMBERSHIP:

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

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

**For further details and general enquiries about this meeting, contact Keith Simmons on 01255 686580**

DATE OF PUBLICATION: Thursday, 9 September 2021

## AGENDA

### **1 Apologies for Absence**

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

### **2 Minutes of the Last Meeting (Pages 1 - 8)**

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 25 June 2021.

### **3 Declarations of Interest**

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

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

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

### **5 Announcements by Cabinet Members**

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

### **6 Matters Referred to the Cabinet by the Council - Reference From Council - A.1 - Grounds Maintenance Service (Pages 9 - 14)**

To enable the Cabinet to consider a motion submitted by Councillor I J Henderson to the meeting of the Council held on 13 July 2021 relating to the Council's grounds maintenance service and which was referred to the Cabinet by the Chairman of the Council for further consideration, in accordance with the provisions of Council Procedure Rule 12.4.

### **7 Matters Referred to the Cabinet by a Committee - Reference from the Resources and Services Overview & Scrutiny Committees - A.2 - Scrutiny of the Tourism Strategy for Tendring (Pages 15 - 18)**

To enable the Cabinet to consider the recommendations made by the Resources and Services Overview & Scrutiny Committee following that Committee's consideration of the Tourism Strategy for Tendring.

### **8 Leader of the Council's Items - A.3 - Executive Decision(s) Taken As A Matter of Urgency (Pages 19 - 22)**

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

### **9 Leader of the Council's Items - A.4 - Freeport East Update & Business Rates Retention (Pages 23 - 30)**

To provide an update to Cabinet on progress with Freeport East, including the Council's support to the principals of Business Rates Retention within the Freeport East Tax Site, and the next steps required prior to formal Freeport designation.

**10 Cabinet Members' Items - Report of the Deputy Leader of the Council & Portfolio Holder for Corporate Finance and Governance - A.5 - Subsidy of Rents for Community Groups Eligible for the CAROS Scheme for the Financial Year 1 April 2021 to 31 March 2022 (Pages 31 - 34)**

To enable the Cabinet to consider not charging rents for community groups eligible for or within the Community Assets Rent Offsetting Scheme (CAROS) for one year; including deferring the effect of any rent rises due to rent reviews or lease renewals in order to support them re-opening and starting to operate again.

**11 Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.6 - Financial Outturn 2020/21 And Proposed Allocation Of The General Fund Variance For The Year (Pages 35 - 48)**

To seek approval of the allocation of the overall 2020/21 General Fund revenue variance and to provide an update on the Council's financial performance in 2021/22.

**12 Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.7 - Treasury Outturn 2020/21 To agree the treasury outturn position for 2020/21 (Pages 49 - 62)**

To report on the Council's treasury management activities and Prudential Indicators for 2020/21.

**13 Cabinet Members' Report - Report of the Partnerships Portfolio Holder - A.8 - North East Essex Health and Wellbeing Alliance update and acceptance of funding from health partners (Pages 63 - 94)**

To provide Cabinet with an update on the North East Essex Health and Wellbeing Alliance and to seek Cabinet's approval to accept funding offered to Tendring District Council from both North East Essex Clinical Commissioning Group and East Suffolk and North Essex Foundation Trust and the associated governance framework.

**14 Joint Report of the Deputy Leader, Portfolio Holder for Corporate Finance and Governance, The Portfolio Holder for Housing - A.9 - Freehold Purchase of a Residential Property and Confirmation of Authority for a Property Buy Back (Pages 95 - 116)**

To seek approval from Cabinet for the leasehold purchase of a two bedroom residential property in Walton on the Naze to meet local housing needs. In addition, to receive the Monitoring Officer's report regarding the omission in respect of a recent purchase and give consideration to confirming authorisation for a buy back of a three bed house in Dovercourt for house purposes.

**15 Management Team Items**

There are none on this occasion.

**16 Exclusion of Press and Public**

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

**17 Leader of the Council's Items - B.1 - Freeport East Update & Business Rates Rention (Pages 117 - 206)**

To supplement the Part A Freeport East Outline Business Case (OBC) report, this Part B report provides additional detail from the content of the submission and is supported by the full commercially sensitive draft business case.

**18 Cabinet Members' Report - Joint Report of the Deputy Leader, Portfolio Holder for Corporate Finance and Governance, The Portfolio Holder for Housing - B.2 - Freehold Purchase of a Residential Property and Confirmation of Authority for a Property Buy Back (Pages 207 - 210)**

Subject to Cabinet’s decision in Part A of this Agenda, to approve terms for the leasehold purchase of aforementioned property in Walton on the Naze.



**Date of the Next Scheduled Meeting**

*The next scheduled meeting of the Cabinet is to be held in the Essex Hall - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 8 October 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 CABINET,  
HELD ON FRIDAY, 25TH JUNE, 2021 AT 10.30 AM  
IN THE PRINCES THEATRE, TOWN HALL, STATION ROAD, CLACTON-ON-SEA,  
CO15 1SE**

**Present:** Councillors Neil Stock OBE (Leader of the Council)(Chairman), Paul Honeywood (Housing Portfolio Holder), Lynda McWilliams (Partnerships Portfolio Holder), Mary Newton (Business & Economic Growth Portfolio Holder), Alex Porter (leisure & Tourism Portfolio Holder) and Michael Talbot (Environment & Public Space Portfolio Holder)

**Group Leaders Present by Invitation:**

Councillors Jayne Chapman (Leader of the Independent Group), Ivan Henderson (Leader of the Labour Group), Gary Scott (Leader of the Liberal Democrats Group), Mark Stephenson (Leader of the Tendring Independents Group) and Gina Placey (Deputy Leader of the Tendring First Group)

**Also Present:** None

**In Attendance:** Ian Davidson (Chief Executive), Lisa Hastings (Deputy Chief Executive & Assistant Director (Governance) and Monitoring Officer), Damian Williams (Corporate Director (Operations and Delivery)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Anastasia Simpson (Assistant Director (Partnerships)), Ian Ford (Committee Services Manager), William Lodge (Communications Manager), Kai Aberdeen (Theatre General Manager (Technical)), Katie Wilkins (Human Resources and Business Manager) and Matt Cattermole (Communications Assistant)

**19. APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillor Carlo Guglielmi (Deputy Leader of the Council & Portfolio Holder for Corporate Finance and Governance) and Councillor Terry Allen (Leader of the Tendring First Group).

**20. MINUTES OF THE LAST MEETING**

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 21 May 2021, be approved as a correct record and be signed by the Chairman.

**21. DECLARATIONS OF INTEREST**

Councillor Placey (Deputy Leader of the Tendring First Group) declared a Personal Interest in respect of Agenda Item 10 (Report of the Partnerships Portfolio Holder – A.3 – Citizens Advice Tendring – Service Level Agreement 2021/22) insofar as she was a Trustee on the Citizens Advice Tendring Board.

**22. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL**

There were no announcements made by the Leader of the Council (Councillor Stock OBE) on this occasion.

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**23. ANNOUNCEMENTS BY CABINET MEMBERS****Roll out of Mental Health Well-being Hubs in Schools across the District**

The Portfolio Holder for Partnerships (Councillor McWilliams) was very pleased to announce that twenty-one schools in Tendring and Colchester were opening up new Wellbeing Hubs after a successful pilot scheme at Great Bentley Primary School. That School, working in partnership with Tendring District Council (TDC), had first launched its wellbeing hub in April 2017 in order to provide a focus on its pupils' wellbeing and help them to thrive, initially running as a six month trial. Following that pilot and its evaluation, which had shown that it had been successful, the North East Essex Health & Wellbeing Alliance (the Alliance) had granted £245,000 from its Investment Fund in order to roll-out the scheme across the District to 21 more schools. Delayed by Covid, all of the relevant training was now in place and baseline data collected, and the 21 school hubs had officially opened. A ribbon cutting ceremony had been held at Great Bentley Primary School on Monday 21 June to mark the transition from pilot to permanent initiative.

Councillor McWilliams stated that she had been very impressed by the scheme and informed Cabinet that the Great Bentley hub was an after school facility, where children with mild to moderate mental health issues were supported in group activity around the themes of play, art, construction, and science, gaining a "rucksack of skills" to help them understand self and learn skills to take them forward into secondary school and beyond. She reported that feedback from the children had included: "I have someone to talk to now – so my worry seems smaller"; "I understand that anxiety is normal but it doesn't stay for ever and I have ways to work with it"; "Learning how to use my breath has really helped"; and "Just knowing someone cares and is there for me makes things a whole lot better".

Councillor McWilliams also informed Cabinet that, in addition, the hub also offered information sessions for parents and carers covering topics such as sleep, nutrition and behaviour management. She further reported that Tracey Caffull, the Executive Head Teacher at Great Bentley Primary School, had stated the hub had made such a positive impact on young people's lives by both supporting pupils with tailored sessions that had helped them develop an awareness of self, the skills to gain confidence and strategies to support but also engaging with parents to ensure children received enough sleep, a good diet and consistent responses from the adults around them.

Councillor McWilliams then responded to a question asked by Councillor I J Henderson in relation to waiting times for children to see a counsellor after the initial assessment of their mental health issues by confirming that he would receive a written response.

**Octopus Ahoy!**

The Portfolio Holder for Leisure & Tourism (Councillor Porter) informed Cabinet that the "Octopus Ahoy!" street art trail had officially gone 'live' that morning. There was an 'app' available to download which included sites across the District for children to find and win prizes.

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

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

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

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

**26. LEADER OF THE COUNCIL'S ITEMS - A.1 - EXECUTIVE DECISION(S) TAKEN AS A MATTER OF URGENCY**

The Cabinet gave consideration to a report of the Leader of the Council (A.1) which notified Members of recent urgent Executive Decision(s) taken by the Leader of the Council on behalf of the Cabinet.

The Cabinet recalled that, as part of the Council's response to the COVID-19 public health emergency the Council's Monitoring Officer had produced a formal "Note on Decision Making Business Continuity Arrangements" which had set out the ways in which the normal operational business of the Council could continue in relation to decisions which would normally be referred to Cabinet, Council or Committees.

In relation to Cabinet decisions the Monitoring Officer's formal Note, as issued on 20 March 2020, had contained, inter alia, the following information and advice:

*"The Constitution requires certain matters to be decided by Cabinet collectively. The Leader of the Council may exercise any of the powers delegated to the Cabinet:*

*a. Following a resolution of the Cabinet (subject to the Constitution), or*

*b. In cases of urgency, in consultation with the Monitoring Officer and/or Section 151 Officer.*

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

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

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

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

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

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

Members were reminded that the decision taken as a matter of urgency had related to:-

*“Additional Restrictions Business Grant Scheme [Published 7 June 2021]”*

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

Having considered the contents of the report:

It was moved by Councillor Stock OBE, moved by Councillor P B Honeywood and:

**RESOLVED** that –

- (a) the contents of the report be noted; and
- (b) the urgent decision taken by the Leader of the Council on behalf of the Cabinet, as detailed in this report, be formally endorsed.

**27. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.2 - ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2021/22 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)**

Cabinet had before it a report of the Corporate Finance & Governance Portfolio Holder (A.2) which sought its approval of the Annual Capital and Treasury Strategy for 2021/22 (including Prudential and Treasury Indicators) for submission to Council on 13 July 2021.

It was reported that the Local Government Act 2003 and supporting regulations required 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 set 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 had been issued in December 2017.

Members were reminded that, from 2019/20 the Capital Strategy had been combined with the Treasury Strategy into one document, which was required to be updated/approved annually.

Cabinet recalled that the Corporate Finance and Governance Portfolio Holder had approved the Annual Capital and Treasury Strategy for 2021/2022, including the Prudential and Treasury Indicators, on 7 April 2021 for consultation with the Resources and Services Overview and Scrutiny Committee.

It was reported that the Resources and Services Overview and Scrutiny Committee had considered the Strategy at its meeting held on 24 May 2021. Their comment along with the response of the Portfolio Holder for Corporate Finance and Governance was as follows:

Comment of the Resources and Services Overview and Scrutiny Committee

*The Committee recommended that Cabinet approves the submission of all schemes for which there were reserve provisions and one off funds set aside, be subject to the assessment set out in the draft Annual Capital and Treasury Strategy 2021/22 and presented to the Officer Project Board to determine whether the funding should be released.*

PFH Response

*“This will effectively form part of the review of all key projects and activities that is currently underway as part of the accelerated delivery programme.”*

The Leader of the Council (Councillor Stock OBE) formally thanked the Resources and Services Overview & Scrutiny Committee for reviewing the Strategy and for its comment.

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

- whether the Council’s project to build 10 new Council owned homes in Jaywick Sands had been subject to evaluation in respect of its value for money; its expected return on the capital investment and an impact assessment.

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

Having considered the Strategy and the proposals contained therein:-

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

**RESOLVED** that Cabinet –

- a) notes the outcome from the Resources and Services Overview and Scrutiny Committee meeting on 24 May 2021 and agrees the response thereto from the Portfolio Holder for Corporate Finance and Governance; and
- b) agrees that the Annual Capital and Treasury Strategy for 2021/22 (including Prudential and Treasury Indicators), attached within Appendix A to item A.2 of the Report of the Corporate Finance & Governance Portfolio Holder, can be submitted to Council for its approval.

28. **CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.3 - CITIZENS ADVICE TENDRING - SERVICE LEVEL AGREEMENT 2021/22**

Earlier on in the meeting Councillor Placey (Deputy Leader of the Tendring First Group) had declared a Personal Interest in respect of this item insofar as she was a Trustee on the Citizens Advice Tendring Board.

The Cabinet gave consideration to a report of the Partnerships Portfolio Holder (A.3) which sought its agreement to an updated Service Level Agreement (SLA) with Citizens Advice Tendring (CAT) for 2021/22.

It was reported that Tendring District Council had provided grant funding to CAT backed by an annually agreed SLA, for a number of years. This arrangement supported the provision of free, confidential and impartial advice to residents across a wide range of issues. Since 2013/14, the core grant awarded each year had been £144,000, payable in two instalments of £72,000.

Members were made aware that, during the Covid-19 pandemic, CAT had remained a vital information and advice service to the residents of Tendring. They had helped many people navigate their way around both established and entirely new challenges such as furlough, Government schemes for the self-employed, redundancy, claiming benefits, dealing with debt, accessing food and services and housing issues. The CAT team also now included a Warm Homes Adviser. This was a 2 year funded post to assist clients with income generation, accessing energy grants, switching suppliers and insulation advice.

Cabinet was advised that Schedule 2 (2.8) of the 2020/21 SLA provided for reductions in CAT core services beyond their control. On 31 March 2020, CAT had reported that they had been operating a reduced service since 16 March 2020 due to the Covid-19 outbreak and subsequent lockdown. This had involved an envisaged temporary cessation of all face-to-face advice. Advice staff had been deployed to remote home working, providing advice via email, telephone and in writing. The CAT's office closures and suspension of services at their outreach sites had remained in force since that time. CAT had seen the departure of a significant number of volunteers during the course of the pandemic but had recently recruited a number of new volunteers and were in the process of undertaking intensive training with those individuals.

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

It was moved by Councillor McWilliams, seconded by Councillor Talbot and:-

**RESOLVED** that -

- a) Tendring District Council enters into a Service Level Agreement with Citizens Advice Tendring for a further year from 1st April 2021 on the terms and conditions, as set out in the updated agreement shown in Appendix C to item A.3 of the Report of the Partnerships Portfolio Holder; and
- b) authorises the Assistant Director (Partnerships) to sign the agreement on the Council's behalf.

**29. MANAGEMENT TEAM ITEMS**

There were none on this occasion.



**30. EXCLUSION OF PRESS AND PUBLIC**

It was moved by Councillor Stock OBE, seconded by Councillor McWilliams and:-

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

**31. EXEMPT MINUTE OF THE MEETING HELD ON FRIDAY 21 MAY 2021**

It was **RESOLVED** that the exempt minute of the meeting of the Cabinet, held on Friday 21 May 2021, be approved as a correct record.

The Meeting was declared closed at 10.48 am

**Chairman**

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<b>Key Decision Required:</b>	<b>No</b>	<b>In the Forward Plan:</b>	<b>No</b>
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## CABINET

17 SEPTEMBER 2021

### REFERENCE FROM COUNCIL

#### A.1 **GROUNDS MAINTENANCE SERVICE** (Report prepared by Ian Ford and Ian Taylor)

#### PART 1 – KEY INFORMATION

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

To report to Cabinet a motion submitted at the meeting of the Council held on 13 July 2021.

##### **EXECUTIVE SUMMARY**

This report sets out a motion submitted by Councillor I J Henderson to the meeting of the Council held on 13 July 2021 relating to the Council's grounds maintenance service and which was referred to the Cabinet by the Chairman of the Council for further consideration, in accordance with the provisions of Council Procedure Rule 12.4.

The motion expresses concern about the performance of the Council's open space and horticultural functions. A fuller outline of the extent of these functions is set out in the Service Information section of this report including:

- Maintenance to: over 800 different sites in the District, including, open spaces, parks, recreation grounds which include significant numbers of sports pitches, seafront gardens, highway verges, cemeteries and crematorium grounds.
- Floral bedding of over 250,000 plants each year.
- Arboriculture inspections and works to over 5,500 trees and woodland management of ancient woodlands and other woodland areas.
- The management of a diverse range of dynamic natural environment including the management of Hamford Water and Walton Backwaters and country parks
- The grass verge, highway tree maintenance and highway weed spraying on behalf Essex County Council including as many as eight additional cuts over the two cuts per year funded by ECC
- The service has received awards for excellence across many of its service areas including sports pitch maintenance, garden shows, nature conservation, parks, seafront gardens and crematorium grounds.
- The summer, or growing, season 2021 has been a particularly challenging year due to unusually wet and warm weather giving rise to growing conditions way above normal.
- Despite this, the public have been understanding and in many areas such as cemeteries, complaints are down on previous years.
- The open space / grounds maintenance service in Tendring has also continued to

initiate new projects to improve public realm areas in Tendring, many of them in the Harwich and Dovercourt area, as well as developing new initiatives such as the expansion of the volunteer gardener team across Tendring.

- The service has also received many compliments from visitors and local residents on the quality of visitor areas.

## RECOMMENDATION

**That, following the explanation of the motion, the Cabinet decides whether to recommend, or not, that the Council should support the motion in its original format.**

**If the Cabinet decides to advise the Council that in its opinion the motion should not be supported in its original format it may, in addition, suggest to Council that an amended motion be proposed.**

## PART 2 – SUPPORTING INFORMATION

### BACKGROUND

At a meeting of the Council held on 13 July 2021 (Minute 50 refers), the following motion was moved by Councillor I J Henderson and seconded by Councillor Allen and, in accordance with Council Procedure Rule 12.4, stood referred to the Cabinet for further consideration:

*“That this Council accepts that its ground maintenance service is failing the tourist economy of the Tendring District as the lack of regular grass cutting and weed clearance is resulting in a negative visual impact for those seeking to enjoy Tendring’s Sunshine Coast.*

*It is further proposed that the necessary resources are immediately made available to ensure that Tendring’s coastal resorts present a positive visual impact throughout the 2021 summer season and that a review of the grounds maintenance policy then takes place to ensure that this issue does not reoccur in future years.”*

### CURRENT POSITION

In accordance with Council Procedure Rule 12.6 (Referred Motions – Right of Mover to Attend Meeting), Councillor I J Henderson has been notified to attend the meeting to answer any questions and/or points of clarification, if requested.

### FURTHER INFORMATION BY WAY OF BACKGROUND AND CONTEXT

### LEGAL

The Council’s Grounds Maintenance Service is an executive function in accordance with The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended), as set out in Part 3 (Responsibility of Functions - Scheme of Delegated Powers) of the Council’s Constitution.

Council Procedure Rule 12.5 (Referral of Motions) states that:-

*“Where a motion has been referred in accordance with Rule 12.4 the Cabinet or any relevant Committee shall (subject to the provisions of Rule 12.6) be required to consider such motion and to advise the Council (by no later than the second Ordinary Meeting of the Council held following the date of Council’s referral\*) of their opinion and reason as to whether such motion should be supported in its original format.*

*Prior to making its decision Cabinet or the relevant Committee may following consultation with Officers, require further information to be presented to them for consideration on the implications of the proposed motion. Such a report must be considered in a timely manner.*

*If the Cabinet or relevant Committee decides to advise the Council of its opinion that such motion in its original format should not be supported, the Cabinet or relevant Committee may, in addition, suggest to the Council that an amended motion be proposed.*

*Once Cabinet or any relevant Committee has considered the motion it will be referred back to Council with the recommendation. If an amended motion is proposed by Cabinet, or relevant Committee, when presented back to Council, the amended motion will be debated first, in accordance with Rule 16.5 and Rule 16.10 (b).”*

\* In this instance the relevant Full Council meeting is on 30 November 2021.

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

## **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**

There are none.

### **Equality and Diversity**

There are none.

### **Health Inequalities**

There are none.

### **Consultation and Public Engagement**

Not applicable.

### **Carbon Neutrality**

No adverse impact overall.

### **Area or Ward Affected**

All Wards are potentially affected.

## **Service Matters**

The Open Space, Nature and Arboriculture service within Public Realm provides maintenance to:

- Over 800 different sites in the District, including, open spaces, parks, recreation grounds which include significant numbers of sports pitches, seafront gardens, highway verges, cemeteries and crematorium grounds.
- Floral bedding of over 250,000 plants each year in various locations.
- Arboriculture inspections and works to over 5,500 trees and woodland management of ancient woodlands and other woodland areas.
- The management of a diverse range of dynamic natural environment including the management of Hamford Water and Walton Backwaters as well as the provision of a seasonal water based warden's service.
- Brook Country Park, Clacton, Holland Haven Country Park, Holland on Sea, and The Naze, Walton.

The grass verge, highway tree maintenance and highway weed spraying is delivered on behalf of the Highways Authority, Essex County Council by means of a grant agreement.

The agreement provides payment to Tendring District Council for one full cut to all the highway verges in the District during the growing season between early May and late September plus a further second cut of all the highway verges in the autumn between 1st October and the end of November.

