



RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

DATE:	Monday, 14 March 2022
TIME:	7.30 pm
VENUE:	Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor M Stephenson(Chairman)	Councillor Codling
Councillor Scott(Vice-Chairman)	Councillor Griffiths
Councillor Allen	Councillor Harris
Councillor Amos	Councillor Morrison
Councillor Barry	

Most Council meetings are open to the public and press. The space for the public and press will be made available on a first come first served basis. The meeting will normally be live streamed and the link to this is available at www.tendringdc.gov.uk/livemeetings Those attending the meeting may therefore be filmed. After the meeting the recording of the live stream will normally be available using the same link. Agendas and Minutes are published on the Council's website www.tendringdc.gov.uk Agendas are available to view five working days prior to the meeting date and the Council aims to publish Minutes within five working days of the meeting. 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 Durran Email: democraticservices@tendringdc.gov.uk or Telephone on 01255 686585.

DATE OF PUBLICATION: Friday, 4 March 2022

AGENDA

1 Apologies for Absence and Substitutions

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

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

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Monday 7 February 2022.

3 Declarations of Interest

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

4 Questions on Notice pursuant to Council Procedure Rule 38

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

5 Scrutiny of Proposed Decisions

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

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

There were none on this occasion.

6 A.1 Recommendations Monitoring Report (Pages 11 - 30)

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

7 A.2 Review of the Work Programme (Pages 31 - 42)

To present to the Committee a draft detailed Work Programme 2021/22, to consider the detail and ordering of the Work Programme.

8 Report of the Deputy Leader, Portfolio Holder for Corporate Finance & Governance - A.3 - Tendring District Council Communications (Pages 43 - 58)

To examine the Council's Communications Strategy – using different media, utilising technology efficiently, and assessing the impact of communication.

9 Report of Assistant Director Finance & IT - A.4 - Annual Capital and Treasury Strategy for 2022/23 (Including Prudential and Treasury Indicators) (Pages 59 - 100)

To enable the Committee to review the Annual Capital and Treasury Strategy for 2022/23 (including the Prudential and Treasury indicators).

10 Report of Assistant Director Finance & IT - A.5 - Financial Performance Report -in-year Performance Against the Budget at the end of the Third Quarter 2021/22 and Long Term Financial Forecast Update. (Pages 101 - 136)

To provide an overview of the Council's financial position against the budget as at the end of December 2021 and to present an updated long term forecast.

11 Report of the Portfolio Holder leisure and Tourism. - A.6 - Joint Use Sports Facilities Update (Pages 137 - 144)

To update the committee on progress with the Joint Use Sports Centre transition process at Brightlingsea and Harwich, following the end of joint use agreements with the Sigma Trust on 31 December 2021.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Resources and Services Overview and Scrutiny Committee is to be held in the Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 7.30 pm on Monday, 23 May 2022.

Information for Visitors

FIRE EVACUATION PROCEDURE

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**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON MONDAY, 7TH FEBRUARY, 2022 AT 7.30 PM
IN THE COMMITTEE ROOM - TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

Present:	Councillors Scott (Vice-Chairman), Allen, Barry, Codling, Griffiths and Harris
Also Present:	Councillor Alex Porter (Portfolios Holder for Leisure and Tourism)
In Attendance:	Gary Guiver (Acting Director (Planning)), Michael Carran (Assistant Director (Economic Growth & Leisure)), Keith Simmons (Head of Democratic Services and Elections), Keith Durran (Committee Services Officer), Matt Cattermole (Communications Assistant) and Hattie Dawson-Dragisic (Performance and Business Support Officer)

51. MINUTES OF THE LAST MEETING

It was **RESOLVED** that the Minutes of the meeting of the Committee held on Wednesday 12 January 2022 be approved as a correct record.

52. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were received on behalf of Councillors Amos, Morrison and M Stephenson (no substitutions).

53. DECLARATIONS OF INTEREST

Councillor Barry declared an interest in minute 58 below, Celebrating the Areas Heritage, specifically in relation to the 5 year development plan in Brightlingsea as he had worked on that project. He remained in the meeting and participated in the discussion and decision making on this item.

54. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

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

55. A.1 SCRUTINY OF PROPOSED DECISIONS

The Committee **NOTED** the contents of the report.

56. A.2 RECOMMENDATIONS MONITORING REPORT

The Committee had before it the current Recommendations Monitoring Report which set out those items which had previously made recommendations to the Cabinet/ Portfolio Holder and the approved response to the recommendations and any subsequent action approved by the Committee on those matters.

The Committee also had before it an Addendum to the report that outlined Councillors M Stephenson's proposed further actions in response to Cabinets response to the

recommendations from this Committee on the Budget matters (minutes 50 of 12 January 2022 refers).

After some discussion the Committee **RESOLVED** to approve the proposed actions submitted by the Committee Chairman, with a change of the wording from “*in the medium term*” to “*3 to 5 years*”, and that actions now be pursued as approved.

57. A.3 REVIEW OF THE WORK PROGRAMME

The Head of Democratic Services and Elections invited the Committee to review the work programme. In doing so, he reported that since publication of the agenda for the meeting a proposal had been received for a work programme item from the Leader of the Independent Group, Councillor Chapman (BEM), the request was submitted under rule 8 of the Overview and Scrutiny Procedure Rules (and part 5 of the Councils Constitution).

Councillor Chapman (BEM) request was that this Committee include in the work programme a revisit of its enquiry into the Joint Use Agreements for sports centres in Harwich and Brightlinsea.

Upon being moved by Councillor Barry and seconded by Councillor Allen it was **RESOLVED** that the request from Councillor Chapman was appropriate for inclusion in the work programme

It was further **RESOLVED** the future enquiry be undertaken at an additional meeting to be held as practicable and prior to the next programmed meeting of 20 March 2023.

The Committee was reminded that its enquiry into the Joint Use Agreement on 13 December 2021 (minute 45 refers) had recommended that the then “*status quo*” be continued. This had not been adopted by Cabinet on 17 December 2021 and instead the lapsing of the agreement had been noted, transitional support provided and an engagement group with the relevant Town Councils and Sigma Trust established. Any further enquiries by this Committee would not prevent implementation of that decision and that any recommendations from a further enquiry would not be considered by the Cabinet until 25 March 2022.

The rationale for a further enquiry was stated as producing a public and transparent forum about the implementation of the Cabinet's decision and what this means for users and those living in the Communities in which the two joint use centres were located. How that implementation was compliant with the Corporate Plan, Local Plan, Active Essex and Tendring's Sports Strategy would be a matter the Committee could examine and what further (mitigation) measures should be put in place.

58. A.4 CELEBRATING THE AREA'S HERITAGE

Further to the decision of Council on 13 July 2021 (Minute 53 refers), the Committee undertook an enquiry into “Celebrating the Area's Heritage” – what was being done, how much money the Council was investing in this and what were the outcomes of that investment.

The Committee heard how Tendring had a rich history celebrated across Essex by residents and visitors alike. Its coastal location had provided it with a unique and varied heritage, from prehistoric artefacts that included the 420,000 year old 'Clacton Spear' fashioned before modern humans walked the earth, to medieval buildings and Victorian villas, with many nationally significant sites. The seaside resorts in Tendring made tourism a major component of its economy and gave the coastline its distinctive character and charm. There were 52 areas of ancient woodland within Tendring with a particularly important cluster along the edge of the Stour Estuary in the north east corner of the District. And at Harwich, The Mayflower heritage was still visible today, as were the 19th century brick lighthouses, and the Leading Lights.

The Council's Heritage Strategy was adopted by decision of the Leader on 24 April 2020.

The report informed Members that the draft Heritage Strategy was published for a seven week period of consultation and ran from November 2019 to January 2020. Statutory bodies, national and local amenity societies, including town and parish councils were consulted. Communication included posters, social media, surveys and a drop-in exhibition on the afternoon and evening of the 3rd December 2019 at the Council offices in Weeley. It was attended by members of Tendring's local history groups, residents and professionals. The draft Heritage Strategy for Tendring was considered by the Local Plan and Planning Policy Committee on 29th October 2019.

Members heard how the Heritage Strategy aimed to promote the protection and celebration of the area's rich history, predominantly contained within its historic environment, and enhance the positive contribution it made to the lives of those people that lived in and visited the District. This was reflected in the vision on which the Strategy had been developed:-

'The unique heritage of our district provides a rich, often hidden landscape that informs what it is to live here in the 21st century. This strategy identifies those historic features and aims to celebrate and enhance the heritage of Tendring'.

Members also heard how the strategy was organised into two parts:

Part One: *"The Baseline explores the historic development of Tendring, and identifies existing heritage assets, sites and resources. It covers the physical heritage of Tendring in the form of the historic environment, and includes archaeology, buildings, settlements, landscapes, archives and artefacts. It also creates a comprehensive list of the people who are involved in looking after the historic environment today".*

Part Two: *"Assessment and Strategy, draws on the findings of Part One to identify key issues and opportunities within Tendring. It addresses key issues facing Tendring's heritage, and propose actions to preserve and protect it for the future".*

The report explained how the Heritage Strategy had six objectives: Conservation, Collaboration, Knowledge, Character, Interpretation and Accessibility. Some actions span one or more of objectives. Each action was assigned a priority of High, Medium, Low and Ongoing. There was no time period specified for the Heritage Strategy and therefore actions had been progressed based on priority. While the Council had been

able to progress a significant number of the high priority actions, the Council had not had the resources to progress most of the lower priority actions to date.

Conservation, Collaboration & Interpretation

Progress on high priority actions has been significant. (9 out of 10 in progress)

The Committee was informed that Councillor Bray was appointed Heritage Champion in July 2018 to promote and raise awareness of Heritage Assets, protection and importance. Officers within the Planning Policy and Assets team monitored Heritage and championed the issue internally.

It was reported to Members that the Conservation Area Appraisals (CAA) and Management Plans for five out of the District's 20 areas had been considered by the Planning Policy and Local Plan Committee and agreed by Cabinet to go out for public consultation. The remaining 15 were to be presented to the Committee and Cabinet within 12 months, and that work was on schedule. The Council had decided to make steady progress with its Conservation Area Appraisals so that each could be completed effectively with the resources available. The final outcome of this work would be a full set of Conservation Area Appraisals and Management Plans which would be a material consideration in the determination of planning applications, the basis for potential proactive work (included public realm works and, where appropriate, the making of Article 4 Directions) and formal changes to the boundaries of certain Conservation Areas.

The Committee heard that alongside the CAA's, the Committee and Cabinet were also presented with a report on the formulation of a non-designated local heritage list and the criteria to be met for a local building to be included on such a list. The criteria would be published for public consultation and once decided, further public consultation would be held to invite nominations of local buildings to be submitted for consideration and potential inclusion on the list. Through the Neighbourhood Planning process, town and parish councils (included Alresford, Ardleigh, Elmstead and Brightlingsea to date) had already been identified locally important but non-designated buildings for inclusion on a list. Inclusion of buildings on a local list did not give them the full protection of a statutory listing, but it would be a material consideration in the determination of planning applications that affected those buildings, and their settings.

It was reported to the Committee that the High, Medium and Low Priority Actions regarding planning powers, design guides, Conservation booklets and signage audits were dependent on, and would complete after the adoption of the CAA and Management Plans and following consultation. However, Essex Place Services was already engaged to provide information, advice and guidance in the district as well as comment on planning applications, and the Planning Team already give regard to heritage matters through the planning process.

Knowledge, Character & Accessibility

High and Medium priority progress has been significant (4 out of 5 in progress)

The report informed the Committee that the work had begun in the Economic Growth and Leisure team to source funding for the Heritage Lights on Clacton Seafront and the Leading Lights in Dovercourt, to safeguard and protect our assets, following on from the

cost exercises undertaken in 2020, although the Council could not guarantee bids would be successful, so progress would depend on external investment.

The Members heard how assets continued to investigate options for other listed properties in the Council portfolio and currently had restoration works underway on the Treadwell Crane. Emergency repairs to Martello Tower E were complete and Tower D had been identified for further action. Promotion of events and heritage was integral to Tourism and Events delivery plans, and the Jaywick Neighbourhood Team Manager supported local groups to engage with the Jaywick Martello Tower and host activities there and in the surrounding area.

Tourism and Assets teams worked proactively to support destinations with advice to improve site accessibility and consider alternatives such as VR, virtual access and audio guides, as well as signposting to Historic England for further support.

Tendring Cultural Education Partnership

The report informed the Committee how the progress had been made on actions with young people and schools. Training and development, collaboration with schools, aspirations of young people, encouraged school trips and the establishment of a Cultural Partnership had been progressed by the Tendring Cultural Education Partnership (TCEP) working with the Partnerships team. Covid had stretched school resources and a light touch had been required, however there had been positive engagements with young people, within and outside of school through the TCEP support of Theatre Timoin's 'FLOOD', included winning a Galloper Wind Farm grant; supported the Theatre of Lemmings with a project to deliver 'George the Bookworm' to six Tendring primary schools in Summer 2022, Snapping the Stiletto's Art Award, and, worked with Clacton150, the delivery of the Coat of Arms design competition for which 42 schools were invited to take part, 11 participated and 200 entries were received from children.

Events

The Committee heard how the heritage strategy was agreed at the same time as the first Covid lockdown. As such, the scope of the events which had been possible to run to date was narrower than hoped when the strategy was developed. Despite Covid, the Council had continued to promote active engagement of audiences in heritage that also supported take up of healthy lifestyles. Projects in the last year included Octopus Ahoy! (22,776,678 steps recorded), Street Tag, the Heritage Trail that consisted of 19 information boards, four with augmented reality, two audio posts and one listening bench. The Listening bench had been played 2772 times, the railway audio post played 375 times and the Jaywick audio post play 604 times.

The Committee also heard how Street Tag was a community and schools (separate leader boards) based virtual tag activity with multiple trails, that included a bespoke Monument Trail, which used augmented reality to show key historic buildings. Teams had been competing for prizes. During Phase 1 from 16 July to 30 September 11 schools and 51 community teams logged a total of 26,187 miles, and 17,789,805 steps across walking, running and cycling. Street Tag was currently in its second phase and still very popular for schools and the community.

The Members were informed how the Council had not yet had the capacity to develop the unified narrative or 'brand' for all local historic properties and heritage assets, that included hidden heritage and healthy heritage as they require significant engagement with external partners which was resource intensive. The Council had the potential with the developments to the Love Tendring App to promote Tendring heritage within the district and to a wider regional and national audience.

Local projects

The report informed Members that the Heritage Lights in Clacton: having completed a cost exercise on the refurbishment of the lights the Council was pursuing external funding, the success of which would determine whether it was possible to take the project forward. Walton Maritime Museum had vacated their Council premises and were looking for premises closer to the town centre to increase footfall. Brightlingsea Lido had been transferred to Brightlingsea Town Council, who had given the lido to a Charitable Trust. The Trust had undertaken significant works, that included following the 2020 storm flooding damage and continued to work with the Town Council to develop proposals and initiatives for the site.

Outcomes

- *“Five conservation area appraisals are near completion, with 15 expected to complete over the next 12 months.*
- *A local non-designated heritage list is being prepared and expected in place by the end of 2022.*
- *Martello Tower E has had emergency repairs completed, a VLOG ([link](#)) was posted of progress. The two videos have received over 300 views combined.*
- *Treadwell Crane conservation is underway following a successful grant from Historic England.*
- *The Tendring Cultural Education Partnership is supporting schools and young people to access arts and heritage at home, school and in their local areas.*
- *Octopus Ahoy! ran for 10 weeks over Summer 2021 featuring 30 Octopuses, sponsored by local business and schools. 10,003 participants downloaded the app and logged 103,00 ‘finds’ and 22,776,678 steps across the event.*
- *The Heritage Trail was installed in July 2021 between Jaywick and Holland-on-Sea, celebrating the 150th anniversary of Clacton. There are 19 information boards featuring historic images and facts, included four boards with augmented reality, two listening posts and a listening bench. The train station listening post has been played 375 times, the Jaywick audio post 604 times and the Listening Bench played 2772 times.*
- *The Street Tag virtual activity launched on the 16 July. Participants can walk, run or cycle to virtual tag locations and gain points. This featured a bespoke Monument Trail that when beacons were reached, uses augmented reality to show historic images of key locations. During phase one, 703 participants across 11 schools and 51 community teams logged 26,187 miles, and 17,789,805 steps. Phase 2 is underway.*
- *Heritage Open Days and International Day of Monuments programmes are planned for 2022.*
- *Brightlingsea Lido has been transferred to the community with a supported five year management plan. Jaywick Managed Workspace will featuring hoardings created by local creative teams to showcase the area’s history”.*

The Committee Members asked a series of questions on the Heritage Strategy and the conservation policies and were provided with responses to those questions. These are set as an appendix to these Minutes.

After a discussion, the Committee thanked the Portfolio Holder for Leisure and Tourism and the Officers for the attendance and **NOTED** the contents of the report.

The meeting was declared closed at 10.22 pm

Chairman

RSOS Pre-meeting 02.02.21

Questions/Comments and Answers

Heritage Strategy Report

The Heritage Strategy is an overarching strategy that covers a broad spectrum of services and therefore many of the actions fall under the responsibility of different Portfolio Holders. The main Council Services with actions outlined in the Strategy are Assets, Planning, Tourism and Leisure.

Cllr and Question

- 1.** If we look around the District, there are buildings left to rot, and we need to look at preserving, enhancing and celebrating them.
 - We already assist Historic England with maintaining local entries on the Heritage at Risk Register. The Council has also begun reappraising the conservation areas. The first five Conservation Area Appraisals and Management Plans have been updated, all of which were Conservation Areas at Risk. The remaining 15 Conservation Areas will have their appraisals updated and management plans brought to the Planning Policy and Local Plan Committee in the next 12 months. As part of this, the Council has begun work on identifying the areas that may benefit from Article 4 Directions to extend planning and enforcement powers for the preservation and enhancement of the local historic environment.