All other cuts of grass verges, (which can be as many as eight further cuts) are carried out and paid for by the District Council.

The weed spraying of all roads and verges is conducted twice annually, once in June and another in late August / September.

The service has received awards for excellence across many of its service areas including sports pitch maintenance, garden shows, nature conservation, parks, seafront gardens and crematorium grounds.

The summer, or growing, season 2021 has been a particularly challenging year due to the combination of cold early spring temperatures holding back growth, a very wet May followed by a rapid warming in June during the month of longest daylight hours.

This gave rise to growing conditions way above normal or average and the season has continued in the wet, warm growing cycle throughout August.

This combined along with the challenges presented by various lockdowns and the requirement for staff to isolate on occasions as well as to adapt to single occupancy of vehicles for a period has meant that grounds maintenance services in most local authorities have reported difficulties this year.

Despite this, the public have been understanding and in many areas such as cemeteries, complaints are down on previous years.

The open space / grounds maintenance service in Tendring has also continued to initiate new projects to improve public realm areas in Tendring, many of them in the Harwich and Dovercourt area, as well as developing new initiatives such as the expansion of the volunteer gardener team across Tendring.

This volunteer team has provided many more people with the opportunity to meet other like-minded people, to undertake physical exercise and to help improve the area they live in as well as in many cases their general wellbeing.

The volunteer team has expanded the number of workers available to help.

The service has also received many compliments from visitors and local residents on the quality of visitor areas.

It is also important to highlight that when we do experience such weather conditions mentioned above, consideration is given to the potential additional resources required to respond. With this in mind, the Portfolio Holder for Corporate Finance and Governance set aside £163k as part of agreeing the outturn position for 2020/21 to respond to a number of seasonal issues such as cleaning and cutting, especially in light of the expected increase in 'staycations' this year.

#### **BACKGROUND PAPERS FOR THE DECISION**

Published Minutes of the meeting of the Full Council held on 13 July 2021.

Photographs of Tendring Visitor Areas 2021.

#### **APPENDICES**

None

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## CABINET

17 SEPTEMBER 2021

### REFERENCE REPORT FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE

#### A.2 SCRUTINY OF THE TOURISM STRATEGY FOR TENDRING

(Report prepared by Keith Durran)

##### **BACKGROUND**

At its meeting held on 24 May 2021 (Minute 6 refers) the Resources and Services Overview & Scrutiny Committee (“the Committee”) was advised that, at its meeting on 21 May 2021 Cabinet had approved that the Tourism Strategy now be presented to the Committee. This had followed public consultation on the proposed Strategy in 2020. That five year Tourism Strategy replaced the previous version for Tendring, which had expired in 2016.

Key statistics and points presented to the Committee on the Strategy were:

- Tourism was estimated to be worth more than £402 million to Tendring, and was responsible for over 8,980 jobs, equivalent to 17.9% of the District’s employment. To put matters into perspective, tourism had increased in value to the local economy by £115 million since the previous strategy was written in 2010;
- The coronavirus pandemic had impacted significantly on the local tourism industry and that strategy was tailored to extend ‘back to business’ support towards the recovery of the sector;
- The strategy set out a 10 point plan for delivery of the following objectives:
  1. Wealth creation
  2. Job creation
  3. Quality of life for local people
  4. Long term growth of the tourism sector
- That strategy recognised that Tendring had wide attraction, that its towns and villages all had their own unique features, tourism offer and charm. It was important that the Council worked with partners to develop those unique selling points and promoted all of the District’s component parts. From beautiful coastlines and visitor attractions, to picturesque countryside and heritage of international significance; the power of Tendring’s tourism offer was in the diversity of its destinations and that should be embraced and marketed accordingly;
- There had been significant private sector investment in the local tourism industry in recent years, including multi million pound investment into some of Tendring’s key attractions. That had improved the quality of the District as a visitor destination and demonstrated local confidence and commitment to raising standards;
- The Council had invested in major projects such as the £36m Coastal Defence scheme for Clacton and Holland, creating tangible tourism assets in Harwich for Mayflower 400, had developed a scheme to celebrate the 150th anniversary of Clacton on Sea and public realm schemes to improve the appearance of the District;

- Furthermore, the Council had invested resources into both organising and facilitating an expanding quality events programme in recent years. Built on the success of the nationally recognised Clacton Airshow and Harwich Illuminate, event organisers had felt empowered to bring events of national significance such as The Tour of Britain and the first 'on road' Motor Rally in England and Wales, to the Tendring District;
- The strategy recognised that tourism was a fast moving, agile economy and the Council was one partner in ensuring long term success. As such, that strategy had greater emphasis on the Council's role of facilitation than its predecessor;
- The strategy was accompanied by a work programme for 2021/22, which set out actions the Council would take to deliver its strategic aims. It was recognised that the work programme was a live document and would adapt to a changing environment.
- During the discussion, one issue that was referenced was that the oldest known painting of the flag of the USA was hung on a wall in Harwich.

## **RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE'S RECOMMENDATIONS TO CABINET**

After a detailed discussion the Committee had **RECOMMENDED** to Cabinet that it:

- consider the opportunities for working in partnership with local businesses prioritising such services as hotels/bed and breakfast operators to encourage visitors participating/attending or visiting events in the District to stay locally and use the services of those local businesses (potentially with discounts offered by those businesses).
- harness opportunities to those attracted to specific places/events locally to be supported to revisit by sharing other places/events locally including those using the book of the Holland Ferry, creating a dedicated visit Tendring website where the separate charms of the District can be brought together, using QR codes to encourage visits to such a website and to local heritage sites.
- take additional measures to improve the cleanliness of the District including messaging around "Respecting the district by using the area responsibly" through education encouragement and enforcement to ensure visitors are encouraged back rather than being putt-off by unsightly rubbish and over full bins.
- consider once again the previous recommendation of the Committee (minute 87 of 21 September 2020 refers) for consistent and common, highly visible branding of events and facilities provided/supported by the Council to ensure that those attending these events/facilities are made aware of the Council's role in producing/supporting the same.
- examine measures to offset the carbon footprint of the Clacton Air Show, which uses over 100,000 litres of Jet Fuel and generates 275 tonnes of CO<sub>2</sub>, including the options perused by the Bournemouth Air Festival whereby trees were planted for each tonne of carbon used at the Air Show.
- note the intention of the Portfolio Holder for Leisure & Tourism to consider promoting details of bridleways that traverse the District.

**PORTFOLIO HOLDER COMMENT(S) AND RECOMMENDATION(S) TO CABINET**

*“I would like to thank the Committee for its views and where possible, suggestions will be built into the work programme for the delivery of the strategy. Further to this, I would suggest the Committee set up task and finish groups to look in detail at how some of the suggestions could be delivered in practice. In particular, the carbon offsetting of the Clacton Airshow and how further improvements can be made to improve cleanliness. I look forward to seeing the results of the in-depth scrutiny by the Committee in these areas and welcome further thorough scrutiny that results in an improved strategy.”*

**Recommendation(s) to Cabinet**

That the Resources & Services Overview and Scrutiny Committees be thanked for the views submitted and that the comments of the Portfolio Holder in response thereto be endorsed.

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

17 SEPTEMBER 2021

### REPORT OF THE LEADER OF THE COUNCIL

#### A.3 **EXECUTIVE DECISION(S) TAKEN AS A MATTER OF URGENCY** (Report prepared by Ian Ford, Committee Services Manager)

#### PART 1 – KEY INFORMATION

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

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

##### **EXECUTIVE SUMMARY**

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

##### **RECOMMENDATIONS**

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

#### PART 2 – SUPPORTING INFORMATION

##### **BACKGROUND**

As part of the Council's response to the COVID-19 public health emergency the Council's Monitoring Officer produced a formal "Note on Decision Making Business Continuity Arrangements" which set out the ways in which the normal operational business could continue in relation to decisions which would normally be referred to Cabinet, Council or Committees.

In relation to Cabinet decisions the Monitoring Officer's formal Note included, inter alia, the following information and advice:-

*"The Constitution requires certain matters to be decided by Cabinet collectively. The Leader of the Council may exercise any of the powers delegated to the Cabinet:*

- a. *Following a resolution of the Cabinet (subject to the Constitution), or*
- b. *In cases of urgency, in consultation with the Monitoring Officer and/or Section 151*

Officer.

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

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

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

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

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

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

## **DECISION(S) TAKEN AS A MATTER OF URGENCY**

### **Redevelopment of the Honeycroft site, Lawford [Published 20 July 2021]**

**Decision:** *“That the Leader of the Council, acting on behalf of the Cabinet, hereby agrees that:*

1. *the Honeycroft site, Lawford be redeveloped with bungalows retained within the Council’s housing stock and designated for letting to older persons;*
2. *the Corporate Director (Operations & Delivery), in consultation with the Housing Portfolio Holder, be authorised to make arrangements for a topographical survey of the site and to initiate discussions with a neighbouring land owner over a possible exchange of land;*
3. *the Corporate Director (Operations & Delivery), in consultation with the Housing Portfolio Holder, be authorised, (in accordance with the Cabinet’s previous decision taken on 23rd April 2021 that delegated authority to him to continue a process of engagement with the SME sector to deliver Council housing in the District), to invite tenders on the basis of a design and build project to provide around 20 additional*

*bungalows on the site;*

4. *the Corporate Director (Operations & Delivery), in consultation with the Housing Portfolio Holder, be authorised to submit a funding bid to the Homes England Affordable Homes Programme 2021 – 2026 for grant funding towards cost of the development; and*
5. *a budget of up to £50,000 be allocated from the HRA capital programme 2021-22 to fund necessary site surveys, legal expenses and other ancillary expenses.”*

**Clacton Leisure Centre Artificial Grass Pitch [Published 20 July 2021]**

**Decision:** *“That the Leader of the Council, acting on behalf of the Cabinet:*

- a) *approves the refurbishment of the Artificial Grass Pitch at Clacton Leisure Centre with a total capital cost of £668,751 and delegates project delivery to the Assistant Director (Economic Growth & Leisure);*
- b) *accepts the funding offer from the Football Foundation to the value of £343,751 towards the total project costs;*
- c) *allocates the funding balance of £325,000 towards this project, from the agreement with Essex County Council for the land swap arrangement for a section of Vista Road Playing Field;*
- d) *agrees that the project be included within the 2021/22 General Fund Capital Programme;*
- e) *authorises the Assistant Director (Economic Growth and Leisure), in consultation with the Deputy Chief Executive & Monitoring Officer, to agree the terms and conditions of the funding agreement with the Football Foundation, as set out in the Appendix to the Leisure & Tourism Portfolio Holder’s report;*
- f) *notes that it had been intended if the Cabinet meeting had been able to take place that the aforementioned report would have been amended to be a joint report of the Leisure & Tourism Portfolio Holder and the Corporate Finance & Governance Portfolio Holder; and*
- g) *agrees, that following the procurement process, the contract be awarded to Limonta Smith JV Ltd, for the installation of a new 3G artificial grass pitch at Clacton Leisure Centre.”*

**BACKGROUND PAPERS**

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

Executive Decisions taken by the Leader of the Council published on 20 July 2021.

**APPENDICES**

None.

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<b>Key Decision Required:</b>	<b>No</b>	<b>In the Forward Plan:</b>	<b>No</b>
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**17 SEPTEMBER 2021**

**CABINET**

**REPORT OF THE LEADER OF THE COUNCIL**

**A.4 FREEPORT EAST UPDATE & BUSINESS RATES RETENTION**

(Report prepared by Mike Carran and Lisa Hastings)

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

To provide an update to Cabinet on progress with Freeport East, including the Council's support to the principals of Business Rates Retention within the Freeport East Tax Site, and the next steps required prior to formal Freeport designation.

**EXECUTIVE SUMMARY**

- Following an announcement by the Chancellor of the Exchequer at his budget speech on 3 March 2021, written confirmation was received by Government that the *'Freeport East bid has been selected to progress to the next stage of Freeport designation.'*
- At their meeting on 23 April 2021, Cabinet received the initial Freeport East report, which set out the purpose of Freeports and the process and roadmap the public / private sector partnership will follow to receive formal designation by Government.
- The report listed the following steps which will be followed to comply with the process set out by Government:
  - *Completion of Governance Arrangements for the Freeport East Board;*
  - *Completion of a Business Case for Freeport East (two phase process submission of an Outline Business Case (OBC) and Full Business Case (FBC), setting out how seed capital funding will be spent and connecting this investment to the wider Freeport proposal and the delivery of the policy objectives);*
  - *Designation of the Tax Sites and Customs sites authorisation.*
- The process is currently at the OBC stage, which responds to a format prescribed by Government based on HM Treasury's five case model and 'the Green Book' and additional Setup Phase and Delivery Model Guidance for English Freeports issued by MHCLG. The OBC builds on the commercial and operational proposals outlined in the partners' bid of February 2021 and has been prepared by East Suffolk Council and Hutchison Ports together with partners. The document also examines in more detail the impact Freeport East will have on the areas most challenged communities, and proposes transformational interventions that will assist in the economic growth and regeneration of the area. Due to the

OBC being a commercially sensitive and confidential document, the details of this are set out in an accompanying confidential Part B report.

- Although a formal decision is not required by Tendring District Council in relation to the OBC, Government do require a letter of support from each Local Authority for a Business Rates Retention Policy which is required as part of the process.
- Following consideration of the previous Freeport East report, Cabinet determined to:

*‘note and endorse that the Leader of the Council may be called upon to exercise his delegated powers under the Council’s Constitution, to make urgent single Portfolio Holder decisions in relation to Freeport East, subject to undertaking consultation with the Working Group and reporting back to Cabinet thereafter’*

*As such, a meeting of the Leader’s Freeport East Working Party took place on 2 September 2021 to consult with members on the OBC and the principals of the Business Rates Retention Policy. The approach received unanimous support to the Leader of the Council in providing a letter of support in respect of the principles of the Business Rates Retention, which must accompany the OBC when submitted to Government.*

- The OBC was required to be submitted to Government by 10<sup>th</sup> September and is being undertaken by East Suffolk Council as lead authority for Freeport East. Due to the Government’s deadline it was necessary for the Leader of Tendring District Council to make an urgent decision to provide the letter of support, on behalf of the Business Rates Authority for the area. The letter is attached to the Report as Appendix A.
- Due to the wide ranging implications of the Full Business Case (FBC) which will be the next stage of the process if Government approve the OBC, it is likely this Council will be required to make formal decisions , once the document is complete.

## RECOMMENDATION(S)

**That Cabinet**

- (a) notes the contents of the report; and**
- (b) endorses the urgent decision taken by the Leader of the Council, on behalf of the Cabinet, to provide a letter of support for the principles in regard to Retained Business Rates generated within the Freeport East Tax Site, to accompany the Outline Business Case, as set out in Appendix A.**

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

The delivery of Freeport East will contribute to the Council’s priority to ‘A Growing and Inclusive Economy’ including:

- Developing and attracting new businesses
- Supporting existing businesses
- More and better jobs

The Council's contribution to the Freeport bid was a key action point of the Back to Business agenda, to support the District's recovery from the Covid-19 pandemic.

At its meeting in April, Cabinet approved the inclusion of the Freeport East project within the Corporate Key Priority Actions for 2021/22.

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

### Financial

#### **Business Rate Retention Scheme**

Government intends to offer up to 100 percent relief from business rates on certain business premises within Freeport tax sites. This relief is intended to be available to new and certain existing businesses in Freeport tax sites and would apply for five years from the point at which the beneficiary first receives relief.

Government has allocated capacity funding to support the development of the Outline Business Case to East Suffolk Council as the lead authority. There is no Tendring District Council budget allocated to the Freeport project and if any financial decisions are required they will be undertaken strictly in accordance with the Council Budget and Policy Framework and Financial Procedure Rules. Future decisions will be required by Cabinet and Council prior to submission of the FBC to ensure alignment with these legal requirements.

### Risk

There will be a risk of key milestones not being met for Freeport East, if decisions are taken solely around the Cabinet cycle, although the starting position will be to take reports to Cabinet where possible. If the timescales do not allow full Cabinet approval, the Leader will circulate proposals for consultation with his Portfolio Holder Working Party prior to making his decision. Those urgent decisions are published and formally reported to the Cabinet.

## **LEGAL**

If due to time constraints decisions on Freeport East cannot be taken within the confines of the Cabinet cycle, Part 3 of the Council's Constitution allows the Leader to make urgent decisions:

- a. *Following a resolution of the Cabinet (subject to the Constitution), or*
- b. *In cases of urgency, in consultation with the Monitoring Officer and/or Section 151 Officer.*

*Further to this, it should be noted that the following paragraph applies to urgent decisions:*

*In cases of urgency the decision of the Leader of the Council will be recorded and published in accordance with the Constitution. The Leader of the Council will also be*

*required to make a public statement at the next formal meeting of the Cabinet which will explain why they had taken the decision as a matter of urgency.*

All Executive Decisions, whether made by Cabinet or by a single Portfolio Holder are subject to Call-In, unless exemptions are applied for and approved by the Chairman of the relevant Overview and Scrutiny Committee. Due to the urgency requirements of the Government's deadline, the Chairman of the Resources and Services Overview and Scrutiny Committee agreed the decision was reasonable in all the circumstances and that it should be treated as a matter of urgency and therefore granted the exemption to call-in.

MHCLG issued Freeports Business Rates Relief Guidance to Local Authorities in July 2021 which states that the government is not changing legislation relating to reliefs available to properties, instead the government will, in line with the eligibility criteria set out in their guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988, to grant relief. The letter of support demonstrates that the Council will be prepared to consider the principles set out and should the OBC receive government's approval, formal decisions will be required regarding the relief schemes.

Submission of the OBC and the letter of support is not legally binding on the District Council but gives the Government an indication of the principles being explored for business retention schemes.

#### **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.**

As part of the alignment with the Corporate Plan the future development of Freeport East will give consideration to the clean energy sector and agendas, in particular the climate emergencies declared by Tendring, East Suffolk, Colchester, Babergh and Mid-Suffolk.

The Government's Setup Phase and Delivery Model Guidance for English Freeports expects as part of the Strategic Case (one of the five cases to be covered in the OBC) an Equalities Strategy to set out, with evidence, how the Freeport proposal will impact each protected group and how the proposal has been designed and developed in light of this impact, including any mitigating actions that will be taken.

### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND**

The Government wants to level up the UK by ensuring that towns, cities and regions across the country can benefit from the opportunities that leaving the EU brings. Now we have left, the Government announced the formation of eight new Freeports.

Freeports are innovative hubs, which boost global trade, attract inward investment and increase prosperity in the surrounding area. They are secure customs zones located at ports where business can be carried out inside a country's land border, but where different customs rules apply. They can reduce administrative burdens and tariff controls, provide relief from duties and import taxes, and ease tax and planning regulations.

Typically, goods brought into a Freeport do not attract a requirement to pay duties until they leave the Freeport and enter the domestic market – and no duty at all is payable if they are re-exported. If raw materials are brought into a Freeport from overseas and processed into a final good before entering the domestic market, then duties will be paid on the final good. Freeports may also offer simplifications to the normal customs administrative processes on imported goods. Tariff flexibility within Freeports will encourage high-tech manufacturing and simpler customs processes facilitated by cutting-edge technology and will support smoother international trading activity.

Freeports also offer significant supply chain opportunities for businesses located in the wider geography out-with the Freeport redline boundary.

### *Freeport East*

Throughout 2020, the Council worked with public and private sector partners on a bid to present a compelling case for developing Freeport East (which includes Harwich International and Felixstowe Ports), as one of the Government's nominated Freeports, following EU Exit.

The Freeport East Bid set out the proposal and its benefits. Economic analysis conducted by Freeport East as part of its bid submission shows that it can create 13,500 jobs in the region, along with 150 apprenticeships. Over the next five years the Freeport would attract more than £500 million of investment, while the total gross value added to the UK economy is £650 million.

Freeport East will ensure the UK has a global port area and boost the trading capacity at Felixstowe by an additional 1.3 million tonnes – the equivalent of over four million containers.

The total Freeport area extends out from the twin ports, with specific tax and/or customs sites earmarked for development inland as part of the Freeport. These are at Horsley Cross, Bathside Bay, Great Blakenham, Gateway 14, the Parker and Anzani Avenue areas of Felixstowe and the Port of Felixstowe Logistics Park.

We will use our tax and customs sites to spread and catalyse innovation to create a corridor of prosperity from the Midlands Engine to the East Coast, connecting them to global markets and global markets beyond.

Innovation will look at supporting green energy, such as the expansion of offshore wind in the region and new nuclear projects at Sizewell and Bradwell, as well as wider research and development linked in with university partners across the region and beyond around hydrogen technology.

Harwich is already home to the operations and maintenance Facility of Galloper Offshore 353MW Wind Farm, so Freeport East can be confident we have the local skills to drive a wave of innovation in green energy.

The Leader formed the Freeport East Portfolio Holder Working Party in accordance with the provisions of the Constitution and the membership consists of the following:

- Councillor Stock OBE
- Councillor Allen
- Councillor Bush
- Councillor G Guglielmi

- Councillor I Henderson
- Councillor P Honeywood
- Councillor Newton
- Councillor Scott
- Councillor Steady
- Councillor Winfield.

**BACKGROUND PAPERS FOR THE DECISION**

Freeport East Cabinet Report, 23 April 2021

**APPENDICES**

Appendix A – Letter of Support for Business Rates Retention to accompany the Freeport East Outline Business Case.