- 2.** There are publications advertising Essex as a place to visit. We need to move to advertise the extensive history of Tendring.
 - The adopted Tourism Strategy and work plan highlights the service plan to delivery this through:

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- brand identities such as Historic Harwich, and harnessing these for enhanced promotion,
 - maximising the opportunities of digital marketing across websites such as Visit Essex, and Essex Sunshine Coast, and the LoveTendring app
 - to improve visitor infrastructure, including to heritage assets, through wayfinding and trails such as the Clacton150 Heritage Trail,
 - to develop and improve the heritage offer through creating tangible, bookable products and experiences and widening the districts heritage offer. The first of the rescheduled Mayflower 2020 cruises is expected in June 2022.
- 3.** Looking at Clacton there are the great Victorian Street Lamps at the promenade the Council is only now looking at them because they are falling apart. We also have the same issue with Martello Tower in Clacton that is being left to decay.
- Edwardian Lighting along Clacton Seafront: An Historic Assessment and Condition Report was completed in 2021 and the Economic Growth and Leisure service is now investigating options for external funding.
 - Martello Towers D and E- emergency works at Tower E were completed in 2021; further investigations are currently underway to determine further phases of restoration. Tower D has been identified by Assets for future investigation later this year.
- 4.** We have the Polebarn Lane Asset – protected by an Asset of community value designation. But we are not seeking to make best use of this.
- The ACV status is still pending for Imperial Hall. The 2021 report recommended that it did not meet the criteria for designation. The Council's Cabinet resolved to refer the decision to officers and for potential discussion and resolution between the owners and nominators. At the time of writing, no agreement has been secured.
 - ACV status would delay any proposal to sell the property should that be proposed in the following 5 years that enables the local community to bid to buy it. An ACV is registered as a land charge against the building. If the building does not become available for sale within 5 years, the designation is removed.
 - The Planning Policy team are in the early stages of preparing a list of non-designated local heritage assets and there will be an opportunity for buildings to be nominated, once the criteria has been agreed by the Planning Policy and Local Plan Committee
- 5.** Why was housing allowed to be built at Martello Tower in Walton? That does not suggest that we value our Heritage Assets.

- Martello Tower K is in private ownership and a heritage impact assessment was carried out; this can be found in the planning application documents.
- [14/01303/FUL](#) Decision Report: English Heritage (Now Historic England) supported the redevelopment of the site and removal of the caravans as an opportunity to improve the setting of the tower
- [16/00369/FUL](#)- Historic England agreed that the objective for this site is to secure the immediate setting of the tower as open space, with the maintenance of key seaward views, together with repair and beneficial use of the tower.

6. Is there a complete list of heritage sites/assets in Tendring?

- National List available is on Historic England website.
- The Planning Policy team are in the early stages of preparing a list of non-designated local heritage assets and there will be an opportunity for buildings to be nominated, once the criteria has been agreed by the Planning Policy and Local Plan Committee

7. What is meant to come out of the work of the Local Plan and Policy Committee looking at plans? Can you explain it?

- The Planning and Local Plan Committee's meets on a regular basis to make decisions about Local Plan and strategic planning issues.
- The Planning Committee over planning applications listed building consents etc. that require executive decisions.

8. Are the Mile marker Kerb Stones listed?

- The Planning Policy team are in the early stages of preparing a list of non-designated local heritage assets and there will be an opportunity for buildings to be nominated, once the criteria has been agreed by the Planning Policy and Local Plan Committee
- Historic England set objectives for designations each year, more details of which can be found on their website, along with the current listing register.

9. Are we going to list War Memorials so they can be looked after?

- War Memorials are often listed as part of the Historic England register, which can be found on their website.
- The Planning Policy team are in the early stages of preparing a list of non-designated local heritage assets and there will be an opportunity for buildings to be nominated, once the criteria has been agreed by the Planning Policy and Local Plan Committee

10. Are the old finger post signs plotted around the District and are they being protected/preserved?

- The Planning Policy team are in the early stages of preparing a list of non-designated local heritage assets and there will be an opportunity for buildings to be nominated, once the criteria has been agreed by the Planning Policy and Local Plan Committee.

11. Are the Station house by railway being protected?

The Planning Policy team are in the early stages of preparing a list of non-designated local heritage assets and there will be an opportunity for buildings to be nominated, once the criteria has been agreed by the Planning Policy and

Resources and Services Overview and Scrutiny Committee

14 March 2022

RECOMMENDATIONS MONITORING REPORT

(Prepared by Keith Durran)

Recommendation(s) Including Date of Meeting and Minute Number	Actions Taken and Outcome	Completed, follow-up work required or added to Work Programme
<p><u>SCRUTINY OF THE BUDGET</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 12 January 2022 Minute 50 refers</u></p> <p>RECOMMENDATIONS TO CABINET:</p> <p><u>In respect of the financial forecast and proposed General Fund budget position for 2022/23</u></p> <ol style="list-style-type: none"> 1. That the issue of the level of carry forward amounts each year, as highlighted several times by the external auditors in their annual audit letters to the Council in recent years, be addressed urgently by the Cabinet. 2. That the intentions for developing a Corporate Investment Plan in order to establish a process for considering proposals for investment against the Corporate Plan Priorities and developing a prioritisation framework for 	<p><u>Cabinet 28 January 2022 minute 116 refers</u></p> <p><i>“Firstly, I would like to thank the Committee for the really positive and constructive approach they took to the scrutiny of the budgets. There was some challenging questions along with some really helpful discussions that support the development of the budgets.</i></p> <p><i>In terms of the issues raised by the Committee, comments are set out as follows taking each point in turn:</i></p> <p><i>In respect of the financial forecast and proposed General Fund budget position for 2022/23</i></p> <p>1) & 2) As mentioned directly at the Committee’s meeting, this will form part of the emerging Corporate Investment Plan, which in turn will be supported by an existing budget to provide increased capacity in the right places to deliver against the Council’s ambitious agenda. Although the Corporate Investment Plan will be a ‘live’ and on-going process, the</p>	<p>The Chairman of the Committee followed up the decision of Cabinet on 28 January to commented/asked as follows:</p> <p><i>“The response from Cabinet is very much welcomed and the positive acceptance of the recommendations is appreciated. To assist the Committee, it would be helpful to record against the numbered points used in the original recommendations and the reply to them:</i></p> <p><u>General Fund</u></p> <ol style="list-style-type: none"> 1. <i>The Committee will watch with interest to see that the Corporate Investment Plan proposed does indeed address the level of carry forward items highlighted by the external auditors.</i> 2. <i>(a) It really is important that reserves and provisions for projects/schemes that are not to be pursued at all (or in the</i>

investment over the coming year and into the medium term be welcomed and:

- a. That the schemes set out in the current reserves, provisions and one-off sums be reassessed as part of that Corporate Investment Plan process in order to avoid sums of money being allocated for schemes that are no longer to be pursued and thereby hampering investment in schemes that can deliver real benefit to the District;
- b. That, further to (a) above, the approvals to establish a reserve for a Residents Free Parking Scheme (£221K in reserves) and to allocate funds for a Clacton Town Centre Fountain (£159K as a one-off sum) be reversed immediately (as they are not required/being pursued) and the sums reallocated to fund the posts of 6 Community Ambassadors, 4 Street Rangers and 1 Technical/Administration (at a total cost of £352K) for 2022/23 with the remaining £28K from the released funds being ring-fenced to support training, equipment and supplies costs associated with those posts in 2022/23.

first phase is planned to be presented to Cabinet in February.

a. The Committee's support for the Corporate Investment Plan is welcomed and I can confirm that it will take into account the current level of reserves and one-off amounts as highlighted by the Committee. In terms of the Committee's proposals for what the plan should include, additional comments against each further point raised are as follows:

b. The Resident's Free Parking Reserve referred to by the Committee is no longer available as this was committed to the current cliff stabilisation works along Clacton and Holland that was agreed by Cabinet back in March 2021. However, the one-off funding for the posts referred to by the Committee has been identified within the overall GF budget presented later on the agenda.

c. This commitment is already set out within the Council's Tourism Strategy and would therefore naturally form part of the Corporate Investment Plan approach going forward.

d. As an existing strategy, actions to enhance / improve public conveniences would naturally form part of the Corporate Investment Plan. Funding would need to be considered within the Council's wider financial position as the business rates relief referred to has already been built into the base budget as part of delivering a sustainable budget and forecast going forward.

medium term) are replaced with schemes that will deliver real benefit against the Corporate Plan adopted by Full Council up to 2024.

(b) The decision to fund the posts identified by the Committee is very positive.

(c) and (d) The Committee will watch with interest the Corporate Investment Plan as it is produced to deliver against the commitments for a range of seafront enhancements, improvements to public conveniences and the overlap with the CIL process.

3. *The need to keep the public aware of the efforts to achieve new cremators at the District's crematorium is seen as important by the Committee. Something it will no doubt return to when it looks at the Council's Communication Strategy in March 2021.*

4. *Procurement and contract management is a matter that is being placed on the prospective work programme of the Committee for 2022/23 and so the intended actions to improve matters can be monitored and issues addressed.*

5. *And 6. - These matters did not appear to have been responded to and so replies are respectfully requested if this could be arranged.*

Housing Revenue Account

<p>c. That the Plan should identify a range of seafront enhancements, developed in conjunction with seaside communities (including where relevant Town/Parish Councils) on the basis that these are funded by an expansion of beach huts in those communities.</p> <p>d. That the Plan should deliver on the intentions of the Public Conveniences Strategy by improvements in those continuing facilities (particularly in view of the saving of £72,200 from the Government's backdating of business rate relief to the start of 2020/21 and the absence of business rates on those facilities since the Strategy was adopted).</p> <p>e. That the Plan clearly identifies how it will integrate with the priorities for investment through funding secured through the Community Infrastructure Levy (CIL) and the monitoring of the investment through that funding route.</p> <p>3. That progress with the procurement of the new cremators for the Weeley crematorium and the significant loss of income in 2021/22 and 2023 while the cremators are out of action, be monitored, very closely, and councillors</p>	<p>e. Although subject to a future decision, a Corporate Investment Plan would be expected to be an important and overlapping element of a Community Infrastructure Levy approach and would therefore be developed on that basis.</p> <p>Agreed, and as set out within the GF budget report later on in the agenda, the cost of the cremators is expected to be lower than initially expected which can provide a financial 'offset' against the loss of income.</p> <p>This echoes the similar comment that was raised when the Council's housing maintenance provider fell into administration several years ago. It was highlighted at the time that existing procurement processes do address this issue through a number of checks, such as the economic / financial standing of potential contractors, but it was recognised that it is impossible to completely remove this risk. However, as part of the new collaborative procurement arrangements with ECC, the issue will be revisited to identify if there are any changes that can be made to existing processes that add additional resilience against this risk.</p> <p>This will from part of the Corporate Investment Plan mentioned above, that is planned to be presented to Cabinet in February.</p> <p>The matter highlighted by the Committee will be raised with ECC.</p>	<ol style="list-style-type: none"> 1. <i>The Committee considers stretch targets as helpful to keep everyone focussed to deliver the improvements that clearly have occurred in 2021/22 since the Committee began looking at this matter. This, no doubt, will be something the Committee will want to return to in 2022/23.</i> 2. <i>The identification of £0.333M to address the issues likely to come from the stock condition survey is a very welcome response to the recommendation."</i>
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and the public be kept informed about the process.

4. That internal procurement processes be re-examined with a view to strengthen those processes and addressing the risk of failure by companies who are major suppliers to the Council (given recent example of the company maintaining the cremators and other examples in recent years).
5. That the planned events for the platinum Jubilee and associated funding for them, be approved as a matter of urgency.
6. That the problem of littering along the A120 be highlighted and the Council pursues with Essex County Council and Highways England, frequent cleaning of the road, and verges next to it, with waste bins that are suitable for the level of use be installed and maintained in the laybys between Ardleigh Crown and Harwich, so that this major route through the District is kept clean.

In respect of the Housing Revenue Account 2022/23

1. That, in respect of the Housing Revenue Account, stretch targets be introduced for void levels given the impact on the budget in lost rental income and Council Tax (including the proposed surcharge for empty homes being introduced for 2022/23) and the demand for housing

In respect of the Housing Revenue Account 2022/23

As previously highlighted, it is good to see void rates returning to more historic levels following a number of interventions and managed responses. In terms of a stretched target, we aim to reduce void rates to a minimum whilst recognising the need to undertake remedial work etc. before properties are relet. With that in mind, it would not necessarily be right to work towards an absolute target but more about keep driving the number down to a level that is both achievable and sustainable as measured against the current historic level of 2%.

As set out later on in the agenda, the HRA surplus for 2022/23 of £0.333m has been set aside within the capital programme to support the investment in existing tenant's homes, which will reflect the outcome of the proposed stock condition survey.

In respect of the proposed highlight priorities for 2022/23

I want to welcome the feedback from the Committee on the initial proposals for highlight priorities from 1 April 2022 and thank them for the time taken to consider those initial proposals. The feedback will be considered by Cabinet on 25 February alongside feedback from the Community Leadership Overview and Scrutiny Committee and the submitted views from the public and partners. I am aware that we have had over 160 responses to the online survey on this subject. It is only right and proper

that could be met by bringing void homes back into rental.

2. That the Council commences setting aside funds to meet the costs that will arise from the housing stock condition survey (albeit that the full extent of those sums is not yet known).

In respect of the proposed highlight priorities for 2022/23

1. That the Cabinet reassess its highlight priorities for 2022/23 and include in them, with appropriate budget and milestones or otherwise implement the following:
 - a. Progress with the various steps that will be part of the Stock Condition Survey to be undertaken in 2022/23 – in view of the important role the Council has as a major local landlord and the need to prepare for the implications of the Hackett review and revisions to the Decent Homes Standard.
 - b. Delivery of key elements of the emerging Sports and Leisure Strategy – given the need to take forward the range of actions to improve activity levels not just among those who are currently not active but also among those

that we look at priorities to highlight for 2022/23 on 25 February having considered all those responses and the feedback from the two Overview and Scrutiny Committees.

- who are moderately active and across all parts of the District.
- c. As part of the growing and Inclusive Economy Theme, Tourism Officers/ events proposed priority, include measures to increase the numbers and extend the percentage of visitors to the area that can (and do) stay overnight and thereby increase dramatically the spend locally by visitors.
 - d. In respect of the proposed priority of carbon reduction/climate action:
 - i. as and when initiatives are brought forward, details should be provided as to how the relevant carbon reduction measures affect the Council and its partners financially (and is there a consequence for job numbers/skills of the individual measures).
 - ii. the proposals for Electric Vehicle charging points across the District be worked up and the consequential budgetary issues for the Council be established and shared widely.

<p><u>SCRUTINY OF JOINT USE FACILITIES OPTIONS</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 13 December 2021 Minute 45 refers</u></p> <p>After an in-depth discussion it was RECOMMENDED to Cabinet that:</p> <p>a) the proposal to cabinet in the report to it on the joint use sports facilities at Brightlingsea and Harwich is placed on hold (and appropriate steps taken to facilitate this status quo continuing), to allow the proposal to be considered:</p> <p>(i) within the context of the councils emerging Sports Facility Strategy (due to be published in March 2022); and</p> <p>(ii) in conjunction with the future intentions of the Sigma Trust (which are, as yet, unknown).</p> <p>b) It adopts the above as it will allow an all encompassing scrutiny of the future provision of Council sports facility provision and, as the Joint Use Facilities Budget is not to be immediately reallocated, there is no immediate need for this decision to be implemented.</p>	<p><u>Cabinet 17 December 2021 (Minute 100 refers)</u></p> <p>It was moved by Councillor Porter, seconded by Councillor McWilliams and:- RESOLVED that Cabinet –</p> <p>(a) notes that the Joint Use Agreements between the Council and the Sigma Trust for the Harwich and Brightlingsea Sports Centres end on 31 December 2021;</p> <p>(b) agrees to the provision of transitional support from existing resources, for up to three months, to extend the community use of the facilities where possible;</p> <p>(c) invites representatives from the relevant Town Councils and the Sigma Trust to join an engagement group to meet during the transition period to work through the operations of providing community use from the facilities;</p> <p>(d) considers the development of the leisure and sports offer across the District through the Corporate Plan and emerging strategies; and</p> <p>(e) welcomes the opportunity for the Resources and Services Overview and Scrutiny Committee to provide an input into the work identified in (d) above over the coming weeks with the Portfolio Holder for Leisure and Tourism and officers.</p>	

<p>[Note: In respect of appropriate steps in the above recommendation it was agreed that this shall include approaching the Sigma Trust on the issue, discussing the proposal and agreeing the extension of the agreement should the Sigma Trust agree to this.]</p>		
<p><u>SCRUTINY OF ENFORCEMENT</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 1 November 2021 Minute 33 refers</u></p> <p>After a short discussion it was RESOLVED TO RECOMMENDED TO CABINET that:</p> <ol style="list-style-type: none"> 1. the protection of trees on land to be developed be considered with the view to seeking to prevent a loss of trees in sites that are approved for development, 2. Essex County Council be requested to plant a tree for each highway or other tree removed by it as close as possible to the site of the removed tree, 3. the Council looks at, in conjunction with Ward Councillors, the reintroduction of Perspex lamp post signs to reinforce the message about not dog fouling and the penalty for those that allow their dogs to foul, 4. the Council discuss again the relative advantage of deploying covert cameras as part of enforcement, particularly for those specific areas where there is reoffending, in order to identify those offenders, 	<p><u>Cabinet 17 December 2021 (Minute 96 refers)</u></p> <p>The Cabinet had before it the response of the Environment & Public Space Portfolio Holder thereto as follows:-</p> <p>“As the portfolio holder under whose remit most of the recommendations fall I acknowledge that they are all issues that contribute to the corporate plan priority of Effective Enforcement and Regulation. I shall therefore be discussing the recommendations with the relevant officers such that should they be accepted by Cabinet we can either implement or explore further with other agencies as appropriate.”</p> <p>Having considered the recommendations of the Resources and Services Overview & Scrutiny Committee, together with the response of the Environment & Public Space Portfolio Holder thereto:-</p> <p>RESOLVED that the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Environment & Public Space Portfolio Holder thereto be endorsed.</p>	<p>The Chairman of the Committee followed up the decision of Cabinet on 17 December to commented/asked as follows:</p> <p><i>“That a brief note be requested on the progress with the discussions that were agreed to in respect of:</i></p> <ol style="list-style-type: none"> 1. <i>Further measures to protect of trees on land approved for development.</i> 2. <i>The request to ECC to plant trees nearby when removing mature ones</i> 3. <i>Providing more ‘no dog fouling’ signage in conjunction with local Ward Councillors</i> 4. <i>The deployment of covert CCTV</i> 5. <i>The legal responsibility of fast food outlets for discarded food packaging near their outlets</i> 6. <i>Why no FPNs had been issued.</i> 7. <i>The use of social media to share the Council’s resourcing of enforcement through Community</i>

<p>5. the legal position be considered on the responsibility of those who sell fast food for litter that comes from the packaging provided by those who sell fast food,</p> <p>6. the reasoning why there have been no FPN's issued in respect of breaches of the PSPO, dog fouling, fly-tipping and littering be shared with the Committee,</p> <p>7. the Council uses social media and the press to make a push to highlight our Community Ambassadors, ASB case officer and Town Centre Officer, the powers they have and the tickets, fines they can issue.</p>		<p><i>Ambassadors etc and their powers to issue FPNs."</i></p>
<p><u>SCRUTINY OF VOIDS</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 15 July 2021 Minute 15 refers</u></p> <p>The Committee Recommended to Cabinet that:</p> <p>(1) the resources available for the Housing Allocations Service of the Council be reviewed in order to ensure that it is able to deliver the rapid response and excellent customer service to those on the Housing Register, and those applying, and thereby contribute further to reducing the average time Council Homes remain untenanted by moving all paper work to a digital format.</p>	<p><u>Cabinet 12 November 2021 (Minute 74 refers)</u></p> <p>The Cabinet had before it the response of the Housing Portfolio Holder thereto as follows:-</p> <p><i>"I would like to thank the Committee for their comments. To reply specifically to the points made:</i></p> <p><i>1. Since the last meeting of the Committee the allocations team has been working hard to allocate available properties and I am pleased to be able to advise that at the time of writing there are no general purpose properties available to let that are not allocated or subject to offer to prospective tenants. I would like to particularly mention the Housing Solutions and Allocations Manager, the Senior Housing Solutions and Allocations Officer</i></p>	<p>The Chairman of the Committee followed up the decision of Cabinet on 12 November to commented/asked as follows:</p> <p>1. The addressing of the housing voids allocation delays is welcome and the Portfolio Holder's expectations that the position on turnaround of general purpose properties will be maintained is noted with pleasure.</p>

<p>(2) while a selection of individuals on the Housing Register are waiting for adapted homes and we should rightly seek to achieve the best match, where possible, this should not be pursued to the extent that individual properties remain untenanted for long periods of time due to infrequent offers to those on the Register and in need of housing.</p> <p>(3) the temporary measures introduced in 2021 to control expenditure in year on improvements to void Council Homes be continued going forward (as such if the kitchen is functional and efficient to maintain it will not be replaced only for the reason of upgrading it).</p>	<p><i>and the team's apprentice and thank them for the work that has been done to achieve this. Looking into the future the team is presently implementing a new software package which will make the process easier for the team and I hope and expect that this will allow the team to maintain the position that has been achieved.</i></p> <p>2. <i>The team have reviewed processes internally as mentioned and rebalanced the allocations process to give a stronger emphasis on allocating properties at a higher frequency than on perfectly matching any adaptations present to prospective tenants.</i></p> <p>3. <i>The nature of works carried out at properties has been severely cut back for timing and financial reasons. It may be advantageous to review that as the position is regularised into the future, time and financial constraints may allow a winding back of some of the control measures.</i></p>	<p>2. The adoption of this rebalanced approach is much appreciated and positive step.</p> <p>3. The continuation, longer term, of measures that mean more work is undertaken in occupied properties rather than delaying re-occupation is still something the Committee urges as part of the strategic approach to maximizing occupancy rates and minimizing void periods. This approach should also mean those properties most in need of improvements eg to kitchens are addressed first rather than those which happen to become void.</p>
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<p>(4) the IT solutions for the separate sections of the Council dealing with Housing Allocations and Council Home repairs and maintenance be enhanced so that there is a shared resource that can support the council with a range of data that the current separate systems were unable assist efficiency of the Council as a whole.</p> <p>(5) a more active and purposeful approach be undertaken than at present in respect of the recharging of former tenants who had left items to be removed or otherwise in a condition requiring remedial/repair works and that these charges be linked from commencement with any debts for unpaid rents by those tenants in order to assist an efficient recovery process.</p> <p>(6) the current 14 month trial in respect of an in house team to undertake Council House repairs, be actively reviewed to ensure opportunities are taken during that trial, to support skills development and recruitment and retention measures enhancement (including if appropriate market forces enhancements for certain specialist skills and attraction of those with relevant accreditation to work for the Council; maybe part-time).</p> <p>(7) the Portfolio Holder for Housing be encouraged to establish a Housing</p>	<p><i>4. The teams are working with a shared spreadsheet at present. They also have separate specialist software for each. I agree that a link between the two packages would be a useful area for future development.</i></p> <p><i>5. I agree that once the position on void properties overall is dealt with a greater emphasis on recovery of costs would be appropriate, potentially including external debt recovery services. I think however that it is important to remember that former tenants can sometimes be untraceable or unable to pay any debts. A proportionate response will be required.</i></p> <p><i>6. I understand that Mr White's comments at the Committee's meeting were intended to highlight the potential issues with the recruitment of specialist tradespeople such as electricians and gas fitters. The limited duration of the trial period is also a consideration in the attractiveness of the team to potential tradespeople. The team is recruiting at the moment and depending on the outcome measures such as market forces could be applied.</i></p> <p><i>7. I have established a pattern of fortnightly meetings with my colleague the Portfolio</i></p>	<p>4. It is great to hear that the various service areas are sharing data to improve service delivery. Whether a spreadsheet is the best IT solution is something the Committee would ask is reviewed to ensure this information can continue the current improvements.</p> <p>5. The Committee believes that tough measures need to be taken with problem tenants and former tenants and pursuing those who damage properties should be pursued; otherwise the associated costs fall on good honest tenants who abide by the rules.</p> <p>6. The inclusion in the trial, and for the future, of measures to secure specialist tradespeople is great news.</p> <p>7. The formalization of the meetings to which the Portfolio</p>
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<p>Working Party to continue the focus on Housing Voids and the issues considered in the enquiry by this Committee (including those reflected in these recommendations).</p> <p>(8) an appropriate Key Performance Indicators be developed around timescales for untenanted Council Homes to be offered and re-tenanted, the undertaking of repair/ refurbishment of Council Homes and recovery of costs incurred due to the condition of properties once vacated by former tenants etc and shared with Councillors together with periodic detail of achievement against those Indicators.</p> <p>(9) proposals for a stock condition survey be drawn up and consider the benefits to the Council in identifying issues with the Council's Housing Stock and thereby assist it to improve its plan for expenditure through the Housing Revenue Account in the short, medium and longer term.</p>	<p><i>Holder for Finance and Governance, Chief Executive, Corporate Director and Assistant Directors to monitor progress.</i></p> <p>8. <i>The group above has established performance measures. The teams are currently adapting the spreadsheet and records seeking to calculate them efficiently:</i></p> <p><i>For publication:</i></p> <ul style="list-style-type: none"> • <i>Quarterly financial void position – income lost and %</i> • <i>Quarterly void average time from date void to date re-let</i> <p><i>For internal monitoring only: the group has requested a small number of indicators focussing on monthly turnover of properties, number of long term voids, turn-around times and costs.</i></p> <p>9. <i>I have asked the teams to investigate the feasibility of a stock condition survey. I am aware of overspends on repairs in the last two years and the need for investment in energy efficiency and other programme items. The potential for expenditure on surveys needs to be considered against the need for direct investment in the stock. A balance has to be struck and I propose to make a decision on a stock survey when the pros and cons are reported."</i></p>	<p>Holder refers into a Working party and inclusion of additional Members of the Council in these meetings, remain something the Committee encourages.</p> <p>8. The Committee looks forward to receiving the wider group of performance indicators referred to together with the underpinning actual numbers that generate those indicators. It will be good to know when these will be available for the year 2021/22 to date. To facilitate this process, the Committee does not need to receive these at a formal meeting; instead a briefing paper with the indicators and underpinning actual numbers.</p> <p>9. A housing stock condition survey is something the Committee encourages the Portfolio Holder to adopt within a strategic approach to the Council's Housing Stock. The Government's Charter for social housing will add to the Council's obligations to its tenants and a stock survey will prepare the</p>
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	<p>Having considered the recommendations of the Resources and Services Overview & Scrutiny Committee, together with the response of the Housing Portfolio Holder thereto:-</p> <p>It was moved by Councillor P B Honeywood, seconded by Councillor G V Guglielmi and:-</p> <p>RESOLVED that the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Housing Portfolio Holder thereto be endorsed.</p>	<p>Council for the introduction of those further obligations.</p>
<p><u>SCRUTINY OF THE SEAFRONT SERVICES</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 20 September 2021 Minute 23 refers</u></p> <p>The Committee Recommended to Cabinet that:</p> <p>a) where observation reveals cliff slippages, all communication with Beach Hut Licensees in respect of Cliff Stabilisation and safety, is consistently shared with the relevant District Ward Councillors; and</p>	<p><u>Cabinet 12 November 2021 (Minute 72 refers)</u></p> <p>The Cabinet had before it the response of the Leisure & Tourism Portfolio Holder thereto as follows:-</p> <p><i>“I would like to thank the Committee for their comments. To reply specifically to the points made:</i></p> <p>1. <i>I entirely agree with the idea of keeping ward councillors fully involved. I know that the officers involved in the beach huts service specifically already seek to keep ward councillors involved in decisions. I have asked that they redouble their efforts in this regard and hope that there are even fewer exceptions to this good practice in the future.</i></p>	<p>The Chairman of the Committee followed up the decision of Cabinet on 12 November to commented/asked as follows:</p> <p>a) The action of the Portfolio Holder to encourage greater consistency in delivery is appreciated.</p>

<p>b) the undertaking of a survey of cliff vulnerability across the 26 kilometres of coast line for which this is responsible and beach levels in the 23 bays created in 2013/14 in the Clacton-on-Sea and Holland-on-Sea areas be undertaken as an imperative piece of work in the next few months and thereby address the concerns raised by the Committee on 22 June 2020 (Minute 62 refers) and on 21 September 2020 (Minute 85 refers).</p>	<p>2. <i>Past studies on the Holland-on-Sea cliffs have been carried out at some expense by a large engineering company. It's unrealistic to expect to be able to completely predict the location and extent of future cliff failures. That's because the cliffs tend to have naturally formed with a limited factor of safety and failures caused by changing factors outside of the Council's, or anyone's, control. I don't think that it is viable to commission further surveys of this kind. However, the Coastal Manager is working with a local engineer with regard to the conduct of a series of visual inspections and some analysis that will give us greater insight into the stability of the main cliffs in the District, at a cost that can be accommodated. I have asked that the findings are reported back to me when completed.</i></p> <p>3. <i>The District Council has funded and begun a significant cliff stabilisation project at Holland-on-Sea this year. The work will be completed during the winter, in time for next year's season. This project has significantly affected the Council's reserves. It is my view that the Council cannot itself afford to address future cliff issues in isolation. I have requested further investigations and advice on the Council's liability for cliff work and the extent to which external funding can be called upon to assist."</i></p>	<p>b) The Committee was not suggesting an expensive survey but seeking to take forward the suggestion made to the meeting that a visual survey by officers of the Council could be possible. On this basis the Committee welcomes fully the intention of such a visual survey as part of the Council's consideration of risks going forward and its implications for budgets in the short, medium and longer term.</p> <p>c) The Committee would welcome receiving a briefing on the further investigations and advice on the Council's liability for cliff work and the extent to which external funding can be called upon referenced by the Portfolio Holder. Is there a timetable for these investigations/advice to be undertaken/received?</p>
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	<p>Having considered the recommendations of the Resources and Services Overview & Scrutiny Committee, together with the response of the Leisure & Tourism Portfolio Holder thereto:-</p> <p>It was moved by Councillor Porter, seconded by Councillor McWilliams and:-</p> <p>RESOLVED that the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Leisure & Tourism Portfolio Holder thereto be endorsed.</p>	
<p><u>SCRUTINY OF THE SPORT AND LEISURE SERVICE</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 20 September 2021 Minute 22 refers</u></p> <p>The Committee Recommend to Cabinet:</p> <p>to restate the Committee’s request that an updated draft District-wide Leisure Strategy be brought forward as speedily as possible for consultation and that the Strategy should seek to enable a fresh direction to the delivery of leisure facilities and address the issues facing the District; including encouraging people to progress from being fairly active to active and from inactive to fairly active and the provision for those with disabilities.</p>	<p>Cabinet 12 November 2021 (Minute 73 refers)</p> <p>The Cabinet had before it the response of the Leisure & Tourism Portfolio Holder thereto as follows:-</p> <p><i>“I would like to thank the Committee for proposing a fresh approach, and to commend staff for implementing it in a way that encourages more activity, including:-</i></p> <ul style="list-style-type: none"> • <i>£617,000 invested in Clacton Leisure Centre, upgrading changing rooms, sauna, LED lighting and the air handling unit in the health suite, and new wetside changing rooms, to complete by Christmas;</i> • <i>£250,000 allocated to a new Clacton Skatepark to be completed next Summer;</i> 	<p>The Chairman of the Committee followed up the decision of Cabinet on 12 November to commented/asked as follows:</p> <p>The response does not discount the value of an updated strategy or suggest that it is being prepared. Could this be clarified for the Committee as the Committee believes a strategic approach is needed o leisure and sport provision locally.</p>

	<ul style="list-style-type: none"> • £670,000 from ECC and the Football Foundation to fund and install a 3G football pitch at Clacton; and • £30,000 to support up to 120 people on a 12 week GP referral scheme to TDC leisure facilities.” <p>Having considered the recommendation of the Resources and Services Overview & Scrutiny Committee, together with the response of the Leisure & Tourism Portfolio Holder thereto:-</p> <p>It was moved by Councillor Porter, seconded by Councillor McWilliams and:-</p> <p>RESOLVED that the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Leisure & Tourism Portfolio Holder thereto be endorsed.</p>	
<p><u>USE OF SECTION 106 MONIES</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 15 July 2021 Minute 16 refers</u></p> <p>After a detailed discussion the Committee RESOLVED:</p> <p>1. To the extent that it is not happening at present, details of the proposed</p>	<p><u>Cabinet on 8 October 2021 (Minutes 61 refers)</u></p> <p>“Cabinet had before it the response of the Portfolio Holder for Corporate Finance & Governance thereto which was as follows:-</p> <p><i>“Taking each point in turn, my comments are as follows:</i></p> <p>1) <i>Agreed - This will be reflected in future decision making processes, where the</i></p>	<p>The Chairman of the Committee followed up the decision of Cabinet on 12 November to commented/asked as follows:</p> <p>1. The action of the Portfolio Holder in ensuring Ward Councillors are consulted is appreciated.</p>

<p>schemes using S106 funds in a particular ward be advised as a routine to the local Ward Councillor(s) and consideration be given to the views expressed by the Ward Councillor(s) on the proposed scheme before and decisions are taken to implement the scheme.</p> <p>2. That, for those parts of the District that are parished, the relevant Town or Parish Council be advised about S106 funds that had been secured and whether they could bid for schemes to be funded or identify schemes for officers to consider.</p> <p>3. That, for those parts of the District that are un-parished, the locality descriptor should be the relevant District Ward rather than ‘Clacton’ so as to improve the understanding of the figures shown for that area.</p> <p>4. That an annual statement be made on the amounts of monies received in S106 funds, the total sum held by the Council in S106 funds and the sums spent on schemes in that year against the common obligations of:</p> <ul style="list-style-type: none"> • Public open space • Affordable Housing 	<p><i>views of the ward councillor will be required before the associated decision can be finalised and published.</i></p> <p><i>2) Existing processes already provide a proportionate response to the issue raised, as the information is published on the Council’s website where Town and Parish Council can access it on a self-service basis rather than having to introduce a further layer of unnecessary administration. However we can consider further sign-posting support / opportunities in future.</i></p> <p><i>3) & 5) Agreed – both points raised will be addressed via the associated review by the S151 officer.</i></p> <p><i>4) Similar to the response to point 2) above, existing processes already provide this information which will be enhanced in future years by the commitments made above.”</i></p> <p>Having considered the recommendations submitted by the Resources and Services Overview & Scrutiny Committee, together</p>	<p>2. The Committee would welcome know what additional support/opportunities for sign posting will be introduced so that it can consider the effectiveness of these and support proportionate responses to this issue.</p> <p>3. The commitments here are very much appreciated and the Committee would appreciate understanding further the timescales that apply to the review to improve the information and its usability.</p> <p>4. As part of the review by the S151 Officer the Committee would encourage an opportunity to look again at providing the summaries requested for Councillors rather than having to produce such summaries in a reactive way to requests from this Committee.</p>
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<ul style="list-style-type: none"> • Education • Highways • Town centre Improvements • Health <p>5. To note the commitment if the Council's Assistant Director for Finance and IT that the S106 spreadsheet publicly available on the Council's website would be amended to include commitments so that the sums shown are clear and complete.</p>	<p>with the response thereto of the Portfolio Holder for Corporate Finance & Governance:-</p> <p>It was moved by Councillor G V Guglielmi, seconded by Councillor McWilliams and:-</p> <p>RESOLVED that the recommendations made by the Resources & Services Overview and Scrutiny Committee be noted and that the response of the Corporate Finance & Governance Portfolio Holder in response thereto be endorsed”.</p>	
<p><u>TOURISM STRATEGY FOR TENDRING</u></p> <p><u>RESOURCES & SERVICES OVERVIEW AND SCRUTINY COMMITTEE held on 24 May 2021 Minute 6 refers</u></p> <p>The Committee RESOLVED to Recommend Cabinet:</p> <ul style="list-style-type: none"> • To 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). • To harness opportunities to those attracted to specific places/events 	<p><u>Cabinet on 17 September 2021 (Minutes 38 refers)</u></p> <p>“Cabinet had before it the response of the Portfolio Holder for Leisure & Tourism thereto which was as follows:-</p> <p><i>“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</i></p>	<p>The Chairman of the Committee followed up the decision of Cabinet on 12 November to commented/asked as follows:</p> <p>The commitment to look to adopting the recommendations from the Committee is appreciated. The Committee will seek an update on progress with them in its work programme for 2022/23 on the basis that a review of delivery against the strategy is an enquiry for the Committee.</p>

locally to be supported to revisit by sharing other places/events locally including those using the book of Holland Ferry, creating a dedicated visit Tending website with 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.