Mark Taylor  
Acting Chief Executive  
Freeport East  
Tomline House, The Dock  
Felixstowe  
Suffolk  
IP11 3SY

Town Hall  
Station Road  
Clacton on Sea  
Essex CO15 1SE

Tel: (01255) 68 6340  
Email: eridout@tendringdc.gov.uk  
Please ask for : Elizabeth Ridout

9 September 2021

Our Ref : FPE/OBC/BRR

Dear Mark Taylor

As an authorised representative of Tendring District Council, I agree to the following principals in regard to the management of retained rates generated within the Freeport East Tax site[s]:

We would deploy a mechanism of dedicated funding pots, these pots would be defined as follows:

- **Pot A1 and A2\*** allocated to the District and County Councils affected. This would be awarded to compensate the Councils for income foregone under the Freeport regime. Each Council that receives this can put it in its General Fund and spend as it sees fit.
- **Pot B** would be established to help gap fund the development of the tax site within Tendring and /or to accelerate its development, aligned to the Freeport policy objectives. Any decisions on spend would include Tendring District Council / Essex County Council, and representatives of the Freeport East Board. A mechanism will also be set up to ensure that any funding investments made was a result of genuine gap funding and could not be considered a distortion to trade.
- **Pot C** would be a wider pooled pot across the Freeport that funds economic development in the Freeport economic zone, aligned to achieving the wider Freeport Policy objectives focusing on themes such as skills, innovation, levelling up, trade, investment, infrastructure, security and net zero. This would be administered by the Lead Authority (East Suffolk Council) and decisions on its use would be determined by the Freeport East Supervisory Board. This would be restricted to projects /programmes in the Freeport sub region.

- **Pot A3** would also apply within Mid-Suffolk and is required to meet the Enterprise Zone commitments made to the New Anglia LEP challenge fund due to the loss of EZ rate income.

The size of the pots for each individual tax site would be largely determined by the priority requirements of **Pot B**. Accelerated development on the tax sites is prioritised for two aims:

- It allows incoming companies to benefit from the 5 years rate relief assistance and other financial incentives that are time limited.
- The earlier the retained business rates are generated the larger all of the pots become.

We will work with Freeport East as part of the Full Business Case development process to develop a detailed plan for the use of retained business rates growth.

Yours sincerely

Cllr Neil Stock OBE  
**THE LEADER OF TENDRING DISTRICT COUNCIL**



<b>Key Decision Required:</b>	<b>No</b>	<b>In the Forward Plan:</b>	<b>No</b>
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## CABINET

**17 SEPTEMBER 2021**

### **REPORT OF DEPUTY LEADER OF THE COUNCIL & PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE**

#### **A.5 SUBSIDY OF RENTS FOR COMMUNITY GROUPS ELIGIBLE FOR THE CAROS SCHEME FOR THE FINANCIAL YEAR 1 APRIL 2021 TO 31 MARCH 2022**

(Report prepared by Jennie Wilkinson)

#### **PART 1 – KEY INFORMATION**

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

To consider not charging rents for community groups eligible for or within the Community Assets Rent Offsetting Scheme (CAROS) for one year; including deferring the effect of any rent rises due to rent reviews or lease renewals in order to support them re-opening and starting to operate again.

##### **EXECUTIVE SUMMARY**

Community based groups and clubs were forced to close during the pandemic, with many closed for over a year or their premises used for other purposes like testing centres, meaning their income has been significantly reduced. Most are now beginning to re-open, but have had to change their operation, order more equipment to keep their users safe and limit the numbers that can attend some of their events, all of which has an impact on their finances.

As part of TDC's Back to Business Strategy, providing assistance to these groups in order for them to get up and running again safely, will have a positive impact on many sectors of the community across the whole District. Over the past 2 years, people have been isolated from their communities, family, friends and social groups. By supporting already established community activities get back on their feet safely, TDC will help its residents to re-connect with their local communities and support networks.

It is proposed that rent for the financial year 1 April 2021 to 31 March 2022 is subsidised for all CAROS eligible groups in order for the money to be used to support their previous members returning and in gaining new members.

In addition, any rent reviews or leases renewals that are due for CAROS eligible groups during this period will be suspended until 31 March 2022, meaning the rent will not increase for the initial 12 month period to provide an opportunity for groups to re-establish themselves.

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

- (a) That rents due from Clubs and Groups that are part of or eligible to be part of the CAROS scheme are written off for the 12 month period from the 1 April 2021 to 31 March 2022; and**

**(b) That implementation of any additional rent for such properties that becomes due in line with the completion of a rent review or lease renewal during or in respect of the period 1 April 2021 to 31 March 2022 is deferred until 31 March 2022.**

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

### **DELIVERING PRIORITIES**

This subsidy supports collaborative working with partners, as well as the following aims within the Council's Corporate Plan:

Promote Tendring's tourism, culture and heritage offers;  
Effective services and improved public health; and  
Using assets to support priorities

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

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

The total rents currently payable by clubs and groups receiving or eligible for the CAROS scheme amounts to £58,201.00 and the potential further liability in respect of additional rent under rent reviews and lease renewals is £25,016.50, bringing the total to £83,217.50. It is proposed this loss of income would be offset by the COVID and Back to Business funds.

#### **Risk**

No significant risks have been identified

### **LEGAL**

The funding held by Tendring District Council is to assist areas affected by COVID and help get the District 'Back to Business'. It is at the discretion of Tendring District Council how the fund is used to achieve this.  
Authority to write off sums of this magnitude is allocated to the Portfolio Holder For Corporate Finance And Governance.

### **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.**

This subsidy will assist various clubs and groups that provide health and support benefits to many different sectors of the community across various Wards.

#### **Net Zero Emissions**

This decision does not have either a positive or negative effect on the Council's net zero emission target.

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

Due to the COVID-19 pandemic and various lockdowns and restrictions over the past year, many community clubs and groups have been unable to operate and therefore unable to generate any income. The Council provided a 3 month subsidy to support those groups that are part of or eligible to be part of the CAROS scheme for the period 1 April 2020 – 30 June 2020 last year and support by way of government grants enabled them to pay their remaining rent and building costs.

As the clubs and community groups look forward and start opening up, they are having to invest in and put in place additional equipment and measures to enable them to operate safely. In some cases they have to limit the numbers of people attending their events, which either means that additional events are held, increasing operating costs or less money is being received from participants.

### **CURRENT POSITION**

Tendring District Council has access to COVID and Back to Business funding and using part of this fund to provide a 1 year rent free period for CAROS eligible community based groups in Tendring will help them to re-open and provide their services safely to many Tendring residents and visitors.

The total amount of rent due to be paid by these groups in the year 1 April 2021 – 31 March 2022 is £58,201.00.

In addition to this, there are a number of rent reviews and lease renewals for these groups that are due to take place within the period 1 April 2021 – 31 March 2022. In the majority of cases valuations have already been carried out and figures are known. In a couple of cases, estimated figures have been used pending official valuations. The total of these amounts to £25,016.50. There are varying start dates for the increases, depending on the individual agreements.

### **FURTHER HEADINGS RELEVANT TO THE REPORT**

None

### **BACKGROUND PAPERS FOR THE DECISION**

None

### **APPENDICES**

None

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<b>Key Decision Required:</b>	<b>Yes</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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**CABINET  
17 SEPTEMBER 2021**

**REPORT OF CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER**

**A.6 OUTTURN 2020/21 AND PROPOSED ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR ALONG WITH A FINANCIAL PERFORMANCE UPDATE FOR 2021/22**

(Report prepared by Richard Barrett and the Accountancy Team)

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

To seek approval of the allocation of the overall 2020/21 General Fund revenue variance and to provide an update on the Council’s financial performance in 2021/22.

**EXECUTIVE SUMMARY**

- Given the timing of considering the outturn position for 2020/21, this report has been split into two sections. The first sets out the outturn position for 2020/21 along with associated decisions, with the second section providing a timely update on the Council’s financial performance for 2021/22 so far to date.

**SECTION 1 - Outturn for 2020/21**

- The Portfolio Holder for Corporate Finance and Governance agreed the overall outturn position for 2020/21 on 30 July 2021, with a high level summary of the General Fund revenue position as follows:

<b>Variance for the year before carry forward requests</b>	<b>(£16.427m)</b>
Less agreed carry forwards that meet the carry forward criteria	£14.352m
<b>Variance for the year after agreed carry forwards</b>	<b>(£2.075m)</b>
Carry Forward requests from services that did not meet carry forward criteria	£0.536m
<b>Remaining Variance for the year</b>	<b>(£1.539m)</b>

*The figures above exclude the revenue contribution to the capital programme, which was set out separately within the outturn report.*

- The variance for the year of **£1.539m** was agreed by the Portfolio Holder for Corporate Finance and Governance on 30 July 2021 as part of the overall consideration of the outturn position for the year.
- The **£0.536m** that has been requested by services to be carried forward at the end of the year has been subject to further review as the various items do not meet the associated qualifying criteria. As they do not meet this underlying criteria, they are in effect a ‘bid’ by services to retain a proportion of the overall favourable outturn variance of **£2.075m** before any further allocations are considered. The various items are set out in **Appendix A** and it is proposed to agree all of the items.
- This report therefore presents for consideration the **£0.536m** requested to be carried

forward by services and the allocation of the remaining variance for the year of **£1.539m**.

- As set out in more detail later on in this report, as part of agreeing the outturn position for 2020/21, the Portfolio Holder for Corporate Finance and Governance also agreed the following two recommendations that Cabinet are being asked to consider:
  - **that the overall General Fund Outturn Variance for the year of £1.539m be used to support the essential works at the Weeley Crematorium; and**
  - **that £2.060m be allocated to support the recent bid to the Government's 'Levelling Up Fund', funded by the use of amounts identified within the 2021/22 budget as set out later on in this report.**
- In terms of the essential works at the crematorium, the cremators have become increasingly unreliable following the demise of the company who supplied and fitted the existing cremators as well as providing on-going maintenance support via an associated contract. Please see further comments later in the report in terms of the impact on the income budget during periods that the cremators have not been operational.

Following an independent assessment of the existing cremators, it is recommended that a full replacement is the best and most cost effective option to ensure a reliable cremator service in future. Given the relative urgency of the remedial works at the Crematorium, a recommendation is included below to agree in principle the proposed use of the overall outturn position for 2020/21 as set out by the Portfolio Holder for Corporate Finance and Governance. Within the same recommendation, it is also proposed to delegate the approval of the associated project initiation document / business case to the Portfolio Holder for Environment and Public Space and the Portfolio for Corporate Finance and Governance to ensure remedial works can be undertaken as soon as possible given the on-going impact on existing budgets.

## **SECTION 2 - Financial Performance Update 2021/22**

- The Council's financial performance, including an updated long term forecast as at the end of the first quarter of the year is usually planned to be reported to Cabinet as early as possible in September / October each year. However, there remains an impact from the COVID 19 pandemic in terms of the reporting schedule, as the outturn position for 2020/21 was only finalised at the end of July, which has had a knock-on impact on the timing of subsequent financial reporting.
- Although a full financial performance report as at the end of Q2 is scheduled to be presented to Cabinet later in November (which will include an updated forecast for 2022/23 and beyond), only a high level summary position is set out in this report where, emerging issues / risks have been highlighted to provide a timely financial update in the interim period.
- A small number of in-year budget adjustments are set out in Appendix B, one of which reflects a proposed service level agreement being entered into with ECC to enable the Council to 'buy in' procurement services from them. Further details are set out later on in this report along with an associated recommendation below.
- The long term forecast continues to provide flexibility in terms of managing the various risks to the forecast and it is worth highlighting that **£3.753m** remains in the Forecast Risk Fund at the end of 2020/21, which is in-line with the planned position going into 2022/23

and beyond.

- The outturn report considered by the Portfolio Holder for Corporate Finance and Governance referred to above, included a detailed summary of the various COVID 19 grants paid to the Council by the Government / ECC. Associated activities remain on-going in 2021/22 and a detailed update will be provided as part of the financial performance report for Q2 that will be presented to Cabinet in November.

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

**That in respect of the Outturn Position for 2020/21, Cabinet:**

- (a) Agrees that the total of £0.536m requested by services can be retained by them via the associated carry forward requests as set out in Appendix A; and**
- (b) after considering the recommendations of the Portfolio Holder for Corporate Finance and Governance, agrees:**
  - (i) that subject to the approval of an associated Project Initiation Document / Business case, it is approved in principle that the necessary remedial works be carried out at the Weeley crematorium funded by using the overall General Fund Outturn Variance for the year of £1.539m.**
  - (ii) that subject to b(i) above, the approval of the Project Initiation Document / Business Case associated with the proposed remedial works at the Weeley Crematorium be delegated to the Portfolio Holders for Environment and Public Spaces and Corporate Finance and Governance; and**
  - (iii) that £2.060m be allocated to support the recent bid to the Government's 'Levelling Up Fund', funded by the use of amounts identified within the 2021/22 budget as set out later on in this report;**

**That in respect of the Council's Financial Performance for 2021/22, Cabinet:**

- (a) Considers and notes the high level summary of in-year position for 2021/22 to date and the long term forecast update for 2022/23 and beyond; and**
- (b) agrees the proposed in-year adjustments to the budget as set out in Appendix B;**
- (c) that subject to b) above, agrees an exemption to the Council's procurement rules to enable a Service Level Agreement be entered into with ECC to enable the Council to 'buy in' various procurement services from them to support its day to day operational activities and the delivery of one-off projects as necessary; and**
- (d) authority be delegated to the Assistant Director for Finance and IT and the Deputy Chief Executive to agree the terms of the Service Level Agreement in consultation with the Portfolio Holder for Corporate Finance and Governance.**

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

### **DELIVERING PRIORITIES**

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

the successful financial planning process.

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

### **Finance and other resources**

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

### **Risk**

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

## **LEGAL**

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

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

The outturn position for 2020/21 and associated actions agreed by the Portfolio Holder for Corporate Finance and Governance on 30 July 2021 are within the Council's powers and reflect the statutory requirements and responsibilities of the Council in the preparation of its accounts.

Paragraph 2.3 of the Council's Procurement Procedure Rules set out in Part 5 of the Council's Constitution requires alternative delivery options for whole or part of services to be achieved in accordance with the Council's Procurement Strategy, which expressly refers to 'Our Partners in Procurement' and that the Council will seek to work with a number of partners to maximise any procurement opportunities and provide best practice. This includes other public bodies and shared services. Due to the fact that the in-house procurement service has 100% vacancies, there are no employment issues to address and the Public Contract Regulations 2015 permit public sector shared service and collaboration arrangements within certain criteria which will be observed in any Service Level Agreement arrangement. The Council's Procurement Procedure Rules will still be observed in any bids or tender exercises managed by ECC on behalf of TDC.

## **OTHER IMPLICATIONS**

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

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

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



## PART 3 – SUPPORTING INFORMATION

### SECTION 1 – OUTTURN 2020/21 AND PROPOSED ALLOCATION OF THE OVERALL GENERAL FUND VARIANCE FOR THE YEAR

The Financial Outturn for 2020/21 was agreed by the Portfolio Holder for Corporate Finance and Governance on 30 July 2021. As part of agreeing that report, carry forward amounts requested by services were split into two categories – those meeting the relevant carry forward criteria and those that did not. The carry forward criteria was set out in detail within the outturn report considered by the Portfolio Holder for Corporate Finance and Governance on 30 July 2021.

Based on the above approach, revenue carry forwards totalling **£14.352m** were agreed, leaving **£0.536m** requiring further consideration as part of this report, as they did not meet the relevant criteria.

The items totalling **£0.536m**, referred to above and set out in **Appendix A**, are in effect requests by services to retain part of the overall variance for the year before any further allocations are considered. Following a review of these items, it is proposed to agree all of them.

As all of the items above are recommended to be agreed to be carried forward, the general overall variance for the year of **£1.539m** remains to be allocated.

As part of agreeing the outturn position for 2020/21, the Portfolio Holder for Corporate Finance and Governance also agreed a recommendation to Cabinet that **“the overall General Fund Outturn Variance for the year of £1.539m be used to support the essential works at the Weeley Crematorium.”**

Following the demise of the company that installed and maintained the existing cremators, a number of local authorities including Tendring District Council have been left with no service contract and the cremator equipment has become increasingly unreliable. Since March 2020, the cremators have been made serviceable and used prudently and carefully during a period of high demand. However, there have been occasions when the cremators suffered fires or have broken down entirely and significant repairs and modifications required to return them to functionality. Please see further comments later in the report in terms of the impact on the income budget during periods that the cremators have not been operational.

Following an independent assessment of the existing cremators, it is recommended that a full replacement is the best and most cost effective option to ensure a reliable cremator service in future. Once the immediate requirement for a reliable crematorium service has been re-established, it is proposed to commence detailed consideration for future requirements of the service including carbon reduction options as well as potential commercial opportunities.

Based on the above, and given the relative urgency of the remedial works at the Crematorium, a recommendation is included above to agree the proposed use of the overall outturn position for 2020/21 as set out by the Portfolio Holder for Corporate Finance and Governance. Within the same recommendation, it is also proposed to delegate the approval of the project initiation document / business case to the Portfolio Holder for Environment and Public Spaces and the Portfolio for Corporate Finance and Governance to ensure remedial works can be undertaken as soon as possible given the on-going impact on existing budgets.

As part of agreeing the outturn for 2020/21 the Portfolio Holder for Corporate Finance and Governance also agreed a recommendation to Cabinet that **“that £2.060m be allocated to support the recent bid to the Government’s ‘Levelling Up’ Fund funded by the use of amounts identified within the 2021/22 budget as set out later in the report.”**

In terms of the proposed funding identified above, the following replicates the table set out in the outturn report:

<b>Funding Proposal</b>	<b>Budget Allocation</b>
Use of New Homes Bonus Carried forward from 2020/21	£1.013m
New Homes Bonus Receivable in 2021/22	£0.644m
Lower Tier Grant 2021/22	£0.403m
<b>TOTAL FUNDING PROPOSED</b>	<b>£2.060m</b>

Similarly, to the proposed use of the outturn position for 2020/21, a recommendation is included above to agree to allocate **£2.060m** to support the 'Levelling Up Fund' bid as recommended by the Portfolio Holder for Corporate Finance and Governance.

The Council continues to carefully balance its finances across investing in its priorities and delivering a long term sustainable financial plan. By taking the opportunity to maximise the benefit from the favourable outturn position to support emerging issues and opportunities, along with the prioritised use of government funding such as the New Homes Bonus, it will continue to support the delivery of the long term forecast and financial sustainability of the Council.

The outturn report agreed by the Portfolio Holder for Corporate Finance and Governance on 30 July 2021 also set out comprehensive details around the various COVID 19 funding streams made available by the Government and ECC. Work remains in progress against the various associated activities with a detailed update planned to be presented to members as part of the financial performance report for Q2 later in the year.

## **SECTION 2 – FINANCIAL PERFORMANCE UPDATE 2021/22 TO DATE**

This section of the report sets out an update against the in-year position to date along with commentary on the long-term forecast.

As highlighted within the Executive Summary above, there remains an impact from the COVID 19 pandemic in terms of the reporting schedule as the outturn position for 2020/21 was only finalised at the end of July, which has had a knock-on impact on the subsequent financial reporting timetable.

Although a full financial performance report as at the end of Q2 is scheduled to be presented to Cabinet later in November (which will include an updated forecast for 2022/23 and beyond) this report sets out a timely update in the interim period in respect of emerging issues / risks to date.

### **2021/22 IN-YEAR POSITION TO DATE**

As with previous financial performance reports, key / emerging issues are set out against the various areas of the overall budget as follows:

## General Fund (Revenue and Capital)

- The Government's Sales, Fees and Charges Compensation Scheme will continue for the first half of 2021/22. Therefore, this will provide valuable financial support to the Council throughout the period where facilities start to transition from being closed / restricted to normal operations. As set out in the outturn report, the Council will still need to fund the first 5% of any net loss plus a further 25%, but this will continue to be supported via the general COVID 19 new burdens grant made available by the Government if it is not possible to accommodate the impact within the overall budgetary position for the year.
- Unfortunately the Crematorium has suffered further periods of closure since the start of the year due to on-going operational issues with the cremators. At the end of July it is estimated that income of **£0.100m** has been 'lost'. As discussed elsewhere, the replacement of the cremators is scheduled to be commenced during the second half of the year and therefore the loss of income experienced during the interim period will be reviewed and reported as part of future financial performance reports. It is also worth highlighting that **£0.154m** remains in the Crematorium Reserve, which could be used to support the overall financial position for the year. This will also be subject to further review during Q2 and Q3.
- Recycling credits remain ahead of the budget at the end of July, which follows on from the favourable position at the end of 2020/21. This will be revisited along with the additional contract costs that reflect housing growth as part of updating the financial forecast later in the year.
- There is currently a large overspend against elections costs at the end of July. However this relates to the elections administered by the Council but will be reimbursed by ECC and the PFCC as claims are finalised and settled over the second half of the year.

## HRA (Revenue and Capital)

- The two major issues effecting the HRA remain as the cost of repairs and reduced rent from void periods. As previously discussed, work remains on-going against these two issues and will form part of the review of the HRA Business Plan during the second half of the year. Further updates will also be included in the financial performance reports for Q2 and Q3.

## Collection Performance

- As set out in the outturn report for 2020/21, the collection fund performance for both council tax and business rates was more favourable than expected despite the uncertainties introduced by the COVID 19 pandemic.
- In terms of the in-year collection performance, the following sets out an overall summary at the end of July 2021:

<b>Cost of the LCTS Scheme</b>	<i>Budgeted Cost</i> <b>£12,269,000</b>	<i>Actual Cost</i> <b>£11,967,525</b>	<i>Reduction of</i> <b>£301,475</b>
<b>Council Tax*</b>	<i>Collection Performance July 2019</i> <b>40.10%</b>	<i>Collection Performance July 2021</i> <b>38.30%</b>	<i>Reduction of</i> <b>1.80%</b>

<b>Business Rates**</b>	<i>Collection Performance July 2019</i>	<i>Collection Performance July 2021</i>	<i>Reduction of</i>
	<b>40.65%</b>	<b>37.87%</b>	<b>2.78%</b>

*The comparative figures included above are for 2019/20 as these provide a more relevant pre-COVID 19 comparison.*

Recovery action is now being taken on outstanding amounts from last year and along with collection performance starting to recover to pre-pandemic figures, this provides a relatively strong position going forward. However, this will be kept under review with further updates provided at the end of Q2.

The Government are still providing a range of businesses with significant COVID 19 business rate reliefs during the first half of 2021/22. This therefore continues to support overall collection performance, as this money is paid directly by the Government rather than it being exposed to collection / recovery processes that would otherwise be undertaken directly with businesses.