- To 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.
- To consider again the previous recommendation (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 those events/facilities are made aware of the Councils role in producing/supporting the same.
- To 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 CO2, including the options perused by the Bournemouth Air Festival

thorough scrutiny that results in an improved strategy.”

Having considered the recommendations submitted by the Resources and Services Overview & Scrutiny Committee, together with the response thereto of the Portfolio Holder for Leisure & Tourism:-

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

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

whereby trees were planted for each tonne of carbon used at the Air Show.

- To note the intention of the Portfolio Holder for Economic Growth and Leisure to consider promoting details of bridleways that traverse the District.

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE 14 MARCH 2022

Item	Date of Enquiry	Relevant Corporate Plan Theme/Annual Cabinet Priority	Information to be provided in advance	Those to be invited to attend	Articulated value of undertaking the review
<p>To examine the Council's communications strategy – using different media, utilising technology efficiently, assessing the impact of communication</p>	<p>22 Marc</p>	<p>Delivering the Council's Vision</p> <p>Delivering High Quality Services</p>	<p>The Strategy and details of key campaigns Details of the expenditure on communications over the past five years Analysis of communication activity as to the reach, understanding and action based on the messages Details of service user communications from across the Council (with details of frequency and examples) Marketing opportunities and those implemented for key services</p>	<p>Cllr. Carlo Guglielmi, Deputy Leader and Portfolio Holder Anastasia Simpson, Assistant Director</p>	<p>To appreciate the underlying elements of the Council's communications approach and the opportunities for developing these to address the information needs of residents and service users.</p>

To be determined	23 May 2022	To be determined	To be determined	To be determined	To be determined

<p>Disabled Facilities Grants –progress with the measures previously agreed and the occupational therapist support capacity to assist in the assessment and design of adaptations?</p>	<p>To be allocated</p>	<p>Strong Finances and Governance/Use assets to support priorities Community Leadership Through Partnerships/E2 – Health and Wellbeing-for effective services and improved public health</p>	<p>Details of the spend and numbers of applications received and processed, time span from receipt of application to payment of grant/decision to refuse in each of the last five years. Demographic details of the population of the District and any other indicators of latent demand. Details of the communications plan to bring the detail of the scheme to the attention of those in need.</p>	<p>Cllr. Paul Honeywood, Portfolio Holder Tim Clarke, Assistant Director Representatives of Essex County Council' Occupational Health Service who assess applications Representatives of community groups who represent those most likely to require/use facilities funded by these grants.</p>	<p>To look at this element of the service provided to local residents and to assess whether the Cabinet should be recommended to take action in relation to this service</p>
<p align="center">ENQUIRIES TO BE UNDERTAKEN THROUGH JOINT PANELS WITH THE RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE</p>					
Item	Date of Enquiry	Relevant Corporate Plan Theme/Annual Cabinet Priority	Information to be provided in advance	Those to be invited to attend	Articulated value of undertaking the review

<p><u>Joint Panel with Community Leadership Overview and Scrutiny Committee</u> Carbon Neutral by 2030. The assessment of measures to progress towards the policy unanimously agreed by Full Council and adopted into the Council's Policy Framework. How will these carbon reduction measures affect the Council and its r partners financially (and is there a consequence for job numbers/skills of the individual measures)?</p>	<p>Scoping Document to be produced</p>	<p>Delivering High Quality Services/ A7 - Carbon Neutral by 2030</p>	<p>A copy of the approved Plan The papers considered by the Climate Change Portfolio Holder's Working Party that oversaw the development of the Plan. The Cabinet's approved Key Actions for 2021/22 to deliver elements of the Plan in that year. Performance detail against the Cabinet's Key Actions. Details of Carbon Neutral measures/plans adopted by Parish and Town Councils in the District.</p>	<p>Tim Clarke, Assistant Director Relevant representatives from Parish and Town Councils</p>	<p>To support delivery against the Plan in the most appropriate way that takes account of the wider implications of carbon neutral measures and to look at how we can work with our partners to pursue the wider objectives of encouraging carbon neutrality locally.</p>
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<p><u>Joint Panel with Community Leadership Overview and Scrutiny Committee</u> Post COVID Regrowth Town Centres, Supporting them to survive and thrive (adapting to the post covid uses by residents and visitors) and investment into those Town Centres. Revisit Tendring4Growth and see when and where the money is being spent. Back 2 Business-joined up thinking of skills, jobs and enterprise, in short medium and long term goals. Progress with the previously discussed Business round table proposal. The prioritisation of the funded projects and initiatives.</p>	<p>Scoping Document produced</p>	<p>Building Sustainable Communities for the Future/ B6 - Effective planning policies and B3 - Vibrant Town Centres</p> <p>A Growing and Inclusive Economy/D2 - Support existing businesses</p>	<p>The Council's relevant policies and strategies (including Tendring4Growth). Copies of relevant bids; such as for the Government's Towns Fund The Cabinet's approved Key Actions for 2021/22 to deliver 'back to business'/business support in that year. Performance detail against the Cabinet's Key Actions. Details of occupancy, footfall and other measures of the vibrancy of the District's economy</p>	<p>Gary Guiver, Assistant Director</p> <p>Mike Carran, Assistant Director</p>	<p>To support delivery against the approved Plans/Strategies in order to maximise the benefit to the local economy and to look at how we can work with our partners to achieve this.</p>
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WORK UNDERTAKEN				
ITEMS		Relevant CP	Information received.	Those who attended
Celebrating the Area's Heritage – what was being done, how much money the Council was invested in this and what were the outcomes of that investment.	7 February 2022	A Growing and Inclusive Economy/ D4 - Promote Tendring's tourism, cultural and heritage offers	<p>The Council's Heritage Strategy and action plans. The Strategy was adopted by decision of the Leader on 24 April 2020</p> <p>Details of budgets and performance/output indicates over the last five years.</p> <p>Heritage and Conservation Area Planning Guidance and its application for traditional farm buildings, conservation areas and listed buildings</p>	Cllr. Alex Porter, Portfolio Holder Mike Carran, Assistant Director Gary Guiver, Assistant Director
Budget Scrutiny	12 January 2022	Strong Finances and Governance/Effective and positive Governance	<p>The Committee received information on the updated financial forecast and proposed budget position for 2022/23; and</p> <p>(1) the Housing Revenue Account (HRA) Budget for 2022/23 including the movement in HRA Balances, the level of fees and charges for 2021/22 and the HRA Capital Programme.</p> <p>This enquiry considered the above in the light of the Council's Medium Term Financial Strategy and its Treasury Strategy.</p> <p>The Committee's enquiry was assisted by the Leader and individual Cabinet Members who also outlined the Cabinet's initial highlight priority actions for 2022/23 and the synergy of those with</p>	Councillors, Stock, Guiglielmi, Porter, Honeywood, Newton and Talbot.

			<p>the proposed Budget for 2022/23. A number of officers also supported the enquiry.</p> <p>The enquiry was conducted through a private evidence gathering stage on 5 January 2022 followed by a public meeting during the day of 12 January 2022.</p>	
Leisure Facilities Joint Use Report for Cabinet	13 December 2021	<p>Delivering High Quality Services</p> <p>Strong Finances and Governance/Effective and positive Governance</p> <p>Community Leadership Through Partnerships/Health and wellbeing - for effective services and improved public health</p>	<p>The report outlined that the Council's own facilities at Dovercourt and Walton had been subject to investment over recent years and a refurbishment was close to completion at Clacton Leisure Centre. The Joint Use Facilities also required investment and Cabinet would need to consider the viability of investing in facilities which the Council did not own. That should also be considered in the context of longer term investment requirements for the three facilities under the Council's ownership at Clacton Leisure Centre (CLC), Dovercourt Bay Lifestyles (DBL) and Walton on the Naze Lifestyles (WONL).</p>	<p>Councillors G Guiglielmi (Deputy Leader), Porter (Portfolio Holder for Leisure and Tourism)</p>
<p>Waste</p> <p>(1) Specifically waste material that was generated in</p>	1 November 2021	<p>Delivering High Quality Services/Minimise waste: Maximise</p>	<p>No debate was had at the meeting and it was decided to create a task and finish group to tackle the subject</p>	<p>Cllr. Michael Talbot as Portfolio Holder Andy White, Assistant Director</p>

<p>connection with the Waste Transfer Station and occurs along the A12 and A133.</p> <p>(2) Public Litter bin provision (determination of such sites and gaps in provision), replacing damaged bins, bin emptying schedules and rotas. How will that provision accommodate increased litter due to increased visitor numbers during the usual tourism season and outside of that season (where popularity is increasing)?</p> <p>Recycling bring sites – looking at previously discussed improvements and progress with these to ensure such sites are accessible,</p>		<p>recycling and Public spaces to be proud of in urban and rural areas</p>		<p>Jon Hamlet, Head of Service</p>
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<p>known about, the adequacy of the range of opportunities to recycle, the cleanliness of those sites and the recording of usage/provision of additional capacity.(4) Progress with increasing the recycling levels from residents.</p>				
<p>TDC Enforcement in the district, it included: (1) Waste, Fly tipping, Littering, Abandoned cars and abandoned dogs enforcement (2) Environmental Protection Nuisances - Noise, odour, bonfires, pests and light pollution enforcement (3) Private sector Housing (private landlords) as well</p>	<p>1 November</p>	<p>Delivering High Quality Services/A6 - Effective Regulation and Enforcement</p>	<p>Details of strategies and plans from across the council on enforcement Details of the Council’s co-ordination of enforcement approaches and detection of matters that could be evaluated for enforcement (cross-service training and working to identify and report matters while undertaking other activities) Use of PCN or similar, warnings, removal of authorisations and prosecution by services over the last five years.</p>	<p>Cllr. Carlo Guglielmi, Deputy Leader and Portfolio Holder Assistant Directors - Andy White. Tim Clarke Anastasia Simpson Graham Norse Richard Barrett</p>

<p>as Caravan parks and camp sites) enforcement</p> <p>(4) Food, Health and Safety, skin piercing operators, animal licensing, breeding, kennelling selling, riding establishments, performances of animals and zoos enforcement.</p> <p>(5) Alcohol, entertainment and taxi/private hire licensing enforcement</p> <p>(6) Planning and Building Regulation Enforcement</p> <p>(7) Benefit fraud enforcement and Council/NNDR payment enforcement</p> <p>And looking at the co-ordination of the Council's enforcement across the above.</p>				
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<p>Leisure centres and the Leisure Strategy – looked at the developing Strategy against previously discussed intentions for it and the implication for investment in Leisure provision locally to address those areas where Tendring was below comparable averages in activity levels among the local community.</p>	<p>20 September 2021</p>	<p>Delivering High Quality Services</p> <p>Strong Finances and Governance/Effective and positive Governance</p> <p>Community Leadership Through Partnerships/Health and wellbeing - for effective services and improved public health</p>	<p>The Leisure Strategy and Action Plan Details of the leisure facilities of the Council and individual proposals for each of them based on the Strategy and Action Plan Consultation proposals for users of the facilities. Details of the budget over the last five years included revenue income and expenditure and capital/one off investments and grants to the Council. Details of usage of each of the facilities in each of those years and projects for usage in the current and next following four years. Details of percentage of the population that were inactive, fairly active and active etc. over the same five years and how that compares with all District Councils in the East of England in each of those years (21 September 2020 (Minute 87 refers)).</p>	<p>Cllr. Alex Porter, Portfolio Holder Mike Carran, Assistant Director</p>
<p>Seafront Expenditure</p> <p>Cliff stabilisation – The Beach Huts Service</p> <p>The costal defence ‘fish tails’, the created beaches and the potential for Beach recharge activities.</p>	<p>20 Sept emb</p>	<p>Strong Finances and Governance /C1 - Balanced annual budget and 10 year financial plan</p> <p>Delivering High Quality Services/Public spaces to be proud of</p>	<p>Details of the expenditure on cliff stabilisation works over the last five years and the schemes that had been undertaken in those five years (including the specific stretch of cliff</p>	<p>Cllr. Carlo Guglielmi, Deputy Leader and Portfolio Holder Richard Barrett, Assistant Director Andy White, Assistant Director</p>

		in urban and rural areas A Growing and Inclusive Economy/ Maximise our coastal and seafront opportunities		
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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

14 MARCH 2022

REPORT OF DEPUTY LEADER, PORTFOLIO HOLDER FOR CORPORATE FINANCE & GOVERNANCE

A.3 TENDRING DISTRICT COUNCIL COMMUNICATIONS

(Report prepared by Will Lodge)

PURPOSE OF THE REPORT

To examine the Council's Communications Strategy – using different media, utilising technology efficiently, and assessing the impact of communication.

INVITEES

- Cllr Carlo Guglielmi, Deputy Leader and Cabinet Member for Finance and Corporate Resources, Tendring District Council
- Anastasia Simpson, Assistant Director (Partnerships), Tendring District Council
- Will Lodge, Communications Manager, Tendring District Council

BACKGROUND

While setting its work programme, the Resources and Services Overview and Scrutiny Committee asked to be provided with an update on delivery against the adopted Communications Strategy.

The Committee wishes to appreciate the underlying elements of the Council's communications approach and the opportunities for developing these to address the information needs of residents and service users.

The Committee also wishes to understand the approach towards key campaigns, reach and action, service user communications and marketing opportunities.

DETAILED INFORMATION

The below section provides the detailed information requested in advance by the Committee under its Work Programme.

Communications Strategy

Tendring District Council's Communications Strategy was adopted in April 2021 and sets out the strategic framework and principles which guide all of the Council's communications activity. It builds upon the development of communications already carried out following from the 2018 Local Government Association Corporate Peer Challenge of Tendring District Council, which included "improve how you tell the story of your ambition, plans, successes and positive impact" as one of its key recommendations.

While the Communications Team is responsible for overseeing the function, and will carry

out many of the operational communications the Committee may recognise, as an organisation there are many officers who carry out communications – whether explicitly, such as posting to social media for their service, or implicitly in conversations they have with our residents, businesses and visitors. Therefore a key role of the Communications Team – and the Strategy – is to advise, guide and promote best practice in communications across the Council.

Communications, like the rest of the Council, has a digital-first approach; but recognises that some in our society are digitally excluded, and therefore will need to be reached using other methods.

Communications also includes how we share information internally, with staff and Members, as well as externally to the wider public; and consideration of cascading information to all stakeholders in a timely manner forms a key principle when planning communications.

The Strategy adopted in 2021 set out a narrative of Council communications; the journey it had undertaken and the vision for the next three years, with the Strategy aligned to the Corporate Plan. The Corporate Plan, as throughout the Council, guides the priorities and objectives of communications.

Within that context, the Strategy set out five broad areas for improvement over its lifespan:

- Video content
- Project work
- Social media
- Email and SMS communications
- Internal communications

From these flowed some SMART targets, which are listed below along with progress achieved to date:

- By 2024 increase the number of videos created each year by 50% from the 2020 figure (50 – target of 75).
In 2021 the Council created a total of 49 videos, against the 2024 target of 75, ranging from internal staff vlogs to live streams of events. The Tendring District Council Communications Group has begun discussions on ways of increasing this number. NB This figure does not include live streams of committee meetings, which is around 65 additional videos.
- Ensure every initiative which goes through the Council's Projects Boards has a communications plan.
At the time of writing there were currently four projects progressing through the Boards, three of which had a communications plan or strategy associated with it. The fourth is not yet at an appropriate stage for a plan or strategy.
- Grow the number of Facebook followers on the Council's corporate account to 8,000 by 2024 (baseline of 5,300).
As of 4 January 2022 the Council had 7,659 followers, showing a steady trajectory towards the target.
- Increase the number of staff actively carrying out posts to the Council's corporate Facebook page by 300% by 2024 (baseline of 5).
Through 2021 we had 16 staff regularly posting; largely bolstered by the Community Ambassadors. Staff changes also slightly inflate the statistic. This figure should stabilise as we progress towards the target date.
- Present a business case for email communications software, and reinforce the Council's Branding Guidelines with regards to email content, by 2024.

Initial work considering Digital Transformation Phase 3 Projects has a proposal within it for an email communications software, so this is in train. A full, independent, business case may need to be worked up independently of this. Revised Branding Guidelines with renewed focus on email content issued to staff in January 2022.

- Work with the IT Team as part of its review of SMS (i.e. texting) communications software, scheduled for completion by January 2022.

An initial review meeting was held in May 2021, but due to pressures of Covid-19 and cyber security work this project has been put on hold temporarily.

- Review and improve the Council's Communications Group and the Intranet, refreshing both by the end of 2021.

Funding for new Intranet software is included within a finance report agreed by Cabinet in February 2022, so this is in train although delayed against the original target.

The Council's Communications Group has been reconvened and refreshed in 2021, with a revised membership and new Terms of Reference agreed.

Key campaigns

Communications campaigns are largely aligned with key projects or events, with the Communications team supporting work of other Council services.

An example of a larger campaign of this nature would be around the roll-out of the new waste and recycling service in 2019, which saw a programme of activity planned for and delivered from May 2019 until February 2020.

More recently Covid-19 has seen more general campaigns devised in alignment with the pandemic response.

An example of this would be the Summer Comms Campaign rolled out across summer 2021. Aligned to the organisation's summertime plan, it picked up key messaging around five themes:

1. Destination marketing and the Love Tending app
2. Water safety
3. Summer health
4. Covid-19
5. Anti-social behaviour (including littering, parking)

This was a multi-channel campaign, focused around a customer journey; the concept being to reach people before they set off for the area, on their journey, and at various touchpoints once they arrived at destinations across the district. Different messaging and imagery was used for local/nearby residents, to those who live out of area.

Out-of-area messaging was targeted at East London, Hertfordshire and Luton, with these areas selected as known points of origin for summer tourists.

Outputs included:

- Newspaper adverts in local press, titles in the target out-of-area locations, some magazines, and associated websites
- Digital adverts across a number of news websites, which appear on smartphones within designated locations
- Billboards, bus shelters and supermarket digital screens

- Posters on bin lorries, banners along the seafront, stickers on seafront summertime bins and roundabout signs
- Adverts on two local radio stations and geo-located digital radio
- Social media – both paid-for with advertising partners, and our own; including boosted posts.

As with any campaign there was also a reactive element, picking up and addressing issues as they arose combined with looking out for short notice opportunities to support the overall campaign objectives. For example, reports from Beach Patrol of a busy weekend and a specific incident around jumping from a groyne led to the issue of a press release to reinforce safety messages; or reinforcing the campaign messages within the responses to a media enquiries about parking issues in a seaside town and lifeboat call-outs.

The campaign was successful; large numbers of impressions (i.e. times adverts were put in front of people) raised the profile of the Essex Sunshine Coast out-of-area; relatively low numbers of issues were raised during the summer (though it should be noted there are a wide variety of factors at play here); and download figures of the LoveTending app matched communications activity. As a result there was a real positivity around the summer season despite the challenges posed by an increase in domestic holidays.

A summary of the evaluation can be found in the infographic at Appendix A.

Expenditure

Due to the way the function is structured corporately, the Communications service has a minimal annual budget (excluding staffing costs) to cover software licences and equipment such as cameras. The total budget for 2021 (including staffing) is £75,320, though this does not include spending on the communications drone.

This is because spending on communications activity is paid for by the specific service which requires it, with the activity recommended by the Communications Team. As much work as possible is carried out in-house to minimise costs, with the Communications Team expanding its skill set and capabilities to accommodate this.

Covid-19 has been the exception to this principle, where some specific communications activity has been undertaken to support the Council's wider response. This includes the Shop Local Shop Safe campaign (largely funded from the Reopening High Streets Safely Fund allocation), and the 2021 Summer Comms Campaign funded from general Covid-19 grant funding. The latter had an allocated budget of £90,000 (which included contingency), of which £77,058 was spent.

Spending has largely been on advertising space – such as billboards and bus shelters ('out of home'), print and online media, banners etc.

There has also been some expenditure on additional capacity to support the Communications team, with freelance help procured for the Shop Local Shop Safe initiative, and some funding provided for casual staff to assist with social media activity at peak times.

Analysis of reach, understanding and action

Evaluation is an important part of communications, and something the team has worked to develop over the past few years.

Each month a 'Communications Snapshot' (see example in Appendix B; and the 2021 overview at Appendix C) is created to take a high-level look at the effectiveness of various pieces of the team's work. This report is submitted each month to Management Team, and then shared with the Senior Managers' Forum.

As part of the ongoing development of monitoring and evaluation, the Communications Team is looking to record more on outcomes than outputs; there is always, however, a balance to be struck between using available resources to carry out the required work and evaluating that work.

Individual campaigns may have evaluation carried out on them depending on their scope and requirements; the Summer Comms Campaign did, for example, have a full evaluation report written which was presented to the Corporate Enforcement Group (a top-level of summary of which is captured above in the *Key Campaigns* section).

It can be difficult to evaluate the success of communications, particularly when it relates to information sharing, when there are a wide range of factors affecting behaviour. It may be easier to achieve if carrying out a behaviour change campaign, but again actions may be driven by a number of factors.

However, we can learn valuable lessons from the evaluation that we do conduct, such as around effectiveness frequency of social media posting; uptake of press releases; and which topics will organically reach large numbers of people, and which will require more input.

Service user communications

All Council services will carry out direct communications with their 'customers' to varying degrees. More formal, regular communications, may take the form of annual billing or letters.

Some services have a newsletter (mostly digital) for their direct service users; examples would be the Princes Theatre (weekly and monthly 'What's on' mail-outs, plus seasonal programmes), Economic Growth (a monthly business e-bulletin), council housing (quarterly) and Careline (twice-yearly newsletter to customers). It should be noted that the frequency of these publications has been less rigid during the Covid-19 pandemic.

These are not overseen by the Communications Team, as per the function and structure outlined above, but the team is available for support and guidance as required. Moving forward, if a new email communications software is introduced there may well be more centralisation of templates and structure of this function.

Regarding internal 'service users' there have been regular staff newsletters in the past – the corporate newsletter was paused during the pandemic as information was changing so rapidly, while a short-term 'by staff, for staff' newsletter was run by a team of staff volunteers. Members will also be aware of the regular email bulletins to them by the Chief Executive. A piece of work is currently underway to review and refresh internal communications.

Due to the Covid-19 pandemic and the council's move to virtual and hybrid committee meetings the Communications Team began live streaming public meetings so that people could watch remotely; this has continued even with a return to physical meetings to maintain transparency and engagement, and for those who feel uncomfortable returning to public venues. Figures vary meeting to meeting but viewers have peaked at 32 at any one

time for Planning Committee, and we average around 16 viewers across meetings.

The live stream response was created in-house and at short notice due to the pressures of the pandemic and been maintained pending development of a more formal solution – with the skills, technology and learning being used for other live streams outside of committee meetings.

Marketing

Marketing is largely undertaken by those services with a more commercial focus or approach, such as the Princes Theatre, Leisure Centres, and the Tourism Team to promote events such as the Clacton Airshow.

The Communications Team provides some support and advice if required, and has stepped into this arena to some degree during the pandemic with less conventional marketing of things such as the LoveTendring app, and a place marketing element to the Summer Comms Campaign. Communications also acts as a central, corporate point to ensure messaging is both joined up, and cross-pollination opportunities maximised.

A Digital Marketing Apprenticeship post began in the Communications Team at the beginning of this calendar year which, it is hoped, will strengthen the wider team's knowledge and capabilities in this area.

To support content creation the Communications Team operates a small drone, enabling it collect aerial images and video of various council projects and at events, and the use of this is under continual development to identify suitable opportunities for its deployment.

RECOMMENDATION

That the Committee determines whether it has any comments or recommendations it wishes to put forward the relevant Portfolio Holder or Cabinet.



Last Year in Communications - 2021

FACEBOOK'S TOP THREE ORGANIC POSTS

- Temporary changes to waste collection**
 Likes: 642 Comments: 2468 Shares: 984 Reach: 98,095
- Clacton Leisure Centre PCR pick up/ drop off point**
 Likes: 330 Comments: 247 Shares: 465 Reach: 42,586
- Reminder for COVID Business Support grant deadline**
 Likes: 7 Comments: 150 Shares: 27 Reach: 35,902

TWITTER'S TOP THREE TWEETS

- Women's Tour**
 Impressions: 5,800 Engagements: 54
- Let's keep life moving campaign**
 Impressions: 2691 Engagements: 60
- Water warriors**
 Impressions: 2,133 Engagements: 16

FACEBOOK CONTENT

Tendring District Council has been posting plenty of posts, and boosting where appropriate, to improve our engagement numbers.

Throughout 2021 we managed to reach 372,353 people on our Facebook page. We reached 39.8k on one post and that was when we advertised for the family fun things to do in the area.

TWITTER STATISTICS



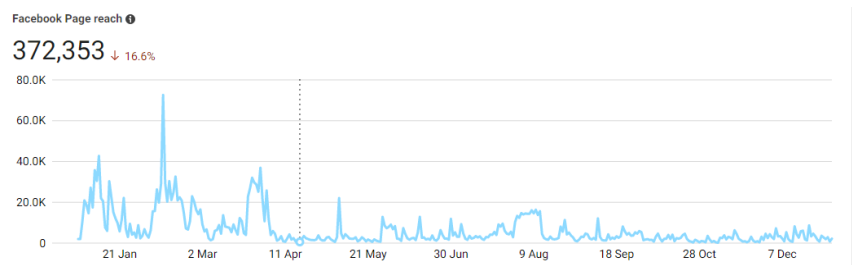
POSTING

240 posts on our corporate Facebook page.

We received **344** conversational messages from the public on our Facebook page and **226** on our Twitter page.

639 posts on our corporate Twitter page.

FACEBOOK STATISTICS



Tendring Council @Tendring_DC

Temp changes to waste collection

GREEN WEEK:
Take in your black bin and present on the next fortnightly collection date

RED WEEK:
Take in your red recycling box and present on the next fortnightly collection date

Both week commencing 22nd Feb

For more: tendringdc.gov.uk/recycling-and-...

Temporary changes to waste collection

TOP ENGAGEMENT TWEET

The title of the tweet with most engagement throughout 2021 was the Temporary changes to waste collection.

It received 31.9% engagement and 2,752 impressions.

Top Corporately Aligned News Articles

- **First look at £575k revamp at Clacton Leisure Centre**

[First look at £575k revamp at Clacton Leisure Centre | Gazette \(gazette-news.co.uk\)](#)

- **160,000 fans enjoy Clacton's 150th anniversary flight**

[Thousands flock to marvel at Clacton 150th anniversary flights | Harwich and Manningtree Standard](#)

- **Queen says Happy 150th Birthday to Clacton**

[The Queen wishes Clacton a happy 150th birthday | East Anglian Daily Times \(eadt.co.uk\)](#)

- **'There's plenty of space': Seaside communities ready to welcome back visitors as government announces reopening fund.**

['There's plenty of space': Seaside communities ready to welcome back visitors as government announces reopening fund | ITV News Anglia](#)

- **£2.6 million for 'levelling up projects in Tendring**

<https://www.gazette-news.co.uk/news/19698379.2-6million-levelling-up-projects-tendring/>

- **Santathon coming to Clacton to raise money for Charity**

<https://www.harwichandmanningtreestandard.co.uk/news/19713769.santathlon-coming-clacton-raise-money-charity/>

These articles are determined by articles' perceived impact on the council's reputation.

This is a subjective view taken by the Communications Team.

News Article Statistics

In 2021, we had a variety of News Articles from many sources (the main ones are listed below). In total we had more than 1,300 articles referencing Tendring District Council.

Publishing Title	Total
Daily Gazette	406
Clacton, Frinton & Walton Gazette	590
East Anglian Daily Times	138
Harwich and Manningtree Standard	114
Essex Live	50
BBC News	18
ITV Anglia	9

Some Media Insights

Media coverage has been a somewhat standard year, with a few spikes of activity around sea-front artwork and Covid-related issues (such as the impact on tourism) alongside the usual fare of reactive operational issues.

As expected the bulk of coverage comes from local media titles; national coverage has been around flytipping statistics and beach hut popularity.

Earlier in the year the team trialled on a few occasions providing soundbites for local radio (audio versions of approved comments), which proved successful and we will look to use further in the future.

There were also occasional articles in trade magazines around specific issues, such as new recycling banks in waste trade publications.

The year ahead

- Events; landmark ones such as Clacton Airshow, and others as (hopefully) Covid-19 restrictions continue to ease
- Projects; larger council projects such as the ongoing Jaywick Sands Covered Market and Workspace; as well as considering whether to repeat the Summertime Communications Campaign.
- Partnerships; supporting work on Freeport East, the North Essex Economic Board, North East Essex Health and Wellbeing Alliance and others
- People; sharing more stories of frontline staff and volunteer work

What to look out for is drawn from the communications plans and known work already in place. For the annual snapshot we have themed these slightly differently to how they are in the monthly summaries.

Internal Communications

- We produced 8 vlogs for staff from senior managers over the 2021 year.
- All-user emails continued to play a key role as the Covid-19 situation developed quickly at times.
- Staff communication was also distributed around the Avian Flu case and major events.

PING Statistics

Lowest Day 25/12/2021	Highest Day 19/04/2021	Overall
5 Unique Visitors <small>by 0.72% of active user base 1.8 page views per unique visitor</small>	314 Unique Visitors <small>by 52.51% of active user base 5.17 page views per unique visitor</small>	64552 Unique Visitors <small>by 28.10% of active user base 4.3 page views per unique visitor</small>
9 Visits	975 Visits	171381 Visits
9 Page Views	1623 Page Views	277389 Page Views

OTHER COMMUNICATIONS ACTIVITY

The Communications Team will continue to deliver against the Communications Strategy, aligned with the Corporate Plan.

As well as operational work, this includes development of an Internal Communications Strategy and looking to maximise opportunities around live streams and increased video work.

Work will also continue in the background on filming requests, with the ambition of developing a Filming Strategy, Policy and Process to update current practices.



OTHER COMMUNICATIONS TEAM ACTIVITY

196 press releases issued.

We provided **120** comments to various media outlets or to partner press releases.

30 interview briefing note developed.

34 filming request was worked on during this month.

Terminology Glossary

Boosted - Boosted content is any post/video or otherwise that Tendring District Council pay for Facebook to promote.

Comments - The public can engage with posts on Facebook by leaving personal comments in a box which appears underneath the post content.

Detail Expands - This happens when a Tweet has too much information to display at once and a 'see more...' link appears. Once clicked, this expands the detail of the full Tweet.

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Retweets - This is a method by which the public can spread information by copying a Tweet and linking it through to their own Twitter feed for their Twitter followers to see.

Shares - This is a method by which the public can share information by sharing links through to individual posts made by Tendring District Council by copying and having them on their timeline. The Twitter alternative is 'retweets'.



This Month in Communications - January 2022

FACEBOOK'S TOP THREE ORGANIC POSTS

- Pride of Tendring
Likes: 169 Comments: 92 Shares: 10 Reach: 4.7K
- Have your say on Tendring District Council's Financial Year
Likes: 15 Comments: 17 Shares: 19 Reach: 6K
- Clacton Hospital Work Placements
Likes: 37 Comments: 9 Shares: 28 Reached: 4.7K

TWITTER'S TOP THREE TWEETS

- Apply for the LoveEssex Fund
Impressions: 197 Engagements: 15
- Holocaust Memorial Day
Impressions: 311 Engagements: 19
- Grant Funding from Coast and Heath AONB
Impressions: 264 Engagements: 12

FACEBOOK CONTENT

We boosted 0 posts this month on the corporate page.

We got the most page views on 28 January. The post on this day included the Pride of Tendring the reach of the post: 4.7K

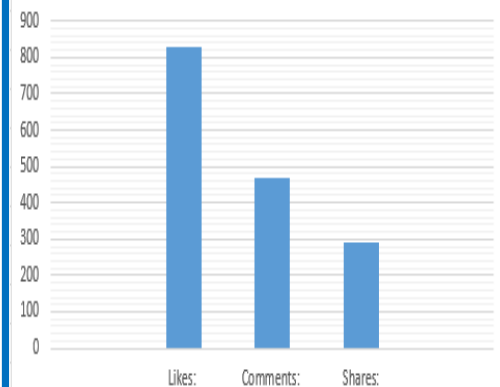
We have started posting Pride of Tendring winners once a day, and these have been really well received.

TWITTER STATISTICS



FACEBOOK STATISTICS

Facebook Statistics January 2022



POSTING

98 posts on our corporate Facebook page.

We received 20 conversational messages from the public on our Facebook page and 4 on our Twitter page.

This month, we produced 5 videos for our social media.

TOP ENGAGEMENT TWEET

This Tweet had the highest engagement rate of 8.8%.

Tendring Council @Tendring_DC
Please be aware there is a sink hole in Carnarvon Road, Clacton, near the junction with the High Street. @EssexPoliceUK are aware. You may need to use an alternative route.
<https://www.facebook.com/738434442997179/posts/2088371488003461/?d=n...>

Top Five Positive News Articles

- Tendring housing plan to provide 9000 homes passed-
[Tendring housing plan to provide nearly 9,000 homes passed - BBC News](#)
- Tendring Council provide Service Updates -
[Tendring District Council provides service updates | Harwich and Manningtree Standard](#)
- Pride of Tendring Awards Winners announced-
[Pride Of Tendring 2022 Award Winners Announced - Actual Radio](#)
- Ferris wheel to be permanent at coastal resort
[Ferris wheel at Clacton pier to become permanent feature | East Anglian Daily Times \(eadt.co.uk\)](#)
- Tendring Council want residents' views on new year plans-
[Tendring Council wants residents views on new year plans | Harwich and Manningtree Standard](#)

Bottom Two Negative News Articles

- Tenants living like pigs-
[Tenants in Tendring 'living like pigs' due to homes shortage - BBC News](#)
- Tendring Leisure Centres face uncertain future-
[Tendring leisure centres face uncertain future if takeover doesn't happen - Essex Live](#)

The top and bottom news articles are determined by how often articles regarding the same incident/ event appear in the media and whether coverage portrays the Council and our services in a predominantly positive or negative way.

News Article Statistics

In October 2021, we had a variety of News Articles from **6** sources. In total we had **13** articles referencing TDC.