As collection performance for council tax starts to recover, so will the money generated from the council tax sharing agreement with the major preceptors. However, at the present time it is expected that income from the major preceptors under the terms of the sharing agreement will remain behind the budget over the year. This will be kept under review and included within further financial performance reports as the year progresses.

### **Treasury Activities**

Treasury activities continue set against the Treasury Strategy and associated treasury management practices. A more detailed review, including commentary on the continuing low interest rate environment is set out with the Treasury Outturn Report elsewhere on the agenda.

### **OTHER EMERGING ISSUES**

**Appendix B** sets out a number of proposed budget adjustments that respond to other emerging issues as at the end of July 2021.

Following the recent retirement of the Council's Procurement Manager, discussions have commenced with ECC in terms of a shared service / collaborative approach as a way of providing a more comprehensive procurement service to our internal departments. This approach would involve the Council purchasing a range of procurement services from ECC on a proposed 'hourly rate' basis via a service level agreement. Although this remains subject to on-going discussions, **Appendix B** sets out a proposed adjustment, which would see budgets transferred from direct employee costs to 'contract' payments to ECC. This approach would also support the accelerated delivery programme where the Council would have access to specialist / expert advice along with additional procurement capacity e.g. it could support the procurement of replacement cremators as set out elsewhere in this report. This arrangement will be kept wider review as it may form part of a longer term solution where the Council continues to have access to such advice as part of the future delivery of projects and activities along with 'usual' operational requirements expected of a procurement function / service.

### **UPDATED LONG TERM FORECAST**

The detailed budget for 2021/22, which was based on the most up to date financial forecast, was considered and agreed by Full Council on 16 February 2021. The report considered by Full

Council also included a summary of the forecast up until 2026/27, with a high level position set out as follows:

<b>Year</b>	<b>Net Budget Position (including adjusting for prior use of reserves to balance the budget)</b>
2022/23	£1.098m deficit
2023/24	£0.866m deficit
2024/25	£0.630m deficit
2025/26	£0.388m deficit
2026/27	£0.142m deficit

The development of the forecast will continue during 2021/22, with a more detailed position to be included within the Financial Performance report for Q2 that will be represented to Cabinet in November.

As set out in previous financial performance / budget reports, 2021/22 is seen as a transitional year as the wider economy recovers / stabilises following the COVID 19 pandemic. This sets the task of forecasting against an evolving economic position that will only become clearer as the year progresses. However against this context and as an interim update, commentary is set out below for potential emerging risks to the forecast for 2022/23 and beyond:

#### ***Income from Council Tax and Business Rates***

As highlighted above, collection performance for council tax and business rates remains relatively positive supported by the more favourable collection fund position at the end of 2020/21. Although future projected growth may be impacted by any longer term impact from the COVID 19 pandemic, this major element of the budget is still expected to produce year on year growth, especially given the various regeneration / economic activities within the district.

#### ***Inflation***

The following are the 3 major areas where inflation could have a major impact on the financial forecast:

- **Pay Award** – As the economy starts to recover / stabilise following the COVID 19 pandemic, an environment is emerging where significant percentage increases are being asked for by unions. Although this will be subject to on-going negotiations across the various sectors, pay awards agreed elsewhere may put pressure on the amounts agreed collectively by local authorities. The annual percentage increases currently included within the long term plan is 1.5%, which will be kept under on-going review as part of the development of the financial forecast over the second half of the year.
- **General / Underlying Inflation** – Although a period of higher inflation was expected as the economy started to recover from the COVID 19 pandemic, there are differing views as to whether this will be transitory or an indicator of a more sustained period of upward inflation pressure. It is too early to form a clear view but this will be revisited in the second half of the year as the budget proposals for 2022/23 start to be finalised.
- **Commodity Prices** – Although an extension of the point made above about general inflationary pressures, increased demand and reduced supply is having an impact on various commodities prices. Although these will largely be a risk factor for major one-off projects, the ongoing position will be kept under review to determine the response required as part of the Council's overall financial position / forecasts going forward.

### **Savings**

The delivery of savings forms a key item within the overall performance management framework where updates will also be provided (the next update is due to be presented to Cabinet in October). It is currently proposed to move to a 'zero based' budgeting approach which will see departments review each line of their budgets to not only provide a good financial 'housekeeping' opportunity but also as part of driving out savings to continue to deliver the targets set out in the long term plan. As with the approach taken so far to date, the key principle of the long term plan is to protect front line services as far as possible so the approach suggested will compliment this underlying principle by looking to identify savings and efficiencies but limiting the impact of service delivery wherever possible.

Although the 'zero based' approach will span financial years, it is expected that savings will be able to be included within the 2022/23 budget based on work that will be undertaken in consultation with departments between now and December 2021.

### **Cost Pressures**

In addition to the risks highlighted above, work will be undertaken in consultation with departments to identify risks to the forecast and where additional costs may have to be accommodated within the long term plan. Further updates will be provided as part of future financial performance reports that will reflect the outcome of discussions with departments.

In terms of a longer-term rolling forecast, as previously discussed, it is still proposed to review the current position in 2023, which could include the consideration of extending the forecast period out beyond 2026/27.

### **Housing Revenue Account**

As indicated earlier, it is proposed to review the HRA Business Plan during the second half of the year.

This review will reflect the on-going issues regarding repairs and void periods along with other emerging pressures such as the costs related to potential changes to 'decent homes' standards that are expected to emerge from the Government, especially in light of the Grenfell Tower tragedy. This will also need to be set against the context of delivering against the Council's key priority of continuing to build / develop new homes in the district.

Pressures such as inflation and other costs will also need to be reflected within the business plan review, which will need to balance the priorities and aspirations of being a landlord for 3,000 plus homes, whilst responding to the challenging financial position going forwards.

## **BACKGROUND PAPERS FOR THE DECISION**

None

## **APPENDICES**

<b>Appendix A</b>	Requests by Services to retain funding at the end of 2020/21 to apply in 2021/22 via requests to carry forward the associated budgets.
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<b>Appendix B</b>	Proposed Adjustments to the In-Year Budget 2021/22
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<b>Requests to Allocate 2020/21 Underspend</b>			
<b>Revenue</b>			
<b>Service</b>	<b>Description</b>	<b>Requested C/fwd Amount (£)</b>	<b>Comments</b>
<b>ITEMS NOT MEETING CARRYFORWARD CRITERIA</b>			
<b>Corporate Services</b>			
<i>Deputy Chief Executive and Administration</i>	Deputy Chief Executive and Administration Service Unit	8,440	To support training and other associated expenditure in 2021/22
<i>People, Performance and Projects</i>	Personnel and Human Resources Issues	152,890	Training and other HR related expenditure
<i>IT and Corporate Resilience</i>	Information Technology	40,620	To support IT infrastructure improvements and cybersecurity updates
<b>Total for Corporate Services</b>		<b>201,950</b>	
<b>Operational Services</b>			
<i>Public Realm</i>	Transport	29,760	Purchase of vehicle reducing the need for external hire
<i>Public Realm</i>	Crematorium	14,900	Refurbishment work relating to the public conveniences at the Crematorium
<i>Public Realm</i>	Shelters - General	10,130	Refurbish shelters in Brightlingsea
<i>Building and Engineering</i>	Office Accommodation Expenses	83,710	To support the ongoing office transformation project
<i>Building and Engineering</i>	Garden Waste Collection Service	32,400	To support improvements to service delivery in future years
<b>Total for Operational Services</b>		<b>170,900</b>	
<b>Planning and Regeneration</b>			
<i>Planning and Customer Services</i>	Planning Service Unit	163,500	To support the grow your own initiative within the planning service
<b>Total for Planning and Regeneration</b>		<b>163,500</b>	
<b>TOTAL GF REVENUE NOT MEETING CARRYFORWARD CRITERIA</b>		<b>536,350</b>	

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## Proposed Adjustments to the Budget as at the end of July 2021

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
<b>GENERAL FUND REVENUE</b>			
<i>The following items have no net impact on the overall budget</i>			
Employee Costs - Governance Services	40,000		To provide additional temporary support within the Governance Service to respond to various corporate activities and priorities and general internal demand for their services.
Income from Costs & Legal Expenses Recoverable		(40,000)	Based on income achieved in 2020/21 and the performance to date in 2021/22, it is proposed to reinvest additional income receivable in the year to provide the additional capacity set out above. The risk of any shortfall in income would be supported by general vacancies savings.
Employee Costs - Careline	50,000		To provide additional temporary capacity to enable the service to respond to the new ECC careline contract and other commercial demands. This provides an interim response whilst a full business case review of the service is completed to enable a medium to longer term view to be considered as part of the financial planning process.
Use of general vacancies	(50,000)		To provide the necessary funding for the item above
Beach hut / seafront amenity investment	30,700		Use of the seafront investment 'fund' held within the beach hut service area budget to enable various activities to be undertaken associated with the maintenance and improvement of seafronts and beach hut sites etc.
Seafront Investment 'fund'	(30,700)		
Direct budgets associated with the in-house procurement service	(67,790)		Work remains on-going to explore the opportunity to work with ECC on a shared service / collaborative approach to the provision of procurement services within the Council. This adjustment forms the basis of realigning the existing procurement services to support this proposed approach, with further details set out in the main body of the report.
Payment to ECC	67,790		
<b>Total General Fund Revenue with no net impact on the overall budget</b>	<b>40,000</b>	<b>(40,000)</b>	

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<b>Key Decision Required:</b>	<b>Yes</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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## CABINET

**17 SEPTEMBER 2021**

### REPORT OF FINANCE AND CORPORATE RESOURCES PORTFOLIO HOLDER

#### **A.7 TREASURY MANAGEMENT PERFORMANCE 2020/21**

(Report prepared by Richard Barrett and Wendy Borgartz)

#### **PART 1 – KEY INFORMATION**

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

To report on the Council’s treasury management activities and Prudential Indicators for 2020/21.

##### **EXECUTIVE SUMMARY**

- Borrowing and investments have been undertaken in accordance with the 2020/21 Annual Treasury Strategy that was approved by the Leader on 24 April 2020.

- Summary of the Council’s Borrowing Position:**

Amount Outstanding at the end of March 2021	Average Interest Rate Paid in 2020/21	Total Interest paid in 2020/21
£0.151m (General Fund)	7.354%	£0.013m
£38.441m (HRA)	3.472%	£1.362m

No external borrowing was undertaken in 2020/21 for either the General Fund (GF) or Housing Revenue Account (HRA).

- Summary of the Council’s Investment Position:**

Value of Investments held at the end of March 2021	Average Interest rate on Investments 2020/21	Interest Earned on Investments 2020/21
£76.959m	0.287%	£0.300m

The amount of interest earned from investments decreased during the year due to the bank base rate remaining at 0.10% all year. Compared to historic interest figures, the 2020/21 return remained low because of the continuing unprecedented low interest rates. Estimated income was reduced during the year from the original estimate of **£0.386 million** to **£0.290 million**, with the outturn figure being **£0.300 million** as set out in the table above.

- The Council continues to hold one property within its Commercial Investment Portfolio, which had a balance sheet value at 1 April 2020 of **£2.155 million**. This

'book value' was reduced by the Council's appointed valuers to **£1.985 million** at the end of 2020/21. However this is an 'accounting' valuation and not a direct value that could be achieved on the market if it was sold. In-line with the budget, rental income of **£0.179 million** was earned on the property in 2020/21. (this figure was lower than in previous years due to the schedule of payments moving from a quarterly to monthly with no effect on the overall annualised position)

- During 2020/21 there were no Treasury Management Practice limits that were exceeded.
- Treasury performance figures for the year are set out in **Appendix A** with Prudential Indicators attached as **Appendix B**.
- The COVID 19 pandemic will continue to have an impact in 2021/22 with no expectations of a rise in interest rates given that the economy will need to continue to recover and stabilise over the short to medium term.

## RECOMMENDATION(S)

**That Cabinet notes the Treasury Management performance position for 2020/21 and approves the Prudential and Treasury Indicators for 2020/21.**

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

Good and effective Treasury Management supports the Council in delivery against its corporate goals and objectives.

### FINANCE, OTHER RESOURCES AND RISK

#### Finance and other resources

Key treasury management performance data is set out in **Appendix A**.

#### Risk

Risk is inherent in all treasury management activities. Such risks are considered within the Capital and Treasury Strategy with management actions necessary to mitigate the risks set out in the Council's Treasury Management Practices.

### LEGAL

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

The Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 include the requirement for local authorities to have regard to CIPFA guidance which this Council has adopted.

### 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.

There are no direct implications in respect of the above areas.

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND AND CURRENT POSITION**

The Council has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in the Public Services. The main reporting elements to comply with this code include:

- An Annual Capital and Treasury Strategy approved by Cabinet after consultation with the relevant overview and scrutiny committee for recommending to the Full Council.
- Regular monitoring reports that form part of the Council's Corporate Financial Performance Monitoring arrangements during the year. (For 2020/21, no issues were brought to the attention of members as part of this reporting process.)
- An annual treasury performance or outturn report for the preceding year that is presented to Cabinet.

This report sets out the necessary information in response to the third bullet point above and provides a summary of the treasury activities undertaken in 2020/21 (**Appendix A**) and final Prudential and Treasury Indicators at the end of 2020/21 (**Appendix B**), with revised figures for 2021/22 where relevant.

During 2020/21, the Council complied with its legislative and regulatory requirements and associated treasury management activity remained in accordance with the Treasury Strategy and Treasury Management Practices with further details in respect of specific borrowing and investment considerations set out in the next section of the report.

### **BORROWING AND INVESTMENTS 2020/21**

#### **Borrowing**

The Base Rate set by the Bank of England remained at 0.10% through all of 2020/21. The latest forecast from the Council's treasury advisors indicates that this historically low rate of 0.10% is unlikely to change until after March 2023. Public Works Loan Board (PWLB) rates remain at low levels historically. During 2020/21 further requirements were introduced for PWLB borrowing, such that if an authority is planning any purchase of commercial property during a financial year or the following three years it will not be able to borrow any money from the PWLB for any purpose. This change was introduced to deter authorities from borrowing to purchase commercial property investments. Currently a further review is being made of the Treasury Management Code and the Prudential Code by CIPFA with the aim of also tightening further the requirements around commercial property investments. The Council's current investment property was not financed by loan.

No external borrowing was undertaken during the year. 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 low and counterparty risk remains relatively high. As set out in the Treasury

Strategy, the current internal borrowing position is running close to the £5m agreed. However given the continuing low return on investments and no significant increases in PWLB interest rates in the immediate future, 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 and set against the background of potential increases in borrowing rates in the future.

No new borrowing or restructuring of existing debt was undertaken for GF or HRA purposes in 2020/21. Principal on HRA debt continues to be repaid each year in line with the 30 year business plan.

Debt rescheduling opportunities are limited in the current economic climate with no debt rescheduling taking place in 2020/21.

No temporary borrowing from the markets was required during the year.

One of the key prudential indicators relates to the Council's Authorised Borrowing Limit. It is therefore worth highlighting that borrowing has been maintained within the Council's Authorised limit as set out below:

Key Indicator	Limit 2020/21	Amount Borrowed (Internal and External)
Authorised Limit borrowing	£76.156m	£43.672m

Looking ahead to 2021/22 it is likely that additional borrowing will be required to support the redevelopment of the Honeycroft Site in Lawford, which was set out in the Cabinet report agreed by the Leader in July. Depending upon the final development design and density, build costs are estimated to be in the region of £4 million. Although subject to a further report once the associated tender exercise is undertaken £280,000 has been set aside in the HRA budget for 2021/22 that will be available to support the cost of borrowing for this scheme. The final borrowing decision will be made by Full Council following a recommendation by Cabinet. It is also worth highlighting that it is anticipated that borrowing / capital investment costs can be reduced by seeking grant funding from Homes England through the Affordable Homes Programme 2021 - 2026. The Council is eligible to bid through the continuous market engagement strand of the programme and officers will be commencing discussions with Homes England to establish the level of grant subsidy that might be achievable

### **Investments**

The year saw the continuation of the challenging investment environment of low investment returns with relatively high level of counterparty risk continuing. The tight monetary conditions remain and short-term deposit rates remain at extremely low levels. Additional liquidity in the market as a result of government grants to local authorities in response to COVID 19 and reduced investment activity in the wider economy due to COVID 19 resulted in banks not looking for any additional funding, which has driven rates down even further and has made it increasingly difficult to find suitable counterparties.

The Council manages its investments in-house and invests in accordance with the approved strategy. The Council invests for periods of time dependent on the Council's cash flows, the view as to future interest rate movements and the interest rates offered by counterparties whilst balancing various risks such as interest rate risk and counterparty risk.

As a result of the shortage of counterparties, plus the additional requirement for liquidity due to additional uncertainty over cash flows due to COVID 19, during 2020/21 the Council opened two Money Market Funds, one with Aviva and one with Federated Hermes. Both funds are AAA rated and are permitted investments as set out in Treasury Management Practices. At 31 March 2021 £7.800 million was held in total in Money Market Funds

The Council's investments continued across the following investment types:

- Deposits at fixed rates and for fixed terms with other local authorities and the Government's Debt Management Office (DMO)
- Deposits at fixed rates and for fixed terms with UK-based banks and building societies meeting the counterparty risk criteria
- Treasury bills, which are tradeable but if held to maturity are at fixed rates, although none were purchased during 2020/21 as the rates were much lower than could be achieved elsewhere
- Certificates of deposit, which are tradeable but if held to maturity are at fixed rates
- Use of deposit accounts with UK banks and the two new Money Market Funds for liquidity

Further details on how the investment types changed over the year is set out below.

With poor investment returns available along with limited 'low' risk counterparties, a significant proportion of the Council's investments were still made with other local authorities. The significant amount of money received on 1 April 2020 for Business rates grants from BEIS of £80.270 million meant that the only counterparty meeting the requirements of the Council's Treasury Management Practices (TMPs) where this money could be placed was the Bank of England's Debt Management Facility (DMO). This practice continued throughout the year, even in periods when the DMO was paying negative interest rates, meaning that the Council received back less money than was placed with the DMO. Total negative interest paid by the Council was limited to £382.10 across the whole year. The potential returns on Treasury Bills were so low that none were bought during the year, neither were any Certificates of deposit with banks, although there were some fixed deposits with Building Societies. Both government and local authority investments fit well with the Council's low appetite for risk with the security and liquidity of the investment the prime concern.

The total invested in local authorities at 31 March 2021 was **£58.000 million** out of a total investment of **£76.959 million**, with a further **£7.600 million** invested short term with the Debt Management Office and **£7.800 million** invested in two Money Market Funds. Other investments were held with UK banks with no amounts held with Building Societies, non-UK institutions or in Treasury Bills.

Given the money received from the Government to support business rate grants etc. and the short term and repeating nature of placing money with the DMO highlighted above, 2020/21 was an unusual year with aggregated investments reaching over **£5.000 billion** for the year as set out in **Appendix A**.

The Council receives regular credit rating updates during the year following which the appropriate action is taken as soon as practical where the credit rating falls below the minimum ratings which form part of the Council's Treasury Management Practices.

The UK holds an AA rating with one rating agency, AA- with a second and Aa3 with the third, with the lower grades not having a specific adverse impact on the Council's treasury activities at the present time.

In accordance with the Council's Commercial Property Investment Policy, an annual update on the portfolio is set out below.

In August 2017 the Council purchased an investment property in the District. The purchase was financed partly from capital receipts and partly from revenue resources, so there was no increase in indebtedness arising from the purchase. The purchase price, including stamp duty, was **£3.244 million**. At 31 March 2018 the property had been revalued to **£3.100 million** (the purchase price less stamp duty tax). In each subsequent year the Council's appointed valuer has revalued the property for the purposes of the Council's Statement of Accounts and the fair value was reduced as set out in the table below;

Date	Comment	Value £ million	Impairment £ million
August 2017	Purchase	3.244	0.000
March 2018	Revalued – exclude stamp duty	3.100	0.144
March 2019	Revalued	2.300	0.800
March 2020	Revalued	2.155	0.145
March 2021	Revalued	1.985	0.170

An impairment of **£0.170 million** was therefore recognised in the Council's 2020/21 statement of accounts, which is charged to revenue within the Comprehensive Income and Expenditure Statement and then reversed out through the Movement in Reserves Statement so that it does not fall as a direct cost that needs to be financed. It is worth highlighting that the above adjustments reflect the necessary end of year accounting adjustments and therefore do not necessarily reflect the value of the property on the open market. This remains as the only property in the portfolio.

In terms of the performance of the property, during the year the rental income was **£0.179 million**. (this is lower than in previous years as the payment of rent has moved from a quarterly basis to a monthly basis but this has had no impact on the overall annualised amount). The annualised amount represents an annual rate of return of 6.5% compared to the purchase price including stamp duty. The property is therefore performing satisfactorily against the financial target with the budgeted investment income achieved for the year.

The current leasehold occupier of the property ceased trading from the property in November 2018. Discussions remain open with the current leasehold occupier to continue to explore options going forward, which could include them subletting the property for the unexpired period of the lease (approximately 5 years). It is worth highlighting that the Council's Commercial Property Investment Policy is underpinned by robust risk management actions which will respond to any changes to the situation.

Given the above, there are no current risks to the Council's long-term forecast or significant changes to the risk of holding commercial property, but this will be reviewed on an on-going basis with any changes required to be made to the forecast set out as part of the financial strategy process over the remainder of the year.

#### **Compliance with Treasury and Prudential Limits**

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy. The outturn for the Prudential Indicators is shown in **Appendix B**.