Publishing Title	Total	Relating to PR
Clacton, Frinton & Walton Gazette	7	2
Harwich and Manningtree Standard	1	0
East Anglian Daily Times	1	1
EssexLive	2	0
BBC News Essex	2	1
Colchester Gazette	1	0

Some Insights

January is often a quieter time of year; however with press releases issued on a broad range of subjects these have achieved a reasonable pick-up in local media. These have demonstrated the breadth of work Tendring District Council carries out.

The Communications Team is looking to make the most of opportunities from the recently announced expansion of ITV National news.

Broadcast Media

During January, it is traditionally a quiet month within Broadcast Media. However, an ITV Anglia piece on Clacton Airshow received good traction on social media afterwards.

- Councillor Porter was on ITV Anglia talking about Clacton Airshow.
- AD Housing went on BBC Essex to talk about Private Sector Housing.
- Councillor G Guglielmi went on Greatest Hits Radio to talk about body worn cameras.

 Derek Nash ► Clacton Then & Now
· Join
21 h · 🌐

Saw on Anglia news tonight, Clacton will have its full Airshow back this year 2022. Military aircraft have to be booked early and they have all been booked.



What to watch out for this month...

On Social Media

- Pride of Tendring Awards
- Harwich Illuminate
- Treadwheel Crane
- National Apprenticeship Week

In News Articles

- Pride of Tendring Awards
- Harwich Illuminate
- Treadwheel Crane
- Planning Committee

In Broadcast Media

- Harwich Illuminate
- Treadwheel Crane

What to look out for on all three forms of media is drawn from the communications plans already in place. The frequency of some subjects that are highlighted suggests that these are of particular topical interest as well.

Internal Communications

- All user emails relating to council priorities.
- All user emails relating to staff restructures.
- Reissued branding guidelines.
- Transformation bulletin.

We have also started a weekly staff and members news digest.

PING Statistics

On our highest day, we had 758 visits and 1142 page views.

OTHER COMMUNICATIONS ACTIVITY

13 press releases issued.

We provided **10** comments to various media outlets.

2 interview briefing notes developed

4 filming requests were worked on during this month

10 live streams were run (**1** non-committee stream).

Tendring has had national prime time ITV coverage for its use as a location in the Masked Singer (see right).



Studio Location
ITV STUDIOS BOVINGDON

Archive
SHUTTERSTOCK

Voiceover
JIM JOHNSON

With thanks to
SUNDOWN ADVENTURLAND
TENDRING DISTRICT COUNCIL

Terminology Glossary

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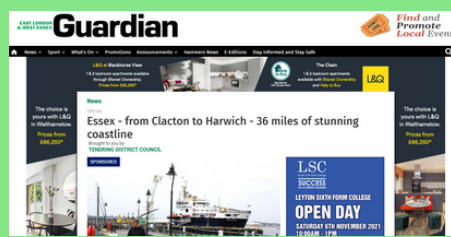
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Shares - This is a method by which the public can share information by sharing links through to individual posts made by Tendring District Council by copying and having them on their timeline. The Twitter alternative is 'retweets'.

SUMMER COMMS



SUMMER COMMUNICATIONS CAMPAIGN 2021 EVALUATION



FACEBOOK POSTS

Organic: 8.3k reach
83 clicks
Boosted: 77.5k reach
4.7k clicks

TOTAL CLICKS

Total clicks: 9,586
Highest CTR: 2.39%
(London Newsquest Facebook)

3.8 MILLION IMPRESSIONS

Local: 812k
Out of area: 3.025m

PRINT ADVERTS

94



RADIO PLAYS

1.5k

INSTREAM

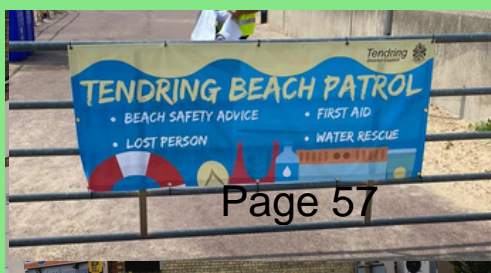
101k unique users

APP DOWNLOADS

1,767

BUDGET

Budget: £90k
Spent: £77k



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RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

14 MARCH 2022

REPORT OF ASSISTANT DIRECTOR FINANCE & IT

A.4 ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2022/23 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

(Report prepared by Richard Barrett and Wendy Borgartz)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable the Committee to review the Annual Capital and Treasury Strategy for 2022/23 (including the Prudential and Treasury indicators).

BACKGROUND

On the 25 February 2022, Cabinet considered the Annual Capital and Treasury Strategy for 2022/23 (including the Prudential and Treasury Indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.

At the above meeting, Cabinet resolved that:

- a) the Annual Capital and Treasury Strategy for 2022/23 (including Prudential and Treasury Indicators) be submitted to Full Council for its approval, subject to consultation with the Resources and Services Overview and Scrutiny Committee; and*
- b) the Portfolio Holder for Corporate Finance and Governance be authorised to explore potential borrowing options associated with the redevelopment of the Honeycroft site for inclusion within the Annual Capital and Treasury Strategy that would be presented to Full Council on 29 March 2022.*

A copy of the report to Cabinet together with the Capital and Treasury Strategy 2022/23 is attached.

RECOMMENDATIONS

That the Committee reviews the Annual Capital and Treasury Strategy for 2022/23 (including Prudential and Treasury Indicators) and determines its comments to Cabinet.

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

25 FEBRUARY 2022

REPORT OF CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER

A.5 ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2022/23 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

(Report prepared by Richard Barrett and Wendy Borgartz)

PART 1 – KEY INFORMATION**PURPOSE OF THE REPORT**

To agree the Annual Capital and Treasury Strategy for 2021/22 (including Prudential And Treasury Indicators) for submission to Council on 29 March 2022, subject to consultation with the Resources and Overview Scrutiny Committee.

EXECUTIVE SUMMARY

- The Local Government Act 2003 and supporting regulations require the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice.
- The current editions of the above codes that the Council's capital and treasury activities reflect were issued in December 2017. These included the requirement to publish as Capital Strategy, which from 2019/20 has been combined with the Treasury Strategy into one document, which is required to be updated / approved annually
- CIPFA published revisions to both of the above codes in December 2021, but as part of the associated announcements, they confirmed that they will not be fully implemented until the 2023/24 financial year. Local Authorities therefore do not have to amend or revise the Capital and Treasury Strategy for 2022/23. However, CIPFA have stated that Local Authorities should make their best endeavours to adhere to the new provisions and not undertake any new investments which would not be consistent with the changes.
- Although the revised codes will be reflected in future years, there are no changes included within the proposed Capital and Treasury for 2022/23 that conflict with the request to ensure new investments follow the new provisions as highlighted above.
- The proposed Annual Capital and Treasury Strategy for 2022/23 is set out in **Appendix A 1**.
- The Capital Strategy element of the combined document covers the various

elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.

- The Treasury Strategy element of the combined document covers the various elements that satisfy the requirements of the various codes that govern the borrowing and investment activities of the Council and has been prepared in the light of advice received from the Council's Treasury advisors and reflects the relevant codes and guidance.
- Prudential and Treasury indicators are included as an Annexe to the combined strategy and are therefore included within **Appendix A 1**.
- Under the Prudential Code the Council has freedom over capital expenditure as long as it is prudent, affordable and sustainable. The Prudential Indicators either measure the expected activity or introduce limits upon the activity, and reflect the underlying capital appraisal systems and enable the Council to demonstrate that it is complying with the requirements of the Prudential Code.
- The Council's investments will be undertaken in accordance with its Treasury Management Practices. These were expanded to include use of non-specified investment in property to yield both rental income and capital gains from 2016/17. If credit ratings remain at their current extremely low levels it is likely that a significant proportion of the Council's investments will continue to be in government securities such as with other Local Authorities. Issues such as the business rates grant process associated with COVID 19, continue to demonstrate the need to maximise flexibility in the range of counterparties the Council uses plus rates paid by the Debt Management Office were again negative during autumn 2021.
- As is always the case, other 'quality' investment opportunities will always be explored during the year in consultation with the Council's external advisors to maximise returns on investments within a continuing and overall risk-averse / aware approach.
- It was initially proposed to seek the Portfolio Holder for Corporate Finance and Governance agreement to the Strategy for submitting to the Resources and Services Overview and Scrutiny Committee as part of the required consultation process. However due to continuing work pressures, including those associated with on-going COVID 19 related activities and the extended Statement of Account process, a revised timescale is proposed.
- It is therefore now proposed to seek Cabinet's initial agreement to the Strategy via this report and then ask the Resources and Overview and Scrutiny Committee to consider it at their meeting on 21 March 2022 instead of 7 February as initially planned.
- Any comments the Resources and Overview and Scrutiny Committee may have can still be submitted directly to the Full Council meeting on 29 March 2022 where they will be asked to consider and approve it.
- The above reflects a pragmatic approach to ensure that the Strategy can be approved ahead of the financial year it relates to. However, it is also recognised that if the comments of the Resources and Overview and Scrutiny Committee require further exploration / investigation, then they can be considered and reported back to Full Council at a later date, where potential in-year revisions to the Strategy could

be considered.

RECOMMENDATIONS

That Cabinet agrees:

- a) that the Annual Capital and Treasury Strategy for 2022/23 (including Prudential And Treasury Indicators) attached be submitted to Council for approval, subject to consultation with the Resources and Services Overview and Scrutiny Committee; and
- b) that subject to a) above, a delegation to the Portfolio Holder for Corporate Finance and Governance Portfolio be agreed to explore potential borrowing options associated with the Redevelopment of the Honeycroft site for inclusion within the Annual Capital and Treasury Strategy that is presented to Full Council on 29 March 2022.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The adoption of the Capital and Annual Treasury Strategy for 2022/23 will ensure that the Council's Investment and Treasury Management activities are carried out and managed in accordance with best practice, thereby safeguarding money held by the Council and making an appropriate contribution to the Council's overall financial position.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

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

Risk

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

LEGAL

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

At its meeting on 28 January 2022 Cabinet agreed a delegation to the Portfolio Holder for Corporate Finance and Governance to approve the Capital and Treasury Strategy 2022/23 for consultation with the Resources and Services Overview and Scrutiny Committee.

OTHER IMPLICATIONS

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

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

There are no other implications.

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The Annual Capital and Treasury Strategy for 2022/23 is set out in **Appendix A 1** and is based on the Treasury Management Code of Practice and the Prudential Code published by CIPFA in December 2017.

Revisions to both of the above documents were published by CIPFA in December 2021. However as part of their release, CIPFA confirmed that the new codes will have a soft launch of its provisions for the 2022/23 financial year and where possible, local authorities should make their best endeavours to adhere to their provisions and not undertake any new investments which would not be consistent with the changes that will be fully implemented in the 2023/24 financial year. Local Authorities therefore do not have to amend or revise any treasury or capital strategies for 2022/23 to incorporate the additional disclosure requirements for investment categories and new indicators.

Based on the above approach, the Annual Capital and Treasury Strategy for 2022/23 highlights key changes that will be required to comply with the 2021 Treasury Management Code and Prudential Code from 2023/24, and indicates likely changes as a result of a technical accounting change in lease accounting from 1 April 2023.

No significant changes are proposed in the Annual Capital and Treasury Strategy for 2022/23 with limited amendments in areas such as the general economic outlook and interest rate forecasts, apart from the inclusion of HRA borrowing in 2022/23 and 2024/25 to replace maturity loans ending in those two years, as included within the HRA business plan – the changes made to the strategy since last year are shaded in grey and are in italic font.

As highlighted above, in respect of CIPFA's Treasury Management Code of practice, the current / relevant revision to the code was in 2017, which has been incorporated within the Annual Treasury Strategy as necessary. By approving the Annual Treasury Strategy for 2018/19, the Council adopted the latest CIPFA Code of Practice for Treasury Management in the Public Services. (the '2017 code').

The need to borrow money may also arise in future years to reflect the Council's current commitments, corporate priorities and strategies. If the need / option to borrow money was identified, then it would form part of the associated and separate decision making process and would be considered within the overall Treasury Strategy framework.

The Council maintains a very low risk appetite approach to its treasury activities. Given the extremely low interest rate environment, even if the Council were to increase the level of risk it would be willing to accept, the increased returns would only be marginal and therefore would not provide a credible / alternative option at the present time. However, officers will continue to explore opportunities to maximise investment returns, within this overall context in 2022/23.

One of the key elements within the Capital Strategy is to have processes in place to ensure projects are delivered on time and within budget. It is recognised that COVID 19 had a significant and unprecedented impact on the delivery of a number of projects in 2020/21, a position that has continued in 2021/22. However, the Council continues to take steps to support the delivery of schemes and projects, such as the development of a Corporate Investment Plan, which is complemented by an earmarked budget to provide additional capacity. The Capital and Treasury Strategy therefore now includes reference to

this plan, which will form an important element of investment decisions going forward.

In terms of sources of funding, the Government introduced a significant new constraint in terms of borrowing from the Public Works Loan Board (PWLB) in 2020/21. If a local authority purchases assets or plans to purchase assets over a future three year period to generate investment income, then they will no longer be able to borrow money from the PWLB. This applies to all such purchases regardless of how they are funded. Although no such purchases are currently planned, this constraint may need to be considered in the future, as the Council could lose access to the preferential rates available from the PWLB.

Draft Prudential Indicators are set out in Annex 1 to Part 2 of the Capital and Treasury Strategy. Annex 2 to Part 2 of the Treasury Strategy sets out the specified and Non-Specified investments the Council may use in 2022/23.

As set out in the HRA Budget Report to Cabinet on 28 January 2022, although the redevelopment of the Honeycroft site was agreed by the Leader in 2021, it has not yet been included within the HRA Capital Programme.

Within the report agreed by the Leader referred to above, it was confirmed that a further report would be presented to Cabinet once a tender exercise had been undertaken for the design and build of the scheme. It was also stated that this same report would set out the funding required for the development and seek approval for prudential borrowing within the HRA.

Based on the timescales mentioned above, the potential need to borrow money to fund the redevelopment of Honeycroft has not yet been reflected in the figures set out within the Annual Capital and Treasury Strategy attached.

Although a separate report will be presented to Cabinet as mentioned above, the potential options to borrow money to support the cost of the redevelopment are still being explored. With this in mind, a delegation is included within the recommendations above to enable potential changes to the Annual Capital and Treasury Strategy to be considered before it is reported to Full Council on 29 March 2022. This approach will also potentially enable the decision to borrow money to be made at the same Full Council meeting, albeit within a specific governance framework that could be agreed at the same time.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A 1 - Annual Capital and Treasury Strategy 2022/23

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Tendring
District Council



**ANNUAL CAPITAL AND
TREASURY STRATEGY
2022/23**

PART 1 – CAPITAL STRATEGY 2022/23 to 2024/25

1. Introduction

SECTION A - Achieving Outcomes / Delivering Against Priorities

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

SECTION B - Capital Investment and Sources of Funding

4. Capital Investment Considerations
5. Sources of Funding

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

Part 1 Annex 2 – General Fund and Housing Revenue Account Capital Programmes 2022/22 to 2024/25

PART 2 – TREASURY STRATEGY FOR 2022/23

1. Introduction
2. Treasury Limits for 2022/23 to 2024/25
3. Prudential and Treasury Indicators for 2022/23 to 2024/25
4. Current Portfolio Position
5. Borrowing Requirement
6. Economic Position
7. Interest Rates
8. Borrowing strategy
 - 8.1 External v internal borrowing
 - 8.2 Gross and Net Debt Positions
 - 8.3 Policy on borrowing in advance of need
9. Debt Rescheduling
10. Annual Investment Strategy
 - 10.1 Investment Policy
 - 10.2 Creditworthiness Policy
 - 10.3 Credit Limits
 - 10.4 Country Limits
 - 10.5 Investment Strategy
 - 10.6 Allocation of Investment returns between GF and HRA.
 - 10.7 End of year investment report

Part 2 Annex 1 – Proposed Prudential Indicators 2021/22 revised, 2022/23 and forecasts for 2023/24 to 2024/25

Part 2 Annex 2 – Specified and non-specified investments

PART 1 – CAPITAL STRATEGY

INTRODUCTION

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

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

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

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

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

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

The emerging Corporate Investment Plan along with the Capital Programme forms the basis of the Council's rolling plan of investment in assets. The Capital Programme spans a number of years and contains a mix of individual schemes.

Investment can include expenditure on:

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

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

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

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

SECTION A - ACHIEVING OUTCOMES/DELIVERING AGAINST PRIORITIES

CORPORATE PRIORITIES

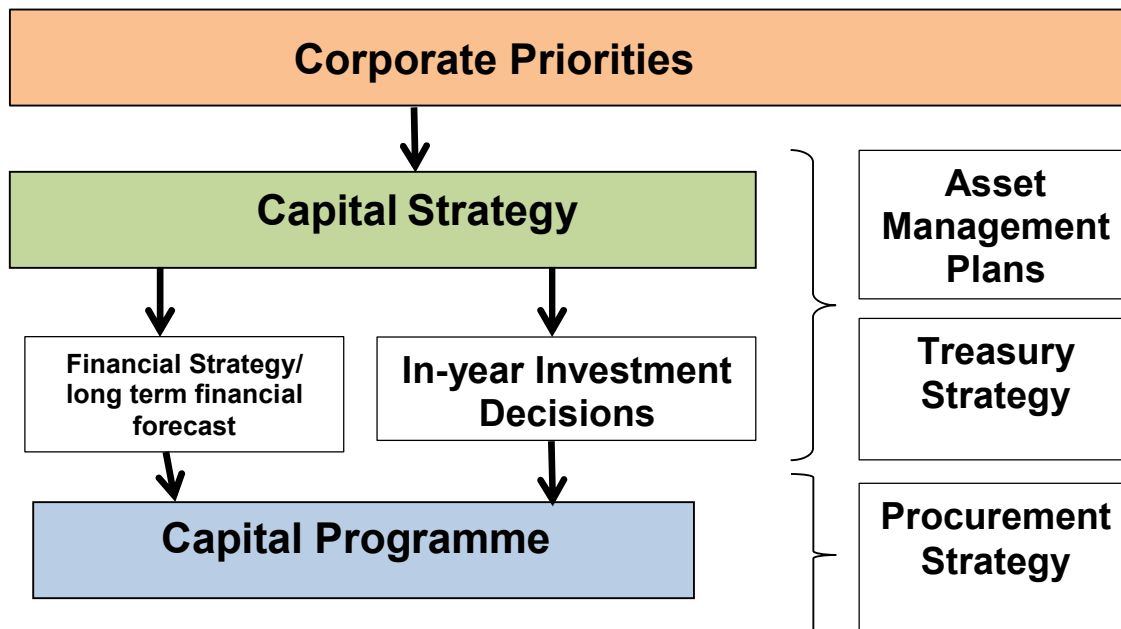
The Capital Strategy is subject to ongoing review and has a key role in supporting the delivery of the Council's Corporate Priorities

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

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

LINKS TO OTHER KEY STRATEGIES

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



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

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

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

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

The emerging Corporate Investment Plan will also form a key element within the framework above as it will form a further link between the Corporate Priorities and the Financial Strategy and complement the development of the long term forecast and prioritised projects that are included within the Capital Programme.