<b>BACKGROUND PAPERS FOR THE DECISION</b>
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None
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<b>APPENDICES</b>
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<b>Appendix A</b> Treasury Performance figures 2020/21
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<b>Appendix B</b> Prudential and Treasury Indicators 2020/21
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## 1 Borrowing

## 1a Long Term Debt

Principal	Opening Balance 1 April 2020 £'000	New Borrowing £'000	Principal Repaid £'000	Balance at 31 March 2021 £'000	Average Debt for Year £'000
<b>Long Term Borrowing</b>					
PWLB - General Fund	207	0	56	151	179
PWLB - Housing Revenue Account	40,106	0	1,665	38,441	39,214
<b>Total Long Term Borrowing</b>	<b>40,313</b>	<b>0</b>	<b>1,721</b>	<b>38,592</b>	<b>39,393</b>

Average Interest Rates	Average Interest Rate 1 April %	New Borrowing %	Principal Repaid %	Average Interest Rate 31 March %	Average Interest Rate for Year %
<b>Long Term Borrowing</b>					
PWLB - General Fund	7.515	0.000	8.531	7.138	7.354
PWLB - Housing Revenue Account	3.451	0.000	2.371	3.497	3.472
<b>Overall Long Term Borrowing</b>	<b>3.472</b>	<b>0.000</b>	<b>2.572</b>	<b>3.511</b>	<b>3.490</b>

## Interest paid relating to 2020-21

General Fund	13
Housing Revenue Account	<u>1,362</u>
	<u>1,375</u>

Long term debt is defined in legislation as loans repayable over more than one year.

## 1b Total debt

Average debt over the year	£39,393
Interest paid relating to 2020-21	£1,375
Average interest rate for year	3.490%

This includes interest paid on temporary debt

## 1c Budget for Total Interest Paid

	Original Estimate £'000	Out-turn £'000	Variation from Budget £'000
General Fund	13	13	0
Housing Revenue Account	1,358	1,362	4
<b>Total Interest Paid</b>	<b>1,371</b>	<b>1,375</b>	<b>4</b>

## 2 Investments

### 2a Temporary Investments

Principal	Opening Balance 1 April 2020 £'000	New Investments £'000	Investments Repaid £'000	Balance at 31 March 2021 £'000	Average Investments for Year £'000
<b>Investments less than a year</b>					
Investments with UK Government via Treasury Bills, DMO, Local Authorities and other public bodies	54,900	5,070,900	5,060,200	65,600	
Investments with UK Financial Institutions (including Money Market Funds)	11,560	28,790	28,991	11,359	
Investments with non-UK Financial Institutions	0	0	0	0	
<b>Total Temporary Investments</b>	<b>66,460</b>	<b>5,099,690</b>	<b>5,089,191</b>	<b>76,959</b>	<b>103,680</b>



Average Interest Rates	Average Interest Rate 1 April %	Average Interest Rate 31 March %	Average Interest Rate for Year %
Temporary Investments	0.393	0.065	0.287

### 2b Budget for Total Interest Earned

	Original Estimate £'000	Revised Q2 CBM £'000	Out-turn £'000	Variation from Revised Budget £'000
<b>Total Interest Earned</b>	<b>(386)</b>	<b>(290)</b>	<b>(300)</b>	<b>(10)</b>

## 3 Base rates

%

At 1 April 2020 0.100

At 31 March 2021 0.100

*The rate remained unchanged at 0.10% all year*

## PRUDENTIAL INDICATORS

## 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 £000s	2020/21			Notes	2021/22 as	Amended
	2019/20 Actual	Approved budget	2020/21 Actual		agreed by full Council 13 July 2021	2021/22 for carry forwards
<b>Total Capital Expenditure</b>	<b>5,202</b>	<b>10,783</b>	<b>1,920</b>		<b>816</b>	<b>9,786</b>
<b>Financing - General Fund</b>						
External contributions	(23)	(43)	-		-	(43)
Section 106	(7)	(109)	(103)		-	(6)
Coast protection grant	(1,670)	(439)	(78)		-	(360)
Other Government grants	(40)	(282)	(130)		-	(152)
Disabled Facilities Grant	(1,507)	(5,265)	(786)		(757)	(5,237)
Capital receipts	(28)	(825)	(10)		-	(815)
Direct revenue contributions	(341)	(57)	(24)		(55)	(366)
Earmarked reserves	(1,586)	(3,763)	(789)		(4)	(2,807)
<b>Total Capital Financing</b>	<b>(5,202)</b>	<b>(10,783)</b>	<b>(1,920)</b>	<b>-</b>	<b>(816)</b>	<b>(9,786)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>

Housing Revenue Account Capital Schemes £000	2020/21			Notes	2021/22 as	Amended
	2019/20 Actual	Approved budget	2020/21 Actual		agreed by full Council 13 July 2021	2021/22 for carry forwards
<b>Total Capital Expenditure</b>	<b>5,370</b>	<b>3,457</b>	<b>4,160</b>		<b>3,457</b>	<b>5,809</b>
<b>Financing - Housing Revenue Account</b>						
Major repairs reserve	(3,652)	(3,176)	(2,063)		(3,176)	(3,957)
Direct revenue contributions	(1,197)	(281)	(1,111)		(281)	(1,143)
Section 106	(86)	-	(261)		-	(596)
Capital receipts	(368)	-	(725)		-	(113)
External contributions	(67)	-	-		-	-
Government grant	-	-	-		-	-
<b>Total Capital Financing</b>	<b>(5,370)</b>	<b>(3,457)</b>	<b>(4,160)</b>		<b>(3,457)</b>	<b>(5,809)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>

## 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	2020/21			Notes	2021/22 as
	2019/20	2020/21	2020/21		agreed by full
	Actual	Estimate	Actual		Council 13 July 2021
	£000	£000	£000		£000
General Fund	5,448	5,230	5,230		5,021
Housing Revenue Account	40,106	38,442	38,442		36,778
<b>Total</b>	<b>45,554</b>	<b>43,672</b>	<b>43,672</b>		<b>41,799</b>

## 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	2020/21	Notes	2021/22 as agreed by full Council 13 July 2021
	Actual	Estimate	Actual		£000
	£000	£000	£000		£000
Capital Financing Requirement	45,554	43,672	43,672		41,799
External debt	40,313	38,592	38,889		36,921
Internal borrowing	5,241	5,080	4,783		4,878

#### 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	2020/21	Notes	2021/22 as agreed by full Council 13 July 2021
	Actual	Estimate	Actual		£000
	£000	£000	£000		£000
Operational boundary - borrowing	67,704	67,525	67,525		67,342
Authorised limit - borrowing	76,455	76,156	76,156		75,355

#### 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	2020/21	Notes	2021/22 as agreed by full Council 13 July 2021
	Actual	Estimate	Actual		£000
	£000	£000	£000		£000
General Fund	-2.49	-0.40	-0.45		0.94
Housing Revenue Account	57.54	47.09	54.38		47.29

#### 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	2020/21	Notes	2021/22 as agreed by full Council 13 July 2021
	Actual	Estimate	Actual		£000
	£000	£000	£000		£000
Upper limit for Fixed Interest Rates on debt	45,554	43,672	43,672		41,799
Upper limit for Variable Interest Rates on debt (based on 30% of the fixed rate limit)	13,666	13,102	13,102		12,540

**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	2020/21	Notes	2021/22 as
	Actual	Estimate	Actual		agreed by full
	£000	£000	£000		Council 13 July
					2021
					£000
Limits on the total principal sum invested to final maturities longer than 364 days	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	Actual	2021/22 as	
			outstanding	agreed by full	
			debt maturity	Council 13 July	
	%	%	% at	2021	
				31/03/2021	31/03/2022
Under 12 months	25	0	4.33%		6.02%
12 months and within 24 months	30	0	5.76%		3.85%
24 months and within 5 years	60	0	16.76%		20.22%
5 years and within 10 years	75	0	17.57%		14.76%
10 years and above	95	25			
10-20 years			15.76%		14.52%
20-30 years			0.95%		18.96%
>30 years			38.87%		21.67%

**TREASURY INDICATOR - EXPOSURE TO CREDIT RISK**

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

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

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<b>Key Decision Required:</b>	<b>Yes</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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**CABINET  
17 SEPTEMBER 2021**

**REPORT OF THE PORTFOLIO HOLDER FOR PARTNERSHIPS**

**A.8 North East Essex Health and Wellbeing Alliance update and acceptance of funding from health partners**

(Report prepared by J Fox and Lisa Hastings)

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

**To provide Cabinet with an update on the North East Essex Health and Wellbeing Alliance and to seek Cabinet’s approval to accept funding offered to Tendring District Council from both North East Essex Clinical Commissioning Group and East Suffolk and North Essex Foundation Trust and the associated governance framework.**

**EXECUTIVE SUMMARY**

The North East Essex Health and Wellbeing Alliance (The Alliance), brings together a range of partners consisting of the local NHS, Councils and voluntary and community organisations within Colchester and Tendring committed to working collaboratively to improve the health and wellbeing of local residents.

The Alliance is made up of a range of partners across north east Essex. The member organisations have a strong background of working within their own fields to improve the health and wellbeing of our area.

All members of the Alliance have signed up to a memorandum of understanding (Appendix 1).

The Alliance sits underneath the Suffolk and North East Essex Integrated Care System (ICS) which brings partners together over a wider geographic foot print and is the Government’s preferred option for organising health.

Whilst wider health commissioning decisions are undertaken at an ICS level and the ICS oversees the operation of the Alliance there is a strong desire both at an Alliance and ICS level and supported by Government for subsidiarity so that wherever possible decisions are made locally.

The North East Essex Clinical Commissioning Group (CCG) was formally established on 1 April 2013. It is a clinically led organisation which comprises 32 GP practices across Colchester and Tendring. They are responsible for commissioning most health services for the people of North East Essex, including hospital care, community health services, mental health services, learning disability services and urgent and emergency care and primary care.

The CCG has developed an Alliance Committee which has a number of representatives from the Alliance sitting on it which has the power to make local decisions. However the

CCG cannot delegate its responsibilities and therefore voting rights on this Committee remain with the CCG.

The current key work streams of the Alliance include the developing strategy work with a specific focus on inequality, integration and the development of the Live Well domains and how this will be delivered through neighbourhood teams.

During March 2021, the CCG offered three separate funds to Tendring District Council in relation to delivering work around public health.

- £165,000 for the Healthy Housing Project (which adds to a previous £165,000 to extend a project for providing mental health support to residents identified by staff for example when undertaking a housing inspection and providing wider housing and health support
- £158,000 for community transport in Tendring
- £200,000 for addressing health inequalities in place

It was subsequently agreed that the community transport funding would be more suitably allocated directly by the CCG who wanted to ensure existing service provision continued.

Due to the time pressure in March it was agreed at Management Team to accept the funding but acknowledging Memorandums of Understanding (MOU) had not been received for each of the projects and therefore, the Council had no obligations in respect of this funding.

Subsequently, in April, East Suffolk and North East Essex Foundation Trust (ESNEFT) offered an extra £200,000 to Tendring District Council for health inequalities.

Draft MOUs have now been supplied however, it is important to understand the governance framework for formally accepting the funding and that for each project outcomes and spending proposals will be agreed with future decisions.

The current scope of each of the projects is set out within the body of the Report.

## **RECOMMENDATION(S)**

**That Cabinet:**

- (a) Notes the current status of the North East Essex Health and Wellbeing Alliance and endorses the continued involvement of the Council within the partnership;**
- (b) agrees to the acceptance of £165,000 funding from the North East CCG for the healthy housing project in accordance with the governance framework as set out in the draft Memorandum of Understanding, attached as Appendix 2**
- (c) agrees to the acceptance of £400,000 funding from North Essex CCG and ESNEFT for addressing inequalities at place project in accordance with the governance framework as set out in the draft Memorandum of Understanding, attached as Appendix 3**
- (d) delegates authority to the Assistant Director of Partnerships in consultation with the Portfolio Holder for Partnerships to agree the final MOUs;**

- (e) delegates authority to the Assistant Director of Partnerships in consultation with the Portfolio Holder for Partnerships to agree the outcomes and spending proposals for each project, in consultation with the Section 151 and Monitoring Officers, highlighting the implications for each within a published report;
- (f) delegates authority to the Assistant Director of Partnerships to attend the Suffolk and North East Essex Integrated Care System Board and
- (g) Delegates authority to the Assistant Director of Partnerships to attend the North East Essex Health and Wellbeing Alliance Board

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

### **DELIVERING PRIORITIES**

The work of the Alliance and the provision of the funding received by Tendring District Council will, together with partners help to deliver Community Leadership through the Partnerships theme of the Corporate Plan and its objectives around health and wellbeing for effective services and improved public health.

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

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

Work undertaken in relation to the Alliance by Tendring District Council officers is currently delivered through the Council's existing resources. Through the development of the Alliance's strategy, consideration may be required in the future to increasing internal resources to deliver its objectives. The draft MOUs do not provide any commitment that the funding or any part of it can be retained by the District Council in delivering the 2 projects, unless this is approved through the governance structures referred within each MOU.

Although an original Alliance MOU exists the contribution model from partners has still not been determined. Future contribution arrangements are required to be discussed through the Alliance Board.

Each draft MOU states that the funding will be held by the Council on behalf of the NEE HWB Alliance in a dedicated budget line and all spending proposals must contribute to the delivery of the outcomes (yet to be agreed) and can only be enacted on agreement of all the Parties and by approval of the NEE HWB Alliance Committee following recommendations by the Strategy Group.

#### **Risk**

There may be a perceived risk that the NEE HWB Alliance Committee could influence how the Council delivers its services and undertakes some of its functions however, by being a Party to the MOU, the Council has to agree to the outcomes for each project and the spending proposals to be considered by the Alliance Committee. In reality, both of the projects are proposed to contribute to the Council's Corporate Plan priorities and to contribute to the health and wellbeing agenda through effective services and improved public health. The Council representatives will ensure that any spending proposals submitted for approval recognise any internal resources to deliver the projects' outcomes.

The funding needs to be spent by March 2023 and if it is not spent it has to be returned.

## **LEGAL**

The Alliance is not a legal entity but an informal partnership consisting of a group of organisations voluntarily working together.

Each MOU states that the funding investment has been approved by the CCG Operational Executive Committee which works in tandem with the Alliance Committee under similar terms of reference as delegated by the CGG Board. Tendring District Council is not a member of this Committee.

The draft agreements all provide a governance framework in which the named parties will work together to develop a range of outcomes building on the existing work and contribution to the Alliance objectives and within the objectives of the North East Essex Integrated Community Services (NICS) contract.

It is important to ensure that any agreed outcomes and spending proposals suggested in the future are agreed in consultation with the Portfolio Holder for Partnerships to provide oversight, openness and transparency, therefore it is recommended that these are documented with the formal Officer Decision Record. Each Report will highlight the associated risks and implications of the decision at that time.

Through accepting the funding the Council is not agreeing to deliver services on behalf of the CGG but will remain the accountable body for holding the money until the outcomes and spending proposals of each project are agreed. This will be an express condition of signing the MOUs on behalf of Tendring District Council.

The parties will also be made aware of the implications of the Council being the Accountable Body that any decision to spend the funds must be made in accordance with the Council's internal governance arrangements too, such as following the Procurement Procedure Rules, distinguishing between grant awards and contract for services, giving consideration to State Aid implications etc.

## **OTHER IMPLICATIONS**

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

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

The Alliance seeks to improve health and wellbeing in North East Essex. A key focus is on addressing health inequality.

The funding is to be used to improve public health which is likely to be focussed in the areas of greatest need and in particular a significant part of the funding is to be used for dealing with inequality.

In determining the agreed outcomes and spending proposals equality impact assessments will be undertaken for each project and form part of the future decision making.

## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

#### Alliance

The Alliance is made up of a range of partners across North East Essex. The **member organisations include:**

- Colchester Borough Council
- Community 360
- Community Voluntary Services Tendring
- East of England Ambulance Service
- East Suffolk and North Essex NHS Foundation Trust
- Essex County Council
- Essex Partnership University NHS Foundation Trust
- GP Primary Choice
- Healthwatch
- North East Essex Clinical Commissioning Group
- St Helena Hospice
- Tendring District Council
- Virgin Care

The member organisations have a strong background of working within their own fields to improve the health and wellbeing of the area and are seeking to collaboratively work to address health and wellbeing. By combining various skills, perspectives and resources, the Alliance seeks to tackle some of the most pressing problems communities face in the area.

As part of working together all Alliance members signed an MOU in July 2019 to enhance partnership working which also ensured that the Council could access Alliance Transformation Funding opportunities. This allowed a successful bid to be made to enhance mental health in primary schools, developing the Great Bentley primary school wellbeing hub which is now being rolled out across Tendring and Colchester.

Within the Alliance MOU the stated aim is to transform the health and wellbeing of the population of North East Essex by creating a sustainable system of health and wellbeing services that meet the immediate and longer term needs of the population and that this would be achieved through integrated commissioning and integrated delivery of health and wellbeing services.

The Alliance MOU highlights that each party remains a sovereign organisation and the MOU provides a financial and governance framework for the development of collaborative working.

It also states that the Alliance is not a separate legal entity, and as such is unable to take decisions separately from the parties and nor can one or more party overrule any other party on any matter.

No specific resource requirements were made within the MOU and it was to determine the future governance apparatus and accountability arrangements.

The Council is an active member of the Alliance with the Assistant Director of Partnerships attending the Alliance Board and the Public Health, Wellbeing and Environmental Protection Manager attending the Strategy Group and wider delivery groups such as the Inequalities Group, Live Well domain work groups and Neighbourhoods Group.

## **Funding**

As a lead commissioner the CCG has provided funding to the Council for a number of initiatives in the past.

One of these initiatives is a Health and Housing project for which £165,000 was provided in 2019 and this was to allow Council staff access to mental health staffing support in relation to clients they were dealing with.

As officers do not have detailed mental health training and regularly deal with clients with significant mental health issues, this allows the mental health support staff to deal with a client's mental health issues whilst the Council officer deals with the clients housing problem for example.

The provision of mental health staff is from Essex Partnership University Trust (EPUT) (the local mental health service provider).

This service was started and then as the covid pandemic occurred the staff returned to EPUT to deal with excess demand there and have now recently started again supporting Council officers.

## **CURRENT POSITION**

### **Alliance**

The Alliance MOU requires updating and key to this will be any contribution model.

The Alliance has developed an Alliance Committee which has decision making and commissioning powers. A number of Alliance representatives are on this committee, although not a Tendring District Council representative. All voting rights on the Committee remain with the CCG who cannot delegate their responsibilities.

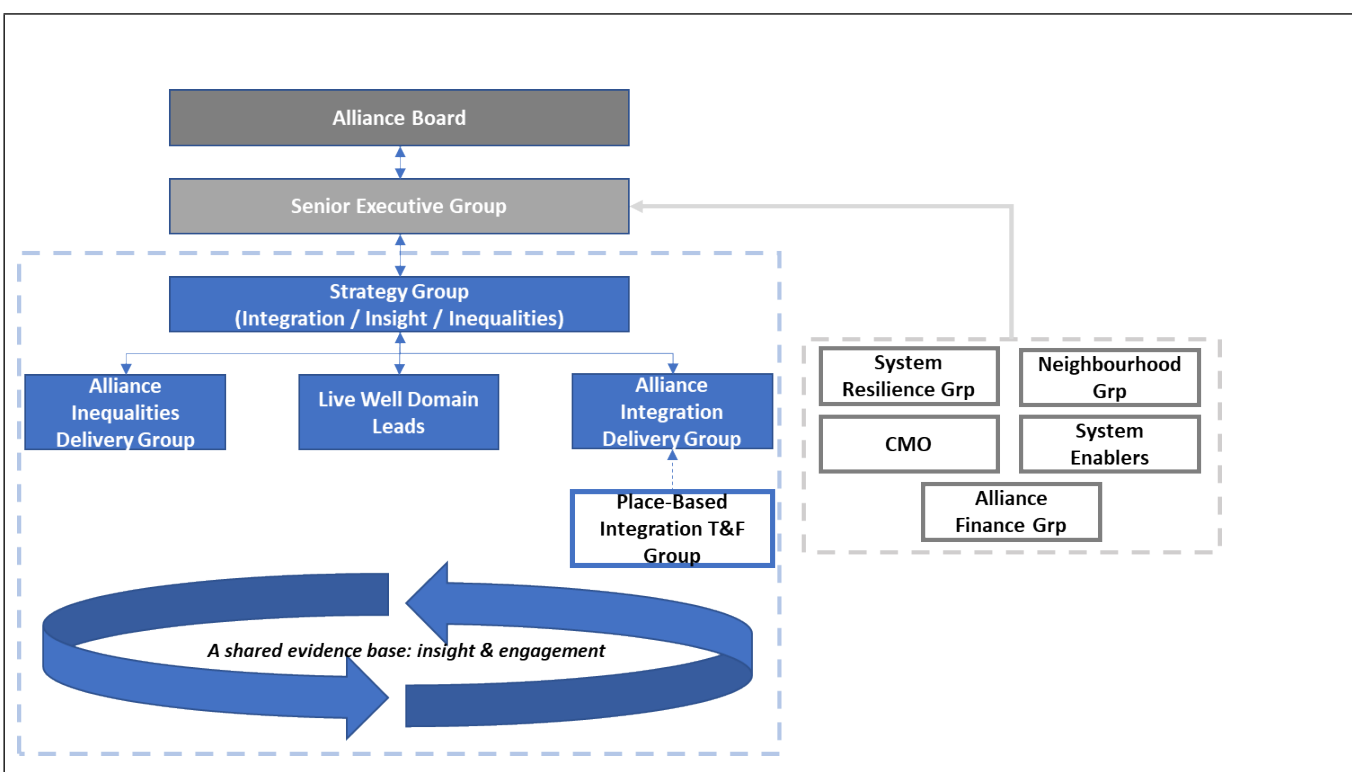
This Committee was set up to support the transition towards more Alliance responsibility and decision making.

The Health and Social Care Bill White Paper envisages the removal of CCG's as they are incorporated into a wider integrated care system (ICS). The ICS in our area covers the majority of Suffolk and North East Essex.

Within the White Paper it also clearly identifies the devolving of power and decision making to local areas on an Alliance basis, which is likely to see local alliances receiving more power in their areas.

Although as a member of the Alliance Board, the Council actively works with partners in relation to the wider agenda of the Alliance, there are a number of key work streams where officers are represented.

The current structure of the Alliance is shown below.



The Council has representation from the Assistant Director of Partnerships on the Alliance Board and also by the Public Health, Wellbeing and Environmental Protection Manager on the Strategy Group and the three groups underneath it covering inequalities, Live Well domains and integration. It is also represented on the Neighbourhood Group.