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

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

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

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

development process prior to formal reporting to Members, especially those associated with in-year investment decisions.

Departments support Management Team in the above process through the development and investigation of investments opportunities and submitting reports / project initiation and development documentation in support of the associated capital projects.

Cabinet (including Portfolio Holders acting within approved delegations)

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

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

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

CONSULTATION

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

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

MONITORING OF THE CAPITAL INVESTMENT/CAPITAL PROGRAMME

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

separate Performance Monitoring process that is also reported to Members during the year.

Where capital investment is material, the scheme or project may be subject to review by internal audit which would be at the discretion of the Internal Audit Manager as part of the annual Internal Audit Plan or if required by other key stakeholders.

SECTION B – CAPITAL INVESTMENT AND SOURCES OF FUNDING

CAPITAL INVESTMENT CONSIDERATIONS

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

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

Schemes that are agreed but not funded as part of the long-term financial forecast process will be considered a prioritised list within a wider Corporate Investment Plan approach and be a 'live' schedule of investment opportunities against which further investment opportunities should be considered during the year.

The Council faces ongoing significant financial challenges over the period of this Capital Strategy due to the significant reductions in Government Funding over recent years and the potential longer impact of the COVID 19 pandemic on Council funding. The latest long-term financial forecast for 2022/23 to 2026/27 reflects annual deficits, albeit on a reducing basis over the remaining period of plan, which is supported by the Forecast Risk Fund. To deliver the level of efficiencies and transformation that will in turn support the delivery of the long-term forecast, the following key principles have been identified which should be a key consideration of capital investment decisions:

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

Promote capital investment which allows either invest to save outcomes or generates a revenue and/or capital return and/or generates additional external grant (e.g. new homes bonus) or core funding (e.g. Business
--

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

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

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

As highlighted above, the emerging Corporate Investment Plan will form part of the overall governance framework in terms of linking corporate priorities and strategies to investment priorities. This framework will take into account a number of key priority 'drivers' such as financial viability / sustainability, non-financial consequences such as reputation / health and safety, the outcome from external assessment / regulatory reviews along with being outcome driven.

Impact Assessments

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

SOURCES OF FUNDING

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

In limited cases the cost of capital investment is supported by external grants/ contributions. Any other capital investment the Council wishes to make has to be funded from its own resources or by borrowing (the revenue cost being met entirely by the Council). The Council's Financial Strategy/long term financial forecast includes consideration of a ten-year forecast, taking into account the revenue implications of capital investment plans and the resources available to fund capital investment. The level of capital investment will be constrained by the available resources identified via the long-term financial forecast process including revenue contributions or the ability to attract external funding and the generation of capital receipts. Any decision to invest in capital projects will need to match the available resources against criteria set out above, including how it meets corporate priorities *within the wider Corporate Investment Plan Approach*.

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

- a) **Revenue Funding (Including Reserves)** – This continues to be limited each year given the challenging financial environment and on-going government grant reductions. This funding stream will need to be considered within the overall financial planning processes each year, including that for the HRA, which operates under a self-financing environment where changes in Government Policy have limited the revenue contributions available to support capital investment.
- b) **Capital grants/contributions** – These have contributed significantly to past and current capital projects and many aspects of the Council's and its partners' objectives can only be met if this funding source continues to be pursued. The delivery of the Council's priorities and commitments continue to be supported by successful grant applications. Section 106 money flowing from the planning process is also a significant source of external funding.
- c) **General Fund Capital Receipts** – It is acknowledged that the Council's current property/land holdings are not of significant high value or volume. Nevertheless the Council recognises this important funding source and continually reviews its assets as part of separate asset management / investment plans which provide the context to consider opportunities to dispose of any assets that are surplus to requirements and/or not contributing to the delivery of the Council's priorities or where they provide alternative investment opportunities.
- d) **Borrowing within the Prudential Framework (Prudential Borrowing)** – The Council has the freedom to borrow to finance its capital expenditure provided it can demonstrate the prudence of the investment and its

affordability and sustainability. During 2020/21 the rules governing borrowing from the PWLB were amended such that from 25 November 2020 no borrowing from the PWLB is allowed if an authority has purchased assets for yield in its capital programme for the following three years. Neither the General Fund nor the Housing Revenue Account capital programmes for 2022/23 to 2024/25 involve any such schemes. This means the Council is still able to access PWLB funding at preferential rates if it is prudent, affordable and sustainable.

CAPITAL STRATEGY CONCLUSIONS

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

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

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

PART 1 - ANNEX 2

General Fund Capital Programme 2022/23 to 2024/25

Capital Expenditure - General Fund £000s	2020/21 Actual	2021/22 Revised	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast
Total Capital Expenditure	1,920	15,942	839	827	827
Financing - General Fund					
External contributions	-	(712)	-	-	-
Section 106	(103)	(6)	-	-	-
Coast protection grant	(78)	(360)	-	-	-
Other Government grants	(130)	(152)	-	-	-
Disabled Facilities Grant	(786)	(7,557)	(757)	(757)	(757)
Capital receipts	(10)	(815)	-	-	-
Direct revenue contributions	(24)	(1,989)	(70)	(70)	(70)
Earmarked reserves	(789)	(4,351)	(12)	-	-
Total Capital Financing	(1,920)	(15,942)	(839)	(827)	(827)
Net Financing need (External Borrowing)	0	0	0	0	0

HRA Capital Programme 2022/23 to 2024/25

Housing Revenue Account Capital Schemes £000	2020/21 Actual	2021/22 Revised	2022/23 Estimate	2023/24 Forecast	2024/25 Forecast
Total Capital Expenditure	4,160	5,809	3,790	3,176	3,176
Financing - Housing Revenue Account					
Major repairs reserve	(2,063)	(3,957)	(3,176)	(3,176)	(3,176)
Direct revenue contributions	(1,111)	(1,144)	(614)	-	-
Section 106	(261)	(595)	-	-	-
Capital receipts	(725)	(113)	-	-	-
External contributions	-	-	-	-	-
Total Capital Financing	(4,160)	(5,809)	(3,790)	(3,176)	(3,176)
Net Financing need (External Borrowing)	0	0	0	0	0

PART 2 – TREASURY STRATEGY

1. Introduction

The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. Both CIPFA Codes were revised in December 2017 and again on 20 December 2021. Due to the timing of the 2021 update, formal adoption is not required until 2023/24. The revised codes will have the following implications:

- A requirement to adopt a new debt liability benchmark treasury indicator
- They clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate, however it is important to highlight that none of Tendring's borrowing falls within the inappropriate category
- A requirement to address environmental, social and governance (ESG) considerations in the Capital Strategy and in Treasury Management Practice 1 (TMP1)
- Implementation of a policy to review commercial property, with a view to divest where appropriate
- Create new Investment Practices to manage risks associated with non-treasury investment (for Tendring this is the single Investment Property held) that are similar to the current TMPs
- Expansion of the knowledge and skills register for individuals involved in treasury management, proportionate to the size and complexity of the work involved
- All investments and investment income to be split between:
 - those held for treasury management arising from cash flows
 - those held for delivery of services such as housing, regeneration and local infrastructure – Tendring has none in this category at present
 - those held for commercial return – i.e. the investment property

The list above summaries all of the proposed changes but some will apply to only the Capital Strategy, Treasury Strategy or both.

In accordance with the advice of CIPFA, the Council will ensure that future decisions will to adhere to the new provisions and therefore will seek to avoid undertaking any new investments, which would not be consistent with the changes.

Members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 Capital and Treasury Management report.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) which sets out the

Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Council's risk appetite is low and it takes a risk-averse approach to Treasury Management, with the security and liquidity of the investment the prime concern, and the budget for income from investments being formulated on this basis. The Annual Strategy for 2022/23 is based on this risk-averse approach continuing.

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

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

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

2. Treasury Limits for 2022/23 to 2024/25

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

The Council must have regard to the Prudential Code when setting the Authorised Limit of external debt, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'. Capital investment must be considered in the light of the overall strategy and resources available, with decisions made with sufficient regard to the long term financing implications and potential risks.

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

The authorised limit reflects the additional borrowing requirement as part of the Housing Revenue Account (HRA) self-financing reforms. The Housing self-financing reforms also set an overall 'debt cap' for the HRA which in itself reflects an affordability level based on the Government's model of how much debt can be supported by the HRA after considering the forecast of income from rents and management and maintenance costs over a 30 year period. The HRA

debt cap for Tendring was £60,285,000, but the Government announced the abolition of the HRA debt cap from 29 October 2018. *The updated HRA Business Plan reported to Members in December 2021 and January 2022 as part of the HRA budget set out the proposal to replace maturity debt that reaches maturity in 2022/23 and 2024/25 with repayment type loans. The estimated impact of this is included within the HRA Business Plan and is included within this Treasury Strategy to enable this approach to be progressed as part of the Council's treasury activities during the year. Further reports will be presented to Members if changes to this approach are required during the year such as responding to any new / future burdens or priorities which would have an overall financial impact on the current HRA Business Plan.*

Due to a proposed technical accounting change relating to assets the Council leases in from 1 April 2022, from 2022/23 these assets will be recognised on the Council's balance sheet as right of use assets, matched by a corresponding lease liability. They will count as a type of borrowing and will be written down each year. Work is ongoing to finalise the list of assets that these changes relate to. At the present time they are all expected to be within the General Fund, be relatively short term with a maximum life of five years, so will be written down in line with the actual lease repayment made. This means that the total spend of the Council counted against the General Fund balance will be unchanged, but the spend will move to a different line in the Council's accounts and be split between Minimum Revenue Provision and interest.

The amounts currently identified suggest that at 1 April 2022 the total to bring onto the balance sheet will be some £1.385 million, although this will change as further information is obtained and when the 1 April 2022 PWLB rates are available, as these change on a daily basis. The authorised limit and operational boundary already identified are considered sufficient to cover this increase. The overall Capital Financing Requirement (CFR) of the Council for the General Fund will increase, but the loans CFR, which is referred to in the remainder of this Strategy, will not change.

The above change remains subject to a consultation process and it is possible that the implementation date may be deferred. If it is deferred, the Council will continue to apply the existing rules relating to leased assets, with updates provided as part of the in-year financial performance reports / next year's Annual Capital and Treasury Strategy as appropriate.

3. Prudential and Treasury Indicators for 2022/23 to 2024/25

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

4. Current Portfolio Position

The Council's treasury position at the end of *December 2021* comprised:

- *GF borrowing from The Public Works Loan Board (PWLB) of £0.147 million at fixed rates at an average rate of interest of 7.18%*
- *HRA borrowing from the PWLB of £37.069 million at fixed rates at an average rate of 3.51%*
- *Investments of cash flow surpluses, which include reserves and capital receipts, on a short-term basis (less than 1 year) totalling £79.195 million at an average rate of interest of 0.05%.*

5. Borrowing Requirement

No new, alternative or replacement borrowing is currently reflected in the budget for the General Fund *but HRA replacement borrowing of £0.800 million in 2022/23 and £1.200 million in 2024/25 is reflected in the HRA 30 Year Business Plan for the period 2022/23 to 2024/25 and therefore forms part of the assumptions set out within this Strategy.*

6. Economic Position

The Council's Treasury Advisors provide economic updates during the year with their latest update summarised as follows:

World economy

World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second part of the year, although overall growth in 2021 is expected to be around 6% and around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these are expected to subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly. It is likely we are heading into a period where there will be a reversal of world globalisation and a lessening of dependence by western countries on China to supply products. This is likely to reduce world growth rates from those in prior decades.

UK economy

The Bank of England Monetary Policy Committee (MPC) increased the bank rate from 0.10% to 0.25% on 16 December 2021, due to concerns over inflationary pressures. The Bank increased its forecast for inflation to peak at 6% in April 2022. A considerable part of the inflationary pressures are transitory and will naturally subside, but the financial markets are predicting further increases in the bank rate during 2022. There is pent up demand from the high household saving rates since March 2020, although consumer confidence was hit in December 2021 by fears of rising inflation.

7. Interest Rates

The following table gives the Council's External Treasury Advisor's view on Bank Rate movements and their forecast for the PWLB new borrowing rate based on that view. The PWLB rates are based on the 'Certainty Rate' introduced by the Government for local authorities providing improved information and transparency on their locally-determined long-term borrowing and associated capital spending plans. Investment returns are likely to remain *exceptionally low during 2022/23 but thereafter recover to pre-pandemic levels.*

	Bank Rate	Average earnings rate projected by the Council's External Advisors			PWLB Borrowing Rate			
		3 month	6 month	12 month	5 yr.	10 yr.	25 yr.	50 yr.
Mar 2022	0.25	0.30	0.50	0.70	1.50	1.70	1.90	1.70
Jun 2022	0.50	0.50	0.60	0.70	1.50	1.80	2.00	1.80
Sep 2022	0.50	0.50	0.60	0.70	1.60	1.80	2.10	1.90
Dec 2022	0.50	0.60	0.70	0.80	1.60	1.90	2.10	1.90
Mar 2023	0.75	0.70	0.80	0.90	1.70	1.90	2.20	2.00
Jun 2023	0.75	0.80	0.90	1.00	1.80	2.00	2.20	2.00
Sep 2023	0.75	0.90	1.00	1.10	1.80	2.00	2.20	2.00
Dec 2023	0.75	0.90	1.00	1.10	1.80	2.00	2.30	2.10
Mar 2024	1.00	1.00	1.10	1.20	1.90	2.10	2.30	2.10
Jun 2024	1.00	1.00	1.10	1.20	1.90	2.10	2.40	2.20
Sep 2024	1.00	1.00	1.10	1.20	1.90	2.10	2.40	2.20
Dec 2024	1.00	1.00	1.10	1.20	2.00	2.20	2.50	2.30
Mar 2025	1.25	1.00	1.10	1.20	2.00	2.30	2.50	2.30

8. Borrowing Strategy

8.1 External v Internal Borrowing

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

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

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

Total External Debt

	Actual 2020/21	Revised 2021/22	Estimate 2022/23	Forecast 2023/24	Forecast 2024/25
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	40,313	38,593	36,921	35,485	34,036
Estimated repayment of debt	(1,720)	(1,672)	(2,236)	(1,449)	(2,670)
<i>Estimated Replacem ent / new debt</i>	0	0	800	0	1,200
Estimated debt as at 31 March	38,593	36,921	35,485	34,036	32,566
CFR as at 31 March	43,672	41,799	40,169	38,535	36,888
Difference - internally financed	5,079	4,878	4,684	4,499	4,322

General Fund External Debt

	Actual 2020/21	Revised 2021/22	Estimate 2022/23	Forecast 2023/24	Forecast 2024/25
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	207	151	143	136	128
Estimated repayment of debt	(56)	(8)	(7)	(8)	(8)
<i>Estimated Replacem ent / new debt</i>	0	0	0	0	0
Estimated debt as at 31 March	151	143	136	128	120
CFR as at 31 March	5,230	5,021	4,820	4,627	4,442
Forecast of internal financing	5,079	4,878	4,684	4,499	4,322

HRA External Debt

	Actual 2020/21	Revised 2021/22	Estimate 2022/23	Forecast 2023/24	Forecast 2024/25
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	40,106	38,442	36,778	35,349	33,908
Estimated repayment of debt	(1,664)	(1,664)	(2,229)	(1,441)	(2,662)
<i>Estimated Replacem ent / new debt</i>	<i>0</i>	<i>0</i>	<i>800</i>	<i>0</i>	<i>1,200</i>
Estimated debt as at 31 March	38,442	36,778	35,349	33,908	32,446
CFR as at 31 March	38,442	36,778	35,349	33,908	32,446
Forecast of internal financing	0	0	0	0	0

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

The Council's officers have made an assessment, based on advice from treasury advisors, of the amount of internal resources that it is prudent to use to finance capital expenditure and it is felt, taking into account the Council's financial position, that approximately £4m-£5m would at the present time and over the medium term be an appropriate level of internal borrowing. A maturity loan of £1m fell due for repayment in 2014 but this was not replaced which has led to the 2020/21 internal borrowing position running just ahead of the £5m level. However given the continuing very low return on investments and no significant increases in PWLB interest rates in the immediate future, it is felt prudent to maintain this position in the short term although this will be kept under review in consultation with the Council's external advisors.

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

advance of need, as set out in section 8.3 below, so as to reduce the need to borrow when interest rates may be higher.

8.2 Gross Debt v Investments

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

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

Comparison of gross and net debt positions at year end	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Probable out-turn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
General Fund external debt (gross)	151	143	136	128	120
HRA external debt (gross)	38,442	36,778	35,349	33,908	32,446
Investments	76,959	61,000	15,000	15,000	15,000
Net debt	(38,366)	(24,079)	20,485	19,036	17,566

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

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

Against this background caution will be maintained within the 2022/23 treasury operations. Interest rates will be monitored and a pragmatic approach adopted to changing circumstances with appropriate action taken in accordance with the Council's Financial Procedure Rules.