The Strategy Group focuses on ensuring there is a sufficient evidence base, that Alliance priorities and principals drive resources and activity, promoting and supporting the Live Well domain work, focussing a prevention and inequity lens over all Alliance activity and developing thinking, culture and ideas.

The Inequalities Group which sits underneath the Strategy Group is developing its thinking to ensure a focus on inequality is at the heart of all Alliance work and is of particular relevance to the Tendring area.

The Live Well domain work supports the vision of reducing inequality and focusing on the wider determinants of health to support and empower communities at each stage of their life to be as well as possible.

The domain work allows identification of what good looks like, creation of neighbourhood profiles and development of locally targeted delivery and to assist with measuring and prioritising to ensure resources and activities are directed where they are needed most.

The domains are represented on the Live Well tree below.

## Live Well in North East Essex

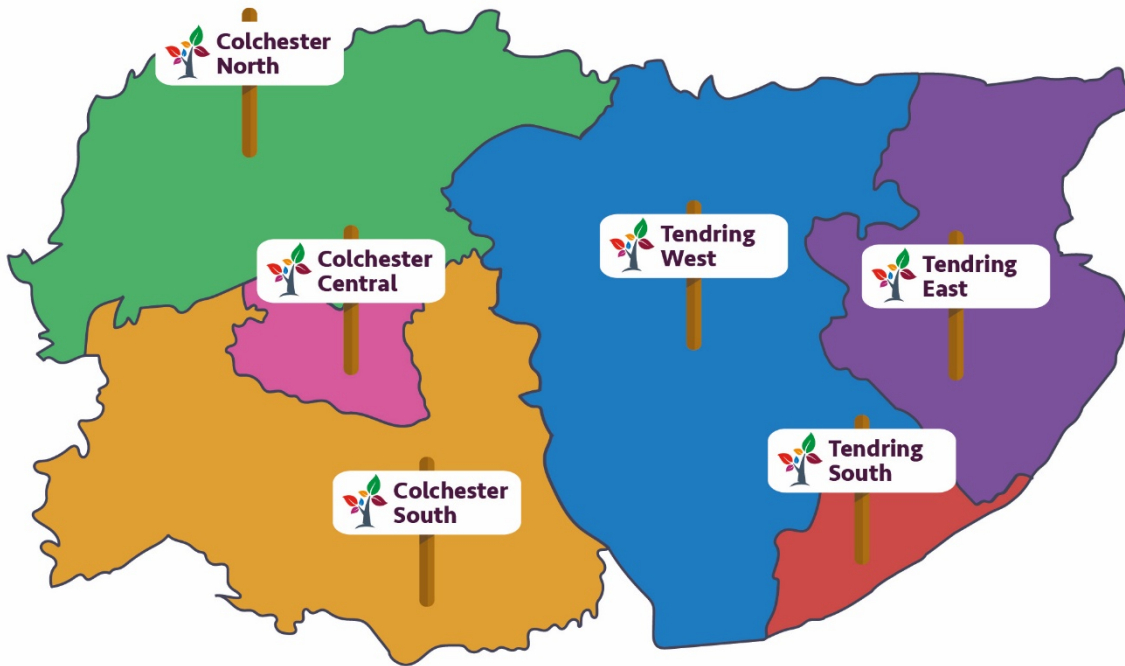


The domain leads are spread across various Alliance organisations and the Be Well domain which seeks to help adults make healthy lifestyle choices is co led by Tendring and Colchester councils. Within the domain work there is an acceptance that not all issues can be dealt with at once and so for example a key focus of Be Well is around physical activity and supporting those who are most inactive to increase their activity and gain the wider benefits associated with that in terms of health, addressing social isolation and loneliness and developing community connectedness.

The Integration Group which is also currently developing will help to oversee how Alliance partners can come closer together and work in partnership in a more effective way.

The Alliance is also seeking to develop a neighbourhood way of working which will see partners coming closer together at a delivery level to work within a specific geographical location.





The initial neighbourhood team is being set up in Colchester Central with the second team likely to be delivered in Tendring South. The exact nature of these teams and their remit is still being developed.

The Alliance which has been forming for a period of time has developed strong working relationships between organisations and officers. The strength of these relationships proved to be invaluable as partners supported each other to respond to the Covid pandemic.

Now there is a reduced focus on the pandemic the development of the Alliance is occurring at pace with particular emphasis around the domain and neighbourhood work.

This increase in pace is likely to see more demand on partners to contribute time to further develop partnership working at a time when Government proposals such as highlighted in the Health and Social Care White Paper are likely to see devolution of power to localities on an Alliance footprint.

As the Alliance has developed there has been regular attendance at the Council's Community Safety and Health and Wellbeing Board from lead Alliance members such as the CCG Chief Operating Officer and this has included for example a specific presentation about Alliance development and officer attendance at All Members Briefings.

Ongoing updates on Alliance work are also provided to the Cabinet Member for Partnerships both to provide an update and to be able to feed a view into the Alliance.

## **Funding**

In mid-March 2021 the CCG offered three separate amounts for delivering public health improvements within the area.

Within these three separate amounts was an offer of £158,000 for community transport. Following discussions it was determined that the CCG should directly allocate this funding as

they wished to see continued provision of an existing service which would be more effectively achieved through their direct allocation. The CCG have however asked if Tendring District Council has any issues they would like covered in the grant award from the CCG to the community transport provider which will allow the Council to ensure its priorities are included in this provision. This will be discussed with the Portfolio Holder for Partnerships and the existing service provider before any comments are made to the CCG.

Draft MOU's have now been provided for the other two projects which include some key similarities;

- The CCG is acting on behalf of the North East Essex Health and Wellbeing Alliance;
- The projects meet the Department of Health and Social Care's White Paper in relation to integration and innovation to work together to improve health and social care for all;
- An identification of the importance of addressing the wider determinants of health;
- **Governance Framework** that provides:
  - o all parties will work together to develop and agree a range of outcomes building on existing work and in contribution to both the Alliance objectives and within that the objectives of the North East Essex Integrated Community Services Contract (NICS);
  - o The funding will be held by Tendring District Council on behalf of the NEE HWB Alliance in a dedicated budget line;
  - o Spending proposals can only be enacted with agreement of all the Parties to the MOU and by approval of the NEE HWB Alliance Committee following recommendations from the Strategy Group and that spending and outcomes will be monitored and reported to North East Essex Health and Wellbeing Alliance and via the Alliance Change Management Office reporting routes as required

#### Healthy Housing Project – Draft MOU Appendix 2

Following initial funding of £165,000 provided in 2019 for this project a further £165,000 was offered to extend the Health and Housing project for mental health support so that it can continue for a further year. In addition this project is being expanded to provide wider support for those experiencing poor mental health linked to the provision of housing.

Originally no MOU was provided from the CCG for this project however, a draft MOU has now been provided by the CCG, with both Colchester Borough Council and Tendring District Council listed as Parties as the project is being delivered in both local authority areas. The background to the draft MOU and funding is that since its inception the Alliance has been working collaboratively at the place level to better understand the health and social care needs of its local population. Within this addressing the wider determinants of health is a key motivation and in doing so, housing forms an essential part of how partners come together to deliver better, more sustainable, physical, mental and social health for citizens as part of the Stay Well agenda. The demand on existing healthy homes initiatives has increased considerably against the backdrop of Covid-19, quicker discharge from hospital and the impacts of national lock-downs.

The investments will work together to address specific areas of continued development as outlined below.

- Building on previous programmes of work bringing Mental Health support into the environmental teams to support the wider determinants of health and support tenants to remain in safe housing.

- Linking with but not duplicating existing equipment grants to support independent living in a resident's own home supporting those with long term conditions.
- Linking with but not duplicating local work to reduce and eradicate homelessness for local residents, supporting local residents to be in safe accommodation.
- Linking with but not duplicating local work on reducing the number of vulnerable households/residents living in cold homes and in fuel poverty.
- Linking with but not duplicating local work to identify and assist residents with the most complex needs/issues linked with their housing conditions.
- Linking with but not duplicating local work to develop and improve access reliable services to support the discharge of vulnerable residents who have ongoing health conditions, reduced mobility, or are at risk of re-admission due to housing factors.

The funding is being provided up to March 2023 and if not spent by such time, it will need to be returned.

### Inequalities Funding – Draft MOU Appendix 3

An initial £200,000 was offered from the CCG for inequalities work during March. Subsequently, in April, East Suffolk and North Essex Foundation Trust (ESNEFT) have also offered an extra £200,000 for this work as well.

The draft MOU supports the ongoing delivery and response to addressing inequalities at a place level and in addition via the new North Essex Integrated Community Services (NICS) Contract (which TDC is not a party to).

The MOU recognises the importance of the Marmot approach and the importance of the wider determinants of health and the preventative approach to address health inequalities.

The funding from the two providers will work together to address inequalities.

From a CCG perspective this will be informed by the Alliance Inequalities Group to deliver outcomes by building on what is already happening and collectively designing activity to make a difference.

The ESNEFT contribution links to the North East Essex Integrated Community Services (NICS) contract. ESNEFT is one of the principle deliverers of this contract which relates to the provision of community services and a key feature of the success of the contract is the integration of services across multiple providers which includes second tier councils. The funding will be used to develop opportunities to address inequalities in line with the NICS contract.

Both the CCG and ESNEFT contributions therefore do not clearly set outcomes for the funding. It is therefore proposed for the Council to develop a draft broad delivery plan in terms of how the funding could be utilised and then to liaise with the CCG and ESNEFT to ensure effective alignment and integration is occurring.

### Conclusion

Similar funding has been provided to Colchester Borough Council and there may be opportunities to align some of the work of both councils to deliver more significant outcomes.

The funding is available for the Council to use to help address the wider determinants of health such as housing and inequality which are key issues the Council wishes to develop to support its residents.

The provision of the funding to the Council provides the opportunity to help determine how funding is spent in our area which the Council is well placed to determine with its link to residents.

The Council will hold the money subject to the separate MOUs.

It is proposed that the Council develops its proposals for allocating the funding which will be submitted to the Strategy Group. The final approval for funding is through the Alliance and the Council is well represented on the Board and Strategy Group which is the driver for how resources are allocated and will approve any funding proposals.

#### **FURTHER HEADINGS RELEVANT TO THE REPORT**

#### **BACKGROUND PAPERS FOR THE DECISION**

#### **APPENDICES**

A 1 Memorandum of Understanding of North East Essex Health and Wellbeing Alliance

A 2 Draft Memorandum of Understanding – Healthy Housing

A 3 Draft Memorandum of Understanding – Inequalities

Draft for Alliance Leadership Board meeting 24<sup>th</sup> May 2019

## North East Essex Health and Wellbeing Alliance Partnership Board – Terms of Reference

### 1. Purpose

- 1.1. The aim of the North East Essex Health & Wellbeing Alliance (NEE Alliance), is to transform the health and wellbeing of the population of North East Essex by creating a sustainable system of health and wellbeing services that meet the immediate and longer term needs of our population. This will be achieved through integrated commissioning and integrated delivery of health and wellbeing services.
- 1.2. The North East Essex Health & Wellbeing Alliance Partnership Board (NEE Partnership Board) has been established to provide strategic direction to the NEE Alliance to prioritise and oversee the NEE Alliance work programmes, to procure from the Parties suitable and sufficient resources to undertake those work programmes, to manage risks emerging in respect of those work programmes and to hold to account the System Executive Group for the performance of the NEE Alliance such that it achieves the Objectives set for it.
- 1.3. The Objectives agreed are to design, develop and agree the governance, operating and commercial model that enables relevant Parties to:
  - 1.3.1. Plan, source and provide high-quality integrated care services, with interventions delivered at the right time and at the optimum point of service.
  - 1.3.2. Establish and achieve ambitious, well defined goals, measurable in terms of health and wellbeing outcomes and in reductions in health inequalities.
  - 1.3.3. Spend no more than their aggregate budgets permit, year-on-year, and to use the funds made available in a way that delivers demonstrable value for money for taxpayers.
- 1.4. To make significant progress during 2019/20 with the four transformation programmes identified as being 1<sup>st</sup> order priorities in North East Essex.
- 1.5. To introduce and operate oversight arrangements whereby the ongoing performance of multi-lateral, integrated care initiatives across North East Essex can be overseen "in the round" as such initiatives are activated and operationalised.

### 2. Status and authority

- 2.1. The NEE Alliance is established by the Parties, who remain sovereign organisations, to provide a financial and governance framework for the development of collaborative working in health and wellbeing across North East Essex.
- 2.2. NEE Alliance is not a separate legal entity, and as such is unable to take decisions separately from the Parties or bind its Parties; nor can one or more Party "override" any other Party on any matter (although all Parties will be obliged to comply with the terms of the Memorandum of Understanding).
- 2.3. NEE Alliance intends to conduct its activities on a "best for service" basis. Parties understand that, from time to time, this may result in the NEE Alliance recommending changes to the disposition of health and wellbeing activities in North East Essex, or in the operating or commercial models that underpin these

*Draft for Alliance Leadership Board meeting 24<sup>th</sup> May 2019*

activities, and then requesting that Parties, as relevant, implement such changes.

- 2.4. The NEE Partnership Board will act as a forum for discussion of issues, including, in order to achieve the Objectives. Parties acknowledge and accept that the NEE Partnership Board is unable, in law, to bind any Party. It will function through engagement so that each Party makes a decision in respect of, and expresses its views about, each matter considered by the NEE Partnership Board.
- 2.5. Guided by the “best for service” principle, and supported by behaviours designed to maximise trust, honesty, transparency and mutual support, Parties acknowledge that decisions taken by the NEE Partnership Board will be the decisions of all NEE Alliance Parties, the mechanism for which shall be authority delegated by each Party to its representative on the NEE Partnership Board.
- 2.6. Each Party shall delegate to its representative on the NEE Partnership Board such authority as is agreed to be necessary in order for the NEE Partnership Board to function effectively in discharging the duties within these Terms of Reference.
- 2.7. Each Party shall ensure that its own organisation understands the status of the NEE Partnership Board, its decision-making capability and the extent (and limits) of the authority delegated to their representative on the NEE Partnership Board.

### **3. Responsibilities**

#### **3.1. The NEE Partnership Board will:**

- 3.1.1. Determine and oversee the delivery of the NEE Alliance work programme during 2019/20, part of which will be to agree measurable performance outcomes/targets for the NEE Alliance such that it achieves the Objectives as detailed in Clause 1.3 above;
- 3.1.2. Consider and determine, prior to the start of the 2020/21 financial year, the annual programme of work and associated budget (including any provision for third-party resource that may be called upon);
- 3.1.3. Estimate the resources and associated costs required to undertake the NEE Alliance work programme and formulate and administer the budget associated with this work programme;
- 3.1.4. Source, appoint, allocate and manage collaborative resources and transformation funding in respect of different elements of the NEE Alliance’s work programme, and, where appropriate, determining and taking (or procuring Parties to take) steps to strengthen performance or to rectify poor performance in respect of NEE Alliance work programmes;
- 3.1.5. Develop the system-level capability, capacity and associated management arrangements, to accept and effectively manage the capitation risk, and the associated reward, for achieving health and wellbeing outcomes determined by those with commissioning responsibility for the health and wellbeing of the population of North East Essex and agreed by the NEE Alliance;



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- 3.1.6. Determine the future governance apparatus and accountability arrangements to be introduced to oversee fully-operable ICS arrangements in North East Essex which will succeed arrangements that underpin the operation of this MoU;
- 3.1.7. Codify the legally-binding arrangements that relevant Parties will, within the next 12-24 months, enter into and by which they will collectively manage risks presenting across the North East Essex health and wellbeing economy and/or accept the risk and reward of achieving agreed health and wellbeing outcomes within the funding made available to the North East Essex health and wellbeing economy;
- 3.1.8. Formulate a Prospectus for a unified NEE Alliance, codified in a legally binding NEE Alliance Collaboration Agreement, with a view to securing sign up by all relevant Parties to that Collaboration Agreement by 31<sup>st</sup> March 2020;
- 3.1.9. Ensure that, as relevant, the NEE Alliance accounts to the Parties, to the Suffolk and North East Essex Integrated Care Services Board (ICS Board) and to the NEE Stakeholder Forum through whatever means are agreed by the NEE Partnership Board, the Parties and the ICS Board;
- 3.1.10. address any actual or potential conflicts of interests which arise for Parties, in accordance with a protocol to be agreed between the Parties (such protocol to be consistent with the Parties' own arrangements in respect of declaration and conflicts of interests, and compliant with relevant statutory duties);
- 3.1.11. oversee the implementation of, and ensure the Parties' compliance with, the Memorandum of Understanding;
- 3.1.12. review the governance arrangements for the NEE Alliance at least annually.

#### 4. Accountability

- 4.1. The NEE Partnership Board is directly accountable to:
  - 4.1.1. the governing Boards (or equivalent) of the Parties; and
  - 4.1.2. Suffolk & North East Essex ICS Board.
- 4.2. The minutes of each NEE Partnership Board meeting will be sent to all Parties within 5 business days of that meeting taking place.
- 4.3. The minutes shall be accompanied by a Report on any matters which the Chair of the NEE Partnership Board considers to be material to Parties.
- 4.4. The NEE Partnership Board will be indirectly accountable to the NEE Alliance Stakeholder Forum. The Forum will meet twice-yearly at which the NEE Partnership Board will communicate progress the NEE Alliance 2019/20 work programme. The NEE Partnership Board will also receive advice and guidance on the nature, shape and pace of future NEE Alliance priorities.

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## 5. Membership and Quorum

5.1. The NEE Partnership Board will comprise the following:

Chair	Alliance Executive Lead	N/A
Statutory bodies	CCG (AO)	NEE CCG
	CCG (Chair)	NEE CCG
	County Council (adults)	ECC
	County Council (children)	ECC
	Borough Council	CBC
	District Council	TDC
Core providers	Primary Care	GPPC
	Primary Care (clinical)	Primary Care Network
	Community services	ACE
	Secondary care	ESNEFT
	Mental health	EPUT
	Voluntary sector (Tendring)	CVS Tendring
	Voluntary sector (Colchester)	Community 360
Independent director	Public voice	Healthwatch Essex
In attendance (non-voting)	Alliance Programme Director	N/A

5.2. Each Party above will nominate one representative to attend meetings of the NEE Partnership Board. Such representatives will be entitled to receive all agendas and papers circulated in advance of, or subsequent to, meetings of the NEE Partnership Board.

5.3. The NEE Partnership Board will be quorate if two-thirds of the Parties are present.

5.4. Where the nominated representative of a Party cannot attend a meeting, that Party can nominate a named deputy to attend. Parties acknowledge that deputies must be able to contribute and make decisions on behalf of the Party they are representing. Deputising arrangements must be agreed with the Chair of the NEE Partnership Board prior to the relevant meeting.

5.5. Where a Party is not represented at a meeting of the NEE Partnership Board and, being quorate, decisions are taken at that meeting and in accordance with Clause 7 of these Terms of Reference, Parties understand that all Parties, whether represented at the meeting or not, will be deemed to have taken such decisions.



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5.6. The Chair of the NEE Partnership Board during 2019/20 will be the Executive Lead of the NEE Alliance. A Deputy Chair will be appointed for 2019/20. The Deputy Chair will be *[insert name or job title and organisation]*.

5.7. Where the Chair is absent, the Deputy Chair shall take on the role of Chair.

## 6. Conduct of Business

6.1. Meetings of the NEE Partnership Board will be held monthly.

6.2. The agenda for each meeting of the NEE Partnership Board will be developed in discussion with the Chair. Circulation of the meeting agenda and papers, via email, to all Parties will take place one week before the meeting is scheduled to take place.

6.3. In the event a Party wants to add an item to the agenda, it must notify the Chair at least 3 business days in advance of the meeting. Parties acknowledge it will be for the Chair to determine whether such additional matters are included on the agenda of the forthcoming meeting, or are addressed at the following meeting.

6.4. At the discretion of the Chair, a decision may be made on any matter within these Terms of Reference through the written approval of every Party, following circulation to all Parties of appropriate papers and a written resolution. Such a decision shall be as valid as any taken at a quorate meeting, but shall be reported for information to, and shall be recorded in the minutes of, the next NEE Partnership Board meeting.

6.5. Each Party will retain their individual statutory and regulatory duties, and will, at all times, fully observe and comply with the ethical standards and values known as the *Seven Principles of Public Life* (the Nolan Principles), and in line with duties of Candour (2013 Francis Inquiry into Mid Staffordshire NHS Foundation Report):

- Selflessness;
- Integrity;
- Objectivity;
- Accountability;
- Openness;
- Honesty;
- Leadership.

## 7. Decision Making and Voting

7.1. The NEE Partnership Board will aim to achieve consensus amongst Parties for all decisions taken.

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- 7.2. Whilst acknowledging the collaborative nature of the NEE Alliance, and the desire to proceed consensually, Parties acknowledge that the failure to make decisions effectively and efficiently on NEE Alliance matters may undermine its ability to achieve its Objectives.
- 7.3. In taking decisions, the NEE Partnership Board will apply the following procedure:
- 7.3.1. Any decision made must be taken at a meeting of the NEE Partnership Board that is quorate.
- 7.3.2. Any decision made needs to have the support of a simple majority of those present, either in person or via dial-in facilities, at the relevant NEE Partnership Board meeting.
- 7.3.3. Parties acknowledge that, notwithstanding that a Party was not present at a meeting of the NEE Partnership Board, or, being present, a Party failed to agree with a decision taken in accordance with these Terms of Reference at the meeting, all Parties will be deemed to have taken decisions made at the NEE Partnership Board, save either where that matter is a Reserved Matter or where a Party formally lodges its failure to agree to a decision with the Chair either at, or within 3 business days of, that meeting.
- 7.3.4. Where, in respect of a proposal considered by the NEE Partnership Board that is a Reserved Matter, no consensus amongst the Parties is achieved, then the proposal shall not be agreed. Reserved Matters are:
- 7.3.4.1. Requirements to contribute/pool specific resources/funding;
- 7.3.4.2. Requirements to provide information that is outside the terms, and protections, of the Data Sharing Agreement to be established and agreed by the Parties pursuant to this MoU and/or which a Party judges either to contain personally identifiable information or information that is of a commercial in confidence nature
- 7.3.5. Where, in respect of a matter that is not a Reserved Matter, and which falls within the competence of the NEE Partnership Board to determine, a Party (or Parties) fails to agree with a proposal that is either to be determined, or has been determined, by the NEE Partnership Board, and that Party (or Parties) has registered its failure to agree with the Chair of the NEE Partnership Board within 3 days of the relevant NEE Partnership Board meeting, the following provisions will apply:
- 7.3.5.1. The Party (or Parties) failing to agree will register the matter on which it is failing to agree with the Chair of the NEE Alliance Partnership Board at the earliest practical opportunity, summarising the nature of the failure to agree.
- 7.3.5.2. The Chair will convene a meeting of the NEE Partnership Board, including the Party (or Parties) to the failure to agree, to resolve proactively and timeously any failure to agree on a "Best for Service" basis.

*Draft for Alliance Leadership Board meeting 24<sup>th</sup> May 2019*

- 7.3.5.3. If, after this first meeting of the NEE Partnership Board, the failure to agree remains, then a second meeting of the NEE Partnership Board will take place (which can follow immediately after the first), but which will exclude the Party, or Parties, failing to agree. This second meeting will resolve the failure to agree on a "Best for Service" basis.
- 7.3.5.4. Once the failure to agree has been resolved by the NEE Partnership Board (by way, if necessary, of simple majority vote), it will advise the Party or Parties failing to agree of its decision. Any decision of the NEE Partnership Board will be final and binding on the Party or Parties failing to agree.
- 7.3.5.5. If the Party (or Parties) involved in the failure to agree do not accept the decision of the NEE Partnership Board, then the Party (or Parties) not accepting that decision may either conclude that the failure to agree need not be resolved, or that Party (or Parties) will exit the NEE Alliance, such exit to be governed by Clause 11 of the Memorandum of Understanding.

**8. Review**

- 8.1. These NEE Partnership Board Team Terms of Reference will be formally reviewed on or before the 1st April 2020.

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**MEMORANDUM OF UNDERSTANDING**

Between

NORTH EAST CCG on behalf of the NORTH EAST ESSEX HEALTH AND WELLBEING ALLIANCE

And

COLCHESTER BOROUGH COUNCIL and TENDRING DISTRICT COUNCIL on behalf of the NORTH EAST ESSEX HEALTH AND WELLBEING ALLIANCE'S STAY WELL DOMAIN.

**NORTH EAST ESSEX HEALTH AND WELLBEING ALLIANCE – HEALTHY HOUSING**

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Investment of funding to support the ongoing work and development around activities associated with and under the umbrella of 'Healthy Housing'. This Memorandum of Understanding ('MOU') sets out the terms and understanding between NHS North East Essex Commissioning Group (CCG) on behalf of the NHS Health and Wellbeing Alliance and Colchester Borough Council and Tendring District Council on behalf of the Stay Well Domain for the North East Essex Health and Wellbeing Alliance (together referred to as "the Parties"). The MOU has been put in place to support the ongoing delivery and innovative response to addressing health and housing across the place agenda.

The health and housing initiatives sits within the context of the Stay Well Domain at 'place' and works towards delivering key elements of the Department of Health and Social Care's White Paper - Integration and innovation: working together to improve health and social care for all.

**1. Background**

Since its inception the North East Essex Health and Wellbeing Alliance has been working collaboratively at the place level to better understand the health and social care needs of its local population. Within this addressing the wider determinants of health is our key motivation and in doing so, Housing forms an essential part of how we come together to deliver better more sustainable, physical, mental and social health for our citizens as part of the Stay Well agenda.

We recognise that the demand on existing healthy homes initiatives has increased considerably against the backdrop of Covid-19, quicker discharge from hospital and the impacts of national lock-downs.

The North East Essex Health and Wellbeing Alliance has committed two separate amounts of funding to support the existing service pressure and continued efforts of Colchester Borough Council and Tendring District Council across our places. Teams currently work closely together to support our citizens and through this MOU we will be able to collaborate further for the benefit of our population.

North East Essex CCG (NEE CCG) agrees to transfer £165k to Colchester Borough Council and £165k to Tendring District Council, to work collaboratively with the NEE CCG and Alliance to develop and agree a range of outcomes to deliver against joined up aspirations as set out below or as otherwise agreed by the Parties.

## **2. Purpose**

This MOU describes how Colchester Borough Council and Tendring District Council, will propose uses for the funding in collaboration with the Stay Well Domain and North East Essex Health and Wellbeing Alliance to enable a North East Essex approach to addressing the wider determinants of health through housing related schemes.

The funds will be used to meet the key outcomes as detailed in the NEE Alliance Delivery plan related to Stay Well and its linked work into the wider determinants of health and reduction of inequalities for our local population:

**Stay well – Adults with health or care concerns are supported to maintaining healthy, productive and fulfilling lives.**

- Improve the Mortality rate from causes considered preventable
- Reduced Incidence of emergency admissions for people with a long-term condition, disability and/or organ failure
- Improved Percentage change in overall Patient Activation Measure (knowledge, skills and confidence to manage their health and wellbeing)
- Reduce the Gap in employment rate between those with a long-term health condition and the overall employment rate
- Improve the numbers of Carers reporting a good quality of life

The two separate investments will work together to address specific areas of continued development as outlined below.

- Building on previous programmes of work bringing Mental Health support into the environmental teams to support the wider determinants of health and support tenants to remain in safe housing.
- Linking with but not duplicating existing equipment grants to support independent living in a resident's own home supporting those with Long Term Conditions.

- Linking with but not duplicating local work to reduce and eradicate homelessness for local residents, supporting local residents to be in safe accommodation.
- Linking with but not duplicating local work on reducing the number of vulnerable households/residents living in cold homes and in fuel poverty.
- Linking with but not duplicating local work to identify and assist residents with the most complex needs/issues linked with their housing conditions.
- Linking with but not duplicating local work to develop and improve access reliable services to support the discharge of vulnerable residents who have ongoing health conditions, reduced mobility, or are at risk of readmission due to housing factors.

### **3. Governance**

- i. This investment has been approved by the CCG Operational Executive Committee which works in tandem with the Alliance Committee under similar Terms of Reference as delegated by the CCG Board.
- ii. All parties will work together to develop and agree a range of outcomes building on the existing work and in contribution to the objectives of the Alliance.
- iii. The funding will be held by Colchester Borough Council and Tendring District Council, as Accountable Bodies respectively on behalf of the NEE HWB Alliance in a dedicated budget line and will be subject to the Councils' internal governance arrangements.
- iv. All spending proposals must contribute to the delivery of the outcomes. Spending proposals can only be enacted on agreement of all of the Parties and by approval via the NEE HWB Alliance Committee.
- v. Spending and outcomes will be monitored and reported to the NEE Health and Wellbeing Alliance Committee/Leadership Board and via the Alliance Change Management Office reporting routes as required as part of the reporting of the Stay Well domain work progress.
- vi. North East Essex CCGs Responsible Officer is Pam Green, NEE CCG Chief Operating Officer and Executive Lead for the North East Essex Health and Wellbeing Alliance.
- vii. Tendring District Council's Responsible Officer is Anastasia Simpson, Assistant Director for Partnerships.
- viii. The MOU is not a contract for services to be delivered by Tendring District Council on behalf of the Parties and any agreed outcomes and spending proposals will detail the delivery organisations on behalf of the Alliance;
- ix. The MOU is not a commitment for ongoing funding by any party but is for continued development of services described in section 2 above up until the end of March 2023.
- x. No other spend against this budget will be allowed without agreement by the Parties and approval from NEE Alliance Committee.

### **4. Payment Mechanism**

- i. Colchester Brough Council will submit a one-off invoice for £165k  
*and*

- ii. Tendring District Council will submit a one-off invoice for £165k; to the address below.

XXPGREEN

NHS North East Essex CCG,

06T payables K575,

Topcliffe lane,

Wakefield,

West Yorkshire,

WF3 1WE,

Any underspend against this funding at the end of this initiative date (31st March 2023) will be returned to North East Essex CCG, or subsequent body as defined as ICS post April 2022.

For clarity, funding is non-recurrent and does not indicate any commitment from NHS North East Essex or any subsequent entity to fund ongoing services from the end of this project duration.

## **5. Duration**

This MOU may be modified by either party with permission from the NEE HWB Alliance Committee and becomes effective upon signature by the authorised officers from NHS North East Essex, Colchester Borough and Tendring District Councils and will remain in effect until modified or terminated by one of the parties by mutual consent.

In the absence of mutual agreement by authorised officers, this MOU will automatically expire on 31st March 2023 and any unspent monies shall be returned to the CCG or subsequent entity.

## **6. Dispute resolution**

If any disputes arise, the Parties must first attempt to settle it through the Chief Operating Officer of NEE CCG and Chief Executive of Tendring District Council and Responsible Officers. If these parties are unable to resolve the dispute it shall be referred to the NEE HWB Alliance for resolution.

## **7. Mediation**

If the parties in dispute are unable to settle the dispute through the above measures the Parties shall appoint an independent mediation body.

The costs and the expenses incurred as a result of seeking mediation shall be borne individually by each party.

Authorised Officer: North East Essex CCG



Signed .....

Position: Chief Operating Officer NEE CCG & NEE HWB Alliance Executive Lead

Name: Pam Green

Date:

Authorised Officer: Tendring District Council

Signed .....

Position:

Name:

Date .....

Authorised Officer: Colchester Borough Council

Signed .....

Position:

Name:

Date .....

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**MEMORANDUM OF UNDERSTANDING**

Between

NORTH EAST CCG on behalf of the NORTH EAST ESSEX HEALTH AND WELLBEING ALLIANCE

And

Tendring District Council

And

East Suffolk and North East Essex Foundation Trust

**NORTH EAST ESSEX HEALTH AND WELLBEING ALLIANCE – ADDRESSING INEQUALITIES AT PLACE**

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Investment of funding to support the ongoing work and development around activities associated with and under the umbrella of 'Addressing Inequalities at Place'. This Memorandum of Understanding ('MOU') sets out the terms and understanding between NHS North East Essex Commissioning Group (NEE CCG) on behalf of the NHS Health and Wellbeing Alliance, Tendring District Council and the East Suffolk and North East Essex Foundation Trust (together referred to as "the Parties"). The MOU has been put in place to support the ongoing delivery and innovative response to addressing inequalities at place and via the Integrated Community Services Contract.

The Inequalities initiative sits within the context of 'place' as part of the Department of Health and Social Care's White Paper - Integration and innovation: working together to improve health and social care for all.

**1. Background**

Since its inception the North East Essex Health and Wellbeing Alliance has been working collaboratively at the place level to better understand the health and social care needs of its local population.

We recognise the inequalities across our place and how the impact of covid has exacerbated the impact felt by our citizens.

We know that inequalities within our population are underpinned by the wider social determinants of health and care, which are heavily influenced by the broad social and economic circumstances in to which people are born, live, work and grow old. This can often mean that poorer individuals experiencing worse health and care outcomes than people who are better off. Similarly, children growing up in more deprived communities often suffer disadvantages throughout their lives, from educational attainment through to employment prospects, which can affect their physical and mental wellbeing. In recognition of our challenges surrounding inequality and our commitment to effect population change, the Alliance recognises and has adopted the principles set out in the Marmot approach as outlined in “Fair Society, Healthy Lives: The Marmot Review”.

This means the Alliance will focus on preventative activities to reduce health inequalities. The Alliance will place central importance on the elements that support wellbeing such as good quality housing, good employment and educational attainment to address the root causes of poor health. (Source: NEE Alliance Local Delivery Plan, 2020)

The North East Essex Health and Wellbeing Alliance has committed two separate amounts of funding to support the continued efforts with Tendring District Council across place and to support the future needs of our citizens as we recover and develop integration across our community services.

North East Essex CCG (NEE CCG) and the East Suffolk and North East Essex Foundation Trust (ESNEFT) each agree to transfer a non-recurrent contribution of £200k to support the ongoing work of these inequality initiatives. The total value of this transfer is therefore £400k.

The NEE CCG and ESNEFT agree to transfer the above funding to Tendring District Council to work collaboratively with the NEE CCG and Alliance to develop and agree a range of outcomes to deliver against our joint aspirations as set out below or as otherwise agreed by the Parties.

## **2. Purpose**

This MOU describes how Tendring District Council will propose uses for the funding in collaboration with the North East Essex Health and Wellbeing Alliance to enable a North East Essex approach to addressing inequalities. The two separate investments will work together to address specific areas of continued development as outlined below.

i. NEE CCG Contribution £200k:

Will be used flexibly to meet the challenges of tackling inequalities and will complement not duplicate any Realising Ambitions funding and the work being undertaken within the VCSE as leading work supporting reducing BAME Inequalities that is funded separately from this funding pot.

We will use the Inequalities Group to take forward the Outcomes Based Accountability approach to build on what is already happening, and collectively shape and design a programme of activity to turn the curves. This should result in a series of principles to guide all that we do, as well as a balance of immediate changes / actions, with big ideas and inform the use of the funding over the period.

We will use an Asset Based Community Development focus on the strengths and unity of the different groups to bring them together and stop working in silos with specific groups.

We will explore as a system how we can better understand the impact of our interventions and understand the commitment to longer term objectives.

ii. ESNEFT Contribution £200k:

ESNEFT's contribution is specifically related to activities and services which can be developed within the scope of the North East Essex Integrated Community Services contract (NICS). The contract serves to better integrate services across multiple providers to best meet the community care needs of the local population. This investment will facilitate the specific development of opportunities to address inequalities using the NICS contract as a vehicle for delivery.

**3. Governance**

- i. For NEECCG this investment has been approved by the CCG Operational Executive Committee which works in tandem with the Alliance Committee under similar Terms of Reference as delegated by the CCG Board.
- ii. For ESNEFT the investment has been agreed by the Trust Executive
- iii. All parties will work together to develop and agree a range of outcomes building on the existing work and in contribution to the Alliance objectives and within that the objectives of NICS.
- iv. The funding will be held by Tendring District Council, as Accountable Body on behalf of the NEE HWB Alliance in a dedicated budget line and will be subject to the Council's internal governance arrangements.
- v. All spending proposals must contribute to the delivery of the outcomes. Spending proposals can only be enacted on agreement of all of the Parties and by approval via the NEE HWB Alliance Committee following recommendation agreements at the Strategy Group.
- vi. Spending and outcomes will be monitored and reported to the NEE Health and Wellbeing Alliance Committee and via the Alliance Change Management Office reporting routes for the Inequalities Task and Finish group and the overall all deliverables of the Strategy Group reporting to the Alliance Board.
- vii. North East Essex CCGs Responsible Officer is Pam Green, NEE CCG Chief Operating Officer and Executive Lead for the North East Essex Health and Wellbeing Alliance.
- viii. Tendring District Council's Responsible Officer is Anastasia Simpson, Assistant Director for Partnerships.
- ix. ESNEFT's Responsible officer is Neill Moloney, Managing Director
- x. The MOU is not a contract for services to be delivered by Tendring District Council on behalf of the Parties and any agreed outcome and spending proposals will detail the delivery organisations on behalf of the Alliance.
- xi. The MOU is not a commitment for ongoing funding by any party but is for continued development of services described in section 2 above up until the end of March 2023.
- xii. No other spend against this budget will be allowed without agreement by the Parties and approval from NEE Alliance Committee.

**4. Payment Mechanism**

- i. Tendring District Council will submit a one off invoice for £200k to the following address:

XXPGREEN

NHS North East Essex CCG,

06T payables K575,

Topcliffe lane,

Wakefield,

West Yorkshire,

WF3 1WE,

Any underspend against this £200k at the end of this initiative date (31st March 2023) will be returned to North East Essex CCG.

For clarity, funding is non-recurrent and does not indicate any commitment from NHS North East Essex or any subsequent entity to fund ongoing services from the end of this project duration.

- ii. Tendring District Council will submit a one-off invoice to ESNEFT for £200k to the following address:

East Suffolk and North Essex NHS FT

Finance Department

North Lodge

Colchester General Hospital

Turner Road

Colchester

Essex CO4 5JL

Any underspend against this £200k at the end of this initiative date (31st March 2023) will be returned to ESENEFT.

For clarity, funding is non-recurrent and does not indicate any commitment from NHS North East Essex or any subsequent entity to fund ongoing services from the end of this project duration.

**5. Duration**

This MOU may be modified by either party with permission from the NEE HWB Alliance Committee and becomes effective upon signature by the authorised officers from NHS North East Essex and ESNEFT and the responsible officer of Tendring District Council and will remain in effect until modified or terminated by one of the parties by mutual consent.

In the absence of mutual agreement by authorised officers, this MOU will automatically expire on 31st March 2023 and any unspent monies shall be returned to the CCG or ESNEFT depending on, in which section of the MOU arrangements, the underspend occurred.

**6. Dispute resolution**

If any disputes arise, the Parties must first attempt to settle it through the Chief Operating Officer of NEE CCG, Managing Director of ESNEFT and Chief Executive of Tendring District Council and Responsible Officers. If these parties are unable to resolve the dispute it shall be referred to the NEE HWB Alliance for resolution.

**7. Mediation**

If the parties in dispute are unable to settle the dispute through the above measures the Parties shall appoint an independent mediation body.

The costs and the expenses incurred as a result of seeking mediation shall be borne individually by each party.

Authorised Officer: North East Essex CCG

Signed .....

Position: Chief Operating Officer NEE CCG & NEE HWB Alliance Executive Lead

Name: Pam Green

Date:

Authorised Officer: ESNEFT

Signed .....

Position: Director of Finance

Name: Adrian Marr

Date .....

Authorised Officer: Tendring District Council

Signed .....

Position:

Name:

Date .....



<b>Key Decision Required:</b>	<b>YES</b>	<b>In the Forward Plan:</b>	<b>YES</b>
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## CABINET

17 September 2021

### REPORT OF THE DEPUTY LEADER, PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE AND THE PORTFOLIO HOLDER FOR HOUSING

#### AND MONITORING OFFICER

#### **A.9 FREEHOLD PURCHASE OF A RESIDENTIAL PROPERTY AND CONFIRMATION OF AUTHORITY FOR A PROPERTY BUY BACK**

(Report prepared by Heidi Foster and Lisa Hastings (Monitoring Officer))

#### **PART 1 – KEY INFORMATION**

<b>PURPOSE OF THE REPORT</b>
<p>To seek approval from Cabinet for the leasehold purchase of a two bedroom residential property in Walton on the Naze to meet local housing needs. In addition, to receive the Monitoring Officer’s report regarding the omission in respect of a recent purchase and give consideration to confirming authorisation for a buy back of a three bed house in Dovercourt for house purposes.</p>
<b>EXECUTIVE SUMMARY</b>
<p>The Council has a target to bring 200 additional homes into the council housing stock in order to meet rising demands for high quality, affordable housing in the district. These homes will be acquired or built via a range of approaches.</p> <p>The proposal for one of the properties is in respect of an opportunity to purchase a vacant two bedroom ex-Council flat that is currently for sale on the open market in Walton on the Naze. The second decision sought is to confirm the purchase of a three bedroom house on Laurel Avenue in Dovercourt through a right of first refusal.</p> <p>For a number of years the Council has had a strong demand for two bedroom flats and the first property meets the criteria set out in the Housing Acquisitions and Development Strategy. There are currently 11 families on the Housing Register seeking a two bedroom flat in the Walton on the Naze area.</p> <p>In respect of the Walton on the Naze property, in May 2021 Portfolio Holder approval was obtained to initiate the Council’s Property Dealing Procedure, to obtain an independent valuation of the property and to negotiate a price with the owners.</p> <p>An independent market valuation has now been obtained and negotiations with the owner have been completed satisfactorily, to enable the purchase to be progressed to a</p>

conclusion. Purchasing this property will add an additional property to the Council's housing stock in the Housing Revenue Account in an area of high demand.

In respect of the Laurel Avenue property in Dovercourt, Portfolio Holder approval was granted in October 2019 to initiate the Council's Property Dealing Procedure. A notice of a forthcoming decision by the Portfolio Holder to purchase the property was published on 11<sup>th</sup> December 2019. An independent valuation was also obtained and the Portfolio Holder decision report written and approved by the Council's Management Team.

The Portfolio Holder decision from October 2019 to initiate the Property Dealing Procedure for the property on Laurel Avenue in Dovercourt has incorrectly been relied upon to provide authority for the purchase of the property, although both Portfolio Holders confirmed they were aware of the proposed transaction and supported it. The Monitoring Officer is under a duty to report this omission to Cabinet for them to give consideration to granting authority for the purchase for housing purposes. Further information concerning this purchase is set out in the body of the report.

Part B refers to the detail of negotiations in respect of the Walton on the Naze property.

## **RECOMMENDATIONS**

**It is recommended that Cabinet:**

- **Authorises, in principle, the terms of the freehold purchase of the property in Walton on the Naze for inclusion into the Council's housing stock;**
- **subject to its decision on terms, authorises the Corporate Director for Operations and Delivery to enter into a contract and transfer deed in consultation with the Deputy Chief Executive to complete the purchase of the Walton-on-the-Naze property as set out in the report in Part B of this agenda;**
- **receives and considers the Monitoring Officer's report and in response, approves the purchase of the residential property in Dovercourt for housing purposes; and**
- **acknowledges that internal control arrangements have been increased to ensure such a transaction is not completed without the necessary approvals in place.**

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

### **DELIVERING PRIORITIES**

Our priorities include providing decent affordable housing and to ensure all our residents live in high quality housing which meets local needs.

Supporting the supply of affordable housing and to add additional properties to the Council's own housing stock – working towards the 200 home target as set out in the Housing Strategy.

Managing public money effectively meaning value for money principles are embedded in the delivery of all our services.

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

### **Finance and other resources**

The purchase of properties carries a financial cost but brings additional dwellings for housing purposes into the Housing Revenue Account.

The purchase of the Walton on the Naze property is to be wholly funded by section 106 agreements for affordable housing. Further detail is set out in the Part B report.

The financial out-turn for 20/21 made the necessary adjustment for the purchase of the Dovercourt property at a total of £82,120, that was 30% funded from capital receipts which have been generated from previous Right to Buy sales and in order to comply with capital receipt pooling regulations 70% was funded from the Housing Revenue Account (HRA) New Build and Acquisitions fund.

### **Risk**

Officers have not identified any significant risk associated with the proposed purchase other than the risk associated with the Right to Buy – a financial risk that is inherent to almost all Council owned housing.

Approval from Cabinet is required for the Laurel Avenue property as it has already been purchased. There is a reputational risk associated with this decision, as the Council has not followed its governance arrangements in this instance but operational measures and internal controls have been amended and increased to ensure that this event does not occur again.

## **LEGAL**

In coming to decisions in relation to the management or procurement of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the District.

Section 17 of the Housing Act 1985 provides the principal power for the acquisition of land for housing purposes.

Pursuant to Section 9 of the Housing Act 1985 (“the 1985 Act”), a local housing authority may provide housing accommodation by acquiring houses. Section 24 of the 1985 Act provides that the Council acting as a housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses.

The purchase price paid for the Laurel Avenue property was below £100k meaning that it is would have been a Portfolio Holder decision to make the purchase.

Under Section 5A of the Local Government and Housing Act 1989, the Monitoring Officer is under a statutory duty to report to Cabinet in relation to an executive function, if they consider that any omission has given rise to unlawfulness. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered. The requirements of Section 5A are reflected within Article 12 of the

Council's Constitution. Both the Head of Paid Service and Chief Financial Officer have been consulted prior to this report.

It came to the Monitoring Officer's attention in August that the Laurel Avenue property had been purchased for housing purposes following a Portfolio Holder Decision to initiate the Property Dealing Procedure but a decision had not been made by the relevant portfolio holder, which due to the value of the purchase price should have been made by the Portfolio Holder for Assets in consultation with the Housing Portfolio Holder.

An exploration of the circumstances have been undertaken and it is clear it was an operational error and omission.

Unfortunately, it is not possible to stop the decision from being implemented as the purchase has already occurred and the property let however, it is important that the purchase is properly authorised for inclusion within the Council's Housing Revenue Account and stock for housing purposes.

Although internal controls were in place regarding this type of transaction both the Assistant Director for Housing & Environment and Deputy Chief Executive have increased these controls and implemented tighter operational measures to ensure this does not happen again.

Following receipt of such a report, Cabinet are required under Section 5A, to notify all members of the outcome of receiving and consideration of the Monitoring Officer's report and a copy of the minutes will be circulated to all members.

#### **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.

**Ward** Walton and Dovercourt Wards – Walton on the Naze and Dovercourt All Saints

#### **Climate Impacts**

The purchase of these properties does not present a direct impact on the Council's target for net zero greenhouse gas emissions from its business operations by 2030. It does however present an opportunity to improve the energy efficiency of the properties as part of the refurbishment process and thereby reduce the greenhouse gas emissions generated by the eventual tenants. The aim will be to improve the energy performance of the property as much as reasonably possible.

### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND**

For a number of years the Council has had a very strong demand for two bedroom flats in Walton. However our stock has dwindled and turnover of tenancies is very slow.

Officers have sourced a vacant split level two bedroom first floor ex-Council flat in a fair condition that is currently for sale on the open market. The property has been viewed by the Development & Building Manager and Senior Tenancy Management Officer and have been identified as a property of high demand and the construction is known to the Building Services Team. It is located within a block of flats where the Council owns most of the properties.

The property is located in Walton on the Naze which is a priority area for acquisitions as set out in the Housing Acquisitions and Development Strategy adopted by Cabinet in October 2020.

The Laurel Avenue property was purchased from the Council in 2017 under the Right to Buy scheme. The relatives of the owner were selling the property on her behalf in 2019. As they were at that time within the Buyback Right of First Refusal and repayment of discount periods the Council has a right to first refusal.

For a number of years the Council has had a strong demand for three bedroom accommodation in Tendring. However the stock has dwindled and turnover of tenancies is very slow. Identifying ex-Council properties that have been sold originally through the Right to Buy scheme present value for money and are easier to maintain as their construction is known to the Building Services Team.

Having only recently been sold it made sense for the Council to purchase back the Laurel Avenue property.

#### **CURRENT POSITION**

The Housing Tenancy Management and Building Services Teams have viewed the property in Walton on the Naze and carried out a full assessment. In May 2021 Portfolio Holder approval was obtained to initiate the Property Dealing Process and an independent valuation was undertaken.

The purchase of the Laurel Avenue property in Dovercourt was completed in November 2020 and is now occupied by a council housing tenant.

#### **FURTHER HEADINGS RELEVANT TO THE REPORT**

None

#### **BACKGROUND PAPERS FOR THE DECISION**

None

#### **APPENDICES**

The acquisitions matrix and valuation for the Walton property are included as Appendices in Part B

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**28 Rochford House**

**Property Type: 2 Bed Flat**

**ACQUISITION CRITERIA FOR EXISTING HOMES**

The Council acting in its capacities under the Housing Revenue Account will apply set criteria in considering:

- Opportunities to purchase homes on the open market or offered to the Council
- Opportunities to purchase discounted homes through S106 agreements
- Opportunities to buy back former homes sold under the Right to Buy and
- Opportunities to buy back homes partly owned through the Council's shared ownership and equity schemes.

In all scenarios referred to above, any property to be acquired should meet all of the minimum criteria set out and achieve an overall score of 15 points based on the assessment below:-

<b>Criteria</b>	<b>Key Risk(s) Addressed</b>	<b>Minimum</b>	<b>Target/Scoring</b>	<b>Score</b>
There must be a demonstrable need for the property in its location	Lack of demand will lead to extended void periods and rental loss	There must be a minimum of 20 households on the housing register seeking the property in that particular area.	High demand= 5 points Medium demand=3 points Low demand =1 point	5
The property's location and configuration is attractive from a rentable perspective.	Lack of demand will lead to extended void periods and rental loss.	The property must be in a risk-free location e.g not in a flood zone and the room sizes must meet legal requirements.	Low risk location = 5 points Medium risk location = 3 points High risk location = 1 point	3
The projected rental yield should represent a rational balance between revenue returns and security.	Security of capital invested and providing value for money	The possible rental yield (based on purchase price and any necessary refurbishment and/or development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points	5
The property itself should be in good repair and not pose future concerns that could compromise a tenancy or give rise to	Unforeseen property or repair costs.  Contamination.	To include 'due diligence' such as:  a) Buildings to be of robust construction and in sound condition.	Property in sound condition = 5 points Property is reasonable condition = 3 points	3

maintenance expenditure. .		<ul style="list-style-type: none"> <li>b) Not potentially polluting.</li> <li>c) Free from onerous planning conditions and land contamination.</li> <li>d) Any financial appraisal for a lower value homes</li> </ul>	Property in poor condition = 1 point	
The property is in poor condition and of low value but could be brought back to use through renovation (e.g compulsory purchase or properties purchased at auction).	Security of capital invested and providing value for money	The possible rental yield (based on purchase price and any necessary refurbishment and/or development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points	5
Total Score				<b><u>21</u></b>





Market Valuation and Report in relation to:

**28 Rochford House**  
**Spendells Close**  
**Walton on the Naze**  
**CO14 8JH**

Prepared on behalf of:  
**Tendring District Council**

Report by:  
**Paul Holford MRICS MISVA**

Inspection date:  
**14 June 2021**

Report date:  
**15 June 2021**





## Identification and Status of Valuer

1. This report has been carried out by Paul Holford MRICS MISVA. I am a Member of the Royal Institution of Chartered Surveyors (RICS), an RICS Registered Valuer and a member of both The Independent Surveyors and Valuers Association (ISVA) and The Residential Property Surveyors Association (RPSA).
2. I am not aware that there is any conflict of interest as defined in the RICS Valuation Standards, nor the RICS Rules of Conduct.

## Purpose of Valuation

3. To provide our opinion of the market value of the subject property.

## Type and Use of Property

4. Residential – Two bedroom flat.

## Location

5. The property is situated in a primarily residential area of similar age and style properties and within reasonable distance of the usual local amenities. It is reasonably well placed for local transportation links being around 1.6kms to the nearest railway station and approximately 11kms to the nearest trunk road (A133). Within the general vicinity are a limited range of recreational, religious and retail facilities.

## Description

6. The property comprises a purpose built split level flat constructed circa 1970. The property has two bedrooms and one bathroom on the upper floor and a kitchen and lounge / diner on the first floor. It is of traditional construction having part rendered mainly brick elevations under a flat roof. Floors are of suspended concrete construction, windows are UPVC double glazed.

## Accommodation

7. Accommodation at the property is as follows:

Accommodation
First Floor
Entrance Hallway
Kitchen
Lounge / Diner



Accommodation
Second Floor
Bedroom 1
Bedroom 2
Family Bathroom
<b>Gross Internal Area (GIA) In the region of 64m<sup>2</sup></b>

## Tenure

8. Leasehold – We have assumed that the property is held on a leasehold basis.

## Parking

9. On street parking is available in the vicinity.

## Definition of Value

10. As defined in International Valuation Standards (IVS)104 being:

“The estimated amount for which an asset or liability should exchange for on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

## Valuation Methodology

11. The valuation has been derived using the following methodologies:
- Comparable Method
  - Market Approach

## Valuations

### Current Open Market Value

12. **£125,000** (One Hundred and Twenty Five Thousand Pounds).
13. The ongoing political negotiations following the exit of the UK from the EU and government measures to restrict the spread of COVID-19 may cause market uncertainty.





## January 1999 Value

14. **£26,000** (Twenty Six Thousand Pounds).

## Comparable Evidence – Current Open Market Value

15. Examples of some of the comparable evidence used in this valuation are as follows:

**Address** 25 Gatefield Court CO14 8SN  
**Last Sale Price** £120,000  
**Last Sale Date** 14 August 2020  
**Comments** Similar age and size two bedroom purpose built flat, although a somewhat historic sale and location more attractive than the subject property. Adjusted valuation £120,000

**Address** 287 Walton Road CO14 8LS  
**Last Sale Price** £140,000  
**Last Sale Date** 20 April 2021  
**Comments** Similar age and size purpose built two bedroom flat, although in better condition than the subject property and in a more attractive location. Adjusted valuation £133,000

**Address** 11 Darcy House CO14 8JQ  
**Last Sale Price** £123,500  
**Last Sale Date** 15 June 2020  
**Comments** Purpose built flat in adjacent block to the subject property. Slightly better condition than the subject however, a somewhat historic sale. Adjusted valuation £126,588

## Rationale

16. All comparable sales listed above are of similar construction, size and age of the subject property located within a 3km radius with similar amenities and facilities unless specified above.
17. The differences between each comparable and the market changes have been considered before arriving at our valuation.
18. The adjusted value range of the comparables is between £120,000 and £133,000, with an adjusted average of £126,529. We consider therefore that our valuation of £125,000 is reasonable for the subject property after taking into account the differences between the comparables and the subject property.



## Comparable Evidence – January 1999 Value

19. Examples of some of the comparable evidence used in this valuation are as follows:

<b>Address</b>	28 Rochford House CO14 8JH
<b>Sale Price</b>	£26,000
<b>Sale Date</b>	19 March 1999
<b>Comments</b>	The subject property which was originally sold under the right to buy scheme in 1989. This sale therefore represents an open market sale with no right to buy discount.

<b>Address</b>	34 Rochford House CO14 8JH
<b>Sale Price</b>	£28,000
<b>Sale Date</b>	27 October 1998
<b>Comments</b>	Purpose built flat on the same block as the subject property sold within a few months of the valuation date.

<b>Address</b>	6 Darcy House CO14 8JQ
<b>Sale Price</b>	£29,500
<b>Sale Date</b>	28 June 1999
<b>Comments</b>	Flat in adjacent block on the same development as the subject property sold within a few months of the valuation date.

## Rationale

20. The differences between each comparable and the market changes have been considered before arriving at our valuation.
21. The adjusted value range of the comparables is between £26,000 and £29,500 with an adjusted average of £27,833. We consider therefore that our valuation of £26,000 is reasonable for the subject property after taking into account the differences between the comparables and the subject property.

## Sources of Information

- Rightmove Sold Prices
- Rightmove Plus
- Nationwide House Price Calculator
- Acadata House Price Calculator
- Local Estate Agents
- Zoopla Sold Prices



## Reinstatement Cost

22. **£220,000** (Two Hundred and Twenty Thousand Pounds). (Subject flat only)

## Reinstatement Definition

23. Reinstatement Cost Assessment (RCA) is the based adopted by the Royal Institution of Chartered Surveyors (RICS) for undertaking an appraisal of property for insurance purposes. The term reinstatement indicates to repair, reconstruct or renew assets to a condition equal to but not better than when new. This assessment is all-encompassing and can often include inspection and reporting on a wide range of properties of differing size, type and use incorporating complex structures and installations. Reinstatement costs are calculated to rebuild the property with the costs of demolition, professional fees, any statutory authority fees and the relevance of current statue which could impact on the reinstatement cost assessment itself.

## Special Assumptions

- Vacant Possession – 100%
- Condition

## Assumptions and Extent of Investigations

- No harmful or hazardous materials or techniques have been used and that the land is not contaminated
- No high alumina cement concrete or calcium chloride additive or other potentially damaging material was used in the construction of the property or has since been incorporated.
- There are no unusual or especially onerous restrictions, encumbrances or outgoing, which may affect the property.
- The property has good title.
- The value of the property is not affected by any matters which would be revealed by a local search.
- The payment of rates and services will be the responsibility of the occupier.
- We have not investigated the proximity of this building to any landfill site.
- We have not investigated the possibility of the presence of asbestos of any other hazardous material in the property.
- We have not checked the level of flooding risk in the area in any detail.
- We cannot comment on the effectiveness of any repair that may have been carried out.
- We have not identified all possible defects.
- The electrical condition has not been assessed and should be inspected on an annual basis.



- We have not inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that any such part of the property is free from defect.
- All valuations are carried out in accordance with the Practice Statements and Guidance Notes set out in the terms of Valuation Standards, published by the Royal Institution of Chartered Surveyors.
- All information supplied to us by yourselves or your agents is assumed to be accurate.
- We have not seen the title deeds of the property and are therefore unable to comment as to whether they are free from, any onerous or unusual covenants, restrictions, outgoing, or statutory notices likely to have an adverse effect on the value of the property.
- It is assumed the property's use is duly authorised or established and no adverse planning conditions or restrictions apply.
- In the absence of any information to the contrary, no allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972.
- We have not undertaken a full building survey and have not tested any services or inspected woodwork or other parts of the structure that are covered, unexposed or inaccessible.
- We have not undertaken any site investigation, geological, mining or geophysical survey and therefore cannot clarify whether the ground has sufficient load bearing strength to support any of the existing buildings or any other constructions that may be erected in the future.
- We have not included the details of goods and furniture.
- Flood risk has not been investigated.
- We have not carried out an environmental audit or other environmental investigation.
- We have not considered the cost implication in relation to compliance with disabled persons under the Disability Discrimination Act 1995.
- We have taken no account of any taxation liability that may arise on disposal or acquisition.
- If the property tenure is leasehold, the surveyor has assumed a minimum unexpired term of 85 years, unless specified otherwise.

#### **We have assumed that:**

- There has been no contaminative or potentially contaminative uses ever carried out at the property. Should it be established that contamination or pollution exists at the property or on any neighbouring land or that the premises have been or are being put to a contaminative use then this might affect the value stated in the report. There are no abnormal ground conditions, archaeological remains, or hazardous or deleterious materials present which might adversely affect the present or future occupation, development or value of the property.
- The property is free from rot, infestation, structural or design defect.
- The property is not contaminated and is not adversely affected by the Environmental Protection Act 1990 or any other environmental law.



- Any processes carried out on the property which are regulated by environmental legislation are properly licensed.
- No allowance has been made to reflect any liability to repay any Government or other grants or taxation allowance that may arise on disposal.
- No allowance has been made for liability for taxation, which may arise on disposal whether actual or notional, but the valuation does reflect the cost of acquisition or realisation of the interest.
- Planning permissions and building regulation consents have been obtained and have been complied with.
- If an 'EWS 1' form is required that it can be obtained and wouldn't reveal any issues that would have a material effect on the valuation.

**If any of the assumptions are incorrect we wish to reserve the right to alter our opinion of value accordingly.**

## **Restrictions on Publication and Third Party Liability**

24. Neither the whole nor any part of the valuation or any reference hereto may be included in any published document, circular or statement or published in any way, without the Valuer's written approval of the form and context in which it may appear. No liability will be accepted to any third parties who wish to rely on the contents of this report, save a shared ownership leaseholder, where applicable.

## **RICS Valuation Standards (and departures from those standards)**

25. The valuation and report have been prepared in accordance with the RICS Red Book Global Standards 2020.

## **Limitations on Liability**

### **Third parties**

26. No liability will be accepted to any third parties who may wish to rely on the contents of this report, unless specified otherwise.

## **Conflicts of Interest and Confidentiality**

27. It is Morgan Sloane Chartered Surveyors practice to check for conflicts of interest before accepting instructions. You accept, however, that Morgan Sloane Chartered Surveyors provides a range of professional services to clients and that there may be no certainty that all situations where a conflict of interest may arise will be identified. You therefore undertake to notify Morgan Sloane Chartered Surveyors promptly of any conflict or potential conflict of interest relating to the provision of the services of which you are or become aware. Where a conflict or potential conflict is identified by either party and Morgan Sloane Chartered Surveyors believes that your interests can be properly





safeguarded by the implementation of appropriate procedures Morgan Sloane Chartered Surveyors will discuss and seek to agree such procedures with you.

## Validity Period

28. This valuation is valid for three months only.

## Other Information

### Useful Information

29. Condition: The property is in fair condition for its age and type of construction. Our valuation reflects the fact that there may be works of repair and maintenance required.
30. Vacant Possession: As referred to in this report can be defined in terms of selling an existing leasehold or freehold property in the UK refers to a legal obligation on behalf of the registered legal owners or occupiers to delivery upon successful legal completion the rights to remain in the property. The surveyor's assume that when preparing this valuation there will be no further rights granted to any third party in respect of legal right of occupation, notwithstanding the rights granted under a residential lease.
31. Definition of Investment Value: The value of an asset to a particular owner or prospective owner for individual investment or operational objectives.
32. Definition of Fair Value (equitable value): The price that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
33. Depreciated Replacement Cost (DRC): The current cost of replacing an asset with its modern equivalent asset, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.
34. Statutory Definition of Market Value (capital gains tax, inheritance tax and stamp duty land tax): Summary definition derived from legislation. "the price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price shall not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time". (source; Section 272 Taxation and Chargeable Gains Act 1992; Section 160 Inheritance Tax Act 1984; Section 118 Finance Act 2003.
35. Market Rent: The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.
36. Cost of Repairs: We are assuming that the cost of the repair (if applicable) will be met by the buyer and not the seller and therefore the property is valued based on its existing



condition and based on the assumption that no further defect will surface following our recommendations for further investigation (where applicable).

37. The headings contained in this report are based directly upon the list of mandatory required content set out in VPS 3 and the commentary in RICS Valuation – Global Standards 2020.

**Report By:**

**Checked By:**

A handwritten signature in blue ink, appearing to read 'P. Holford'.

A handwritten signature in blue ink, appearing to read 'Julie Coomber'.

**Paul Holford MRICS MISVA**  
**Chartered Surveyor & RICS Registered Valuer**  
**For and on behalf of Morgan Sloane Limited**  
**15 June 2021**

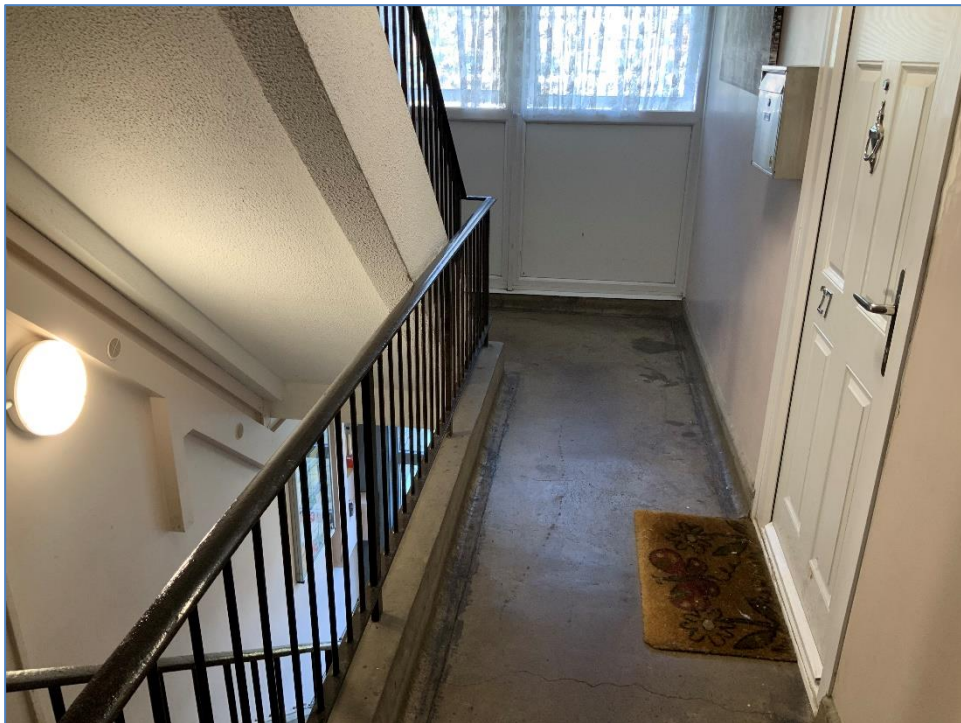
**Julie Coomber**  
**Administrator**  
**For and on behalf of Morgan Sloane Limited**  
**15 June 2021**

## Appendix A – Photographs









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