8.3 Policy on borrowing in advance of need

The Council cannot borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to

borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

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

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

9. Debt Rescheduling

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

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

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

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

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

10. Investment Strategy

10.1 Investment Policy

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

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

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

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

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

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

The property will be subject to annual revaluation to reflect current value under the requirements of the Accounting Code of Practice and this will be reported in the Statement of Accounts. *At 31 March 2021 the carrying value of the property was reduced by the Council's external Valuer to £1.985 million and at 30 September 2021 the carrying value was further reduced to £1.018 million.* The anticipated return on the property through rental income compared to the historic cost is forecast to remain in line with the figures included in the report to Cabinet where the decision to purchase was made. *Regardless of whether or not the property being used for trading,* the terms of the lease require payment of the rent until the end of the lease term.

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

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

During 2020/21 the Council opened accounts with two Money Market Funds, as the Debt Management Office interest rates became negative on occasions in late 2020 and additional liquidity flexibility was required beyond that of the call accounts. Both Money Market Funds are triple A rated and *the interest paid has slowly risen from 0.01% to 0.03% since December 2021.*

10.2 Creditworthiness Policy and changes to the credit rating methodology

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

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

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

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

1. The Creditworthiness Service utilises movements in Credit Default Swaps against the iTraxx benchmark and other market data on a weekly basis. This creditworthiness service information will be used to confirm the assessed creditworthiness derived from the three ratings agencies. Where the information from this service indicates a lower standing for a particular counterparty than that derived via the credit ratings then the

investment limits and length of investments applicable to that counterparty will be adjusted accordingly or the counterparty removed from the list.

2. Market data and information,
3. Information on government support for banks and the credit ratings of that government support

10.3 Credit Limits

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

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

10.4 Country Limits

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

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

10.5 Investment Strategy

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

The bank rate increased from 0.10% to 0.25% in December 2021 and increases in the rate are forecast of 0.25% each year from 2022 to 2024 (see Section 7). The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available

which make longer term deals worthwhile without compromising the Council's priority of security of the investments.

For 2022/23 the Council has budgeted for investment returns based on the principles set out in this strategy including the forecast position on interest rates.

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

10.6 Allocation of Investment returns between GF and HRA

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

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

- Equity
- Risk Sharing
- Minimising volatility between years

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

10.7 End of year investment report

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

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-specified investment – as defined in Annex 2.

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

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

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

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

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

Specified investments – as defined in Annex 2.

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Proposed Prudential Indicators 2021/22 revised, 2022/23 and forecasts for 2023/24 to 2024/25

Indicators for Prudence

CAPITAL EXPENDITURE

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

Capital Expenditure - General Fund	2020/21	2021/22	2022/23	2023/24	2024/25
£000s	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	1,920	15,942	839	827	827
Financing - General Fund					
External contributions	-	(712)	-	-	-
Section 106	(103)	(6)	-	-	-
Coast protection grant	(78)	(360)	-	-	-
Other Government grants	(130)	(152)	-	-	-
Disabled Facilities Grant	(786)	(7,557)	(757)	(757)	(757)
Capital receipts	(10)	(815)	-	-	-
Direct revenue contributions	(24)	(1,989)	(70)	(70)	(70)
Earmarked reserves	(789)	(4,351)	(12)	-	-
Total Capital Financing	(1,920)	(15,942)	(839)	(827)	(827)
Net Financing need (External Borrowing)	0	0	0	0	0

Housing Revenue Account Capital Schemes	2020/21	2021/22	2022/23	2023/24	2024/25
£000	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	4,160	5,809	3,790	3,176	3,176
Financing - Housing Revenue Account					
Major repairs reserve	(2,063)	(3,957)	(3,176)	(3,176)	(3,176)
Direct revenue contributions	(1,111)	(1,144)	(614)	-	-
Section 106	(261)	(595)	-	-	-
Capital receipts	(725)	(113)	-	-	-
External contributions	-	-	-	-	-
Government grant	-	-	-	-	-
Total Capital Financing	(4,160)	(5,809)	(3,790)	(3,176)	(3,176)
Net Financing need (External Borrowing)	0	0	0	0	0

CAPITAL FINANCING REQUIREMENT

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

CAPITAL FINANCING REQUIREMENT	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
General Fund	5,230	5,021	4,820	4,627	4,442
Housing Revenue Account	38,442	36,778	35,349	33,908	32,446
Total	43,672	41,799	40,169	38,535	36,888

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	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Capital Financing Requirement	43,672	41,799	40,169	38,535	36,888
External debt	38,889	36,921	35,485	34,036	32,566
Internal borrowing	4,783	4,878	4,684	4,499	4,322

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	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Operational boundary - borrowing	67,525	67,180	67,723	66,916	68,108
Authorised limit - borrowing	76,156	75,820	76,333	75,687	77,046

Indicators for Affordability

RATIO OF FINANCING COSTS TO NET REVENUE STREAM

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

ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Revised	Estimate	Forecast	Forecast
	%	%	%	%	%
General Fund	-0.45	1.07	0.97	0.90	0.84
Housing Revenue Account	54.38	43.10	40.13	39.37	38.27

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	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Upper limit for Fixed Interest Rates on debt	43,672	41,799	40,169	38,535	36,888
Upper limit for Variable Interest Rates on debt (based on 30% of the fixed rate limit)	13,102	12,540	12,051	11,561	11,066

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	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Limits on the total principal sum invested to final maturities longer than 364 days	3,500	3,500	3,500	3,500	3,500

MATURITY STRUCTURE OF FIXED RATE BORROWING

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

PRUDENTIAL INDICATOR	Upper limit	Lower limit	Estimated outstanding debt maturity % at			
	%	%	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Under 12 months	25	0	5.47%	3.75%	7.18%	7.26%
12 months and within 24 months	30	0	3.55%	6.91%	6.74%	7.35%
24 months and within 5 years	60	0	18.87%	16.21%	13.39%	10.62%
5 years and within 10 years	75	0	14.94%	14.82%	14.36%	14.36%
10 years and above	95	25				
10-20 years			16.34%	15.45%	14.15%	13.20%
20-30 years			20.35%	26.67%	33.01%	41.23%
>30 years			20.49%	16.19%	11.16%	5.98%

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	2020/21 Actual	2021/22 to 31/12	2022/23 Upper limit
Average credit score for investments	1.01	1.17	2.00

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SPECIFIED AND NON-SPECIFIED INVESTMENTS

This schedule sets out the specified and Non-Specified investments the Council may use in 2022/23.

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

SPECIFIED INVESTMENTS:

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

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

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

High credit quality

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

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

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

NON SPECIFIED INVESTMENTS

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

The only Non-Specified investments that the Council will use in 2022/23 are investments for periods of longer than 12 months with any institution or investment instrument that would have been classed as a Specified Investment if the investment had been for less than 12 months or property. The Council currently holds an investment property in Clacton. The historic cost of this property (including stamp duty) is £3.245 million, but *this was revalued at 31 March 2021 at £1.985 million by the Council's external valuer and has now been revalued at 30 September 2021 at £1.018 million.* The purchase of the property was financed from revenue resources.

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

14 MARCH 2022

REPORT OF THE ASSISTANT DIRECTOR FINANCE & IT

A.5 FINANCIAL PERFORMANCE REPORT – IN-YEAR PERFORMANCE AGAINST THE BUDGET AT THE END OF THE THIRD QUARTER 2021/22 AND LONG TERM FINANCIAL FORECAST UPDATE

(Report prepared by Ian Ford)

PURPOSE OF THE REPORT

To provide an overview of the Council's financial position against the budget as at the end of December 2021 and to present an updated long term forecast.

BACKGROUND / CURRENT POSITION

On 25 February 2022 Cabinet considered a Financial Performance Report, which is attached as **Appendix A**.

At the above meeting, Cabinet resolved:

- (1) *That, in respect of the financial performance against the budget at the end of December 2021, Cabinet agrees:*
 - (a) *that the position as at December 2021 be noted; and*
 - (b) *that the proposed in-year adjustments to the budget, as set out in Appendix H to item A.9 of the Report of the Corporate Finance & Governance Portfolio Holder, be made.*
- (2) *That, in respect of the Updated Long Term Forecast, Cabinet agrees that the latest position be noted and that the Resources and Services Overview and Scrutiny Committee be consulted on the most up-to-date position.*

RECOMMENDATION

That the Committee:

- a) **considers the in-year financial position as at the end of December 2021 and determines whether it has any comments or recommendations it wishes to make or put forward to the relevant Portfolio Holder or Cabinet; and**
- b) **considers the updated long term financial forecast update and determines whether it has any comments or recommendations it wishes to make to Cabinet as part of the on-going financial strategy consultation process.**

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

25 FEBRUARY 2022

REPORT OF CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER

A.9 FINANCIAL PERFORMANCE REPORT – IN-YEAR PERFORMANCE AGAINST THE BUDGET AT END OF THE THIRD QUARTER 2021/22 AND LONG TERM FINANCIAL FORECAST UPDATE

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide an overview of the Council’s financial position against the budget as at the end of December 2021 and to present an updated long term forecast.

EXECUTIVE SUMMARY

- These regular finance reports present the overall financial position of the Council by bringing together in-year budget monitoring information and timely updates on the development of the long term forecast.
- Therefore the report is split over two distinct sections as follows:
 - 1) *The Council’s in-year financial position against the budget at the end of December 2021*
 - 2) *An updated long term financial forecast*

In respect of the in-year financial position at the end of December 2021:

- The position to the end of December 2021, as set out in more detail within the appendices, shows that overall the General Fund Revenue Account is underspent against the profiled budget by **£8.044m** (after excluding variances against COVID 19 grant supported activities, such as business grants, this position is revised to a net overspend of **£4.243m**). It is acknowledged that other expenditure or income trends may still be developing / emerging with the position also largely reflecting the timing of other general expenditure and/or income budgets. However, any significant issues arising to date have been highlighted and comments provided as necessary.
- In respect of other areas of the budget such as the Housing Revenue Account, capital programme, collection performance and treasury activity, apart from additional details set out later on in this report, there are other no major issues that have been identified to date.
- Any emerging issues will be monitored and updates provided in future reports, which will include their consideration as part of updating the long term financial forecast.

- Some necessary changes to the 2021/22 budget have been identified which are set out in **Appendix H**, with an associated recommendation also included within this report.
- The net impact of the budget adjustments will be moved to or from the Forecast Risk Fund. At the end of the third quarter, it has been possible to make an additional contribution to the fund of **£123k**, which supports the requirement set out in the long term forecast of identifying in-year savings of **£500k** each year, where possible.

In respect of the updated long term financial forecast:

- A summary of the most up to date position for 2022/23 was considered by Full Council on 15 February 2022 as part of agreeing the detailed budget.
- There have been no changes made to the forecast position mentioned above, but for completeness, a summary is set out further on in this report.
- The identification of on-going savings remain an important element of the long-term financial plan. The developing zero based framework in which to identify the required level of savings forms part of the key priority actions set out in the Council's Corporate Plan.
- As mentioned previously, it is important to continue to deliver against the longer-term approach to the budget as it continues to provide a credible alternative to the more traditional short-term approach, which would require significant additional savings to be identified much earlier in the financial cycle.

RECOMMENDATION(S)

That in respect of the financial performance against the budget at the end of December 2021, it is recommended that:

- (a) The position be noted;**
- (b) the proposed in-year adjustments to the budget as set out in Appendix H be agreed;**

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

- (a) The latest position is noted and the Resources and Service Overview and Scrutiny Committee be consulted on the most up to date position.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Effective budgetary control is an important tool in ensuring the financial stability of the authority by drawing attention to issues of concern at an early stage so that appropriate action can be taken. Financial stability and awareness plays a key role in delivering the Council's corporate and community aims and priorities.

The forecasting and budget setting process will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the long term approach being

taken seeks to establish a sound and sustainable budget year on year through maximising income whilst limiting reductions in services provided to residents, business and visitors.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are considered in the body of the report.

Risk

In respect of the position at the end of December 2021, a number of variances will be subject to change as the year progresses although at this stage it is expected that any adverse position can be accommodated within the overall budget with direct management action. The budget position will be monitored and reviewed as part of both the future budget monitoring arrangements and Financial Strategy Processes.

In respect of the long term forecast, there are significant risks associated with forecasting such as cost pressures, inflation and changes to other assumptions that form part of the financial planning process. There are a number of areas that could lead to additional expenditure being incurred, such as: -

- Economic environment / instability;
- Emergence of cost pressures;
- Changes to the local authority funding mechanisms such as the Government's fairer funding review;
- New legislation placing unfunded duties on the Council or reducing the level of the Council's funding;
- Local or national emergency;
- Income is less than that budgeted for, including business rate income retained locally.

COVID 19 continues to have an on-going impact on the Council's financial position, which cuts across many of the specific issues highlighted above. The underlying forecast remains based on relatively conservative estimates with no optimistic bias included

The Council's ability to financially underwrite the forecast therefore remains as important as ever. As with any forecast, some elements of income and expenditure will be different to that forecasted. It is fair to say that many may offset each other over the longer term. However, there are two important aspects to how this will be managed.

- 1) **£3.753m** has already been set aside within the Forecast Risk Fund to support the budget in future years. This money is available to be drawn down if the timings within the forecast differ in reality and the net position is unfavourable compared to the forecast in any one year. The 2021/22 and 2022/23 budgets are also based on calling down **£1.048m** and **£0.431m** from this reserve respectively during each of those years. As discussed previously, given the increased risks introduced by the COVID 19 crisis, this current reserve level should not be seen as too pessimistic as the sensitivity testing undertaken indicates that this reserve could be depleted in as little as 3 years if some of the risks are borne out in reality.
- 2) The forecast will remain 'live' and be responsive to changing circumstances and it will continue to be revised on an on-going basis. If unfavourable issues arise, that cannot be mitigated via other changes within the forecast, then the forecast will be adjusted and mitigating actions taken. Actions to respond will therefore need to be considered but can be taken over a longer time period where possible. In such circumstance the

Council may need to consider 'topping' up the funding mentioned in 1) above over the life of the forecast if required. This may impact on the ability to invest money elsewhere but will need to demonstrate that its use is sustainable in the context of the ten year forecast.

The long term approach to the forecast does provide flexibility to respond to risks such as those presented by COVID 19. For instance, the savings target was 'relaxed' for 2021/22. However it must be highlighted that the savings targets set out in the forecast will still need to be delivered in the longer term but they need to remain flexible and react as a counterbalance to other emerging issues and it is therefore accepted that this figure may need to be revised up or down over the life of the forecast.

It is important to continue to deliver against the forecast to retain confidence in the longer term approach. This will, therefore, continue to need robust input from members and officers where decisions may be required in the short term or on a cash flow basis.

Another aspect to this approach is the ability to 'flex' the delivery of services rather than cut services. As would be the case with our own personal finances, if we cannot afford something this year because of a change in our income, we can potentially put it off until next year. There is a practical sense behind this approach as we could flex the delivery of a service one year but increase it again when the forecast allows.

In addition to the above, it is important to note that the Council has already prudently set aside money for significant risks in the forecast such as **£1.758m** (NDR Resilience Reserve) and **£1.000m** (Benefits Reserve), which can be taken into account during the period of the forecast if necessary. The Council also holds **£4.000m** in uncommitted reserves, which supports its core financial position.

LEGAL

The Local Government Act 2003 makes it a statutory duty that Local Authorities monitor income and expenditure against budget and take appropriate action if variances emerge.

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The Local Government Finance Act 2012 provided the legislative framework for the introduction of the Rates Retention Scheme and the Localisation of Council Tax Support.

The Calculation of Council Tax Base Regulations 2012 set out arrangements for calculation of the council tax base following implementation of the Local Council Tax Support Scheme. These arrangements mean that there are lower tax bases for the district council, major preceptors and town and parish councils.

The Localism Act 2012 introduced legislation providing the right of veto for residents on excessive council tax increases.

Under Section 25 of the Local Government Act 2003, the Chief Finance Officer (S151 Officer) must report to Council as part of the budget process on the robustness of estimates and adequacy of reserves. The proposed approach can deliver this requirement if actively managed and will be an issue that remains 'live' over the course of the forecast period and will be revisited in future reports to members as the budget develops.

OTHER IMPLICATIONS

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

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

There are no other implications that significantly impact on the financial forecast. However, the ability of the Council to appropriately address these issues will be strongly linked to its ability to fund relevant schemes and projects and determination of the breadth and standard of service delivery to enable a balanced budget to be agreed.

An impact assessment will be undertaken as part of any separate budget decisions such as those that will be required to deliver the necessary savings.

PART 3 – SUPPORTING INFORMATION

SECTION 1 – IN YEAR FINANCIAL PERFORMANCE AGAINST THE BUDGET AT THE END OF THE THIRD QUARTER OF 2021/22

The Council's financial position against the approved budget has been prepared for the period ending 31 December 2021.

Although some expenditure or income trends may still be developing / emerging, comments are provided below where necessary, against the following key areas:

- General Fund Revenue and Proposed Changes to the in-year budget
- Collection Performance
- HRA Revenue
- Capital Programme – General Fund
- Capital Programme - HRA
- Treasury Activity

GENERAL FUND REVENUE

The position to the end of December 2021, as set out in more detail in the Executive Summary attached, shows that there is an overall net underspend of **£8.044m** (after excluding variances against COVID 19 grant supported activities, such as business grants, this position is revised to a net overspend of **£4.243m**).

As set out in the appendices, elements of this variance are due to the timing of expenditure and income or where commitments / decisions have yet to be made, the most significant of which relates to the administration of the various COVID 19 Business Support grants where a full reconciliation process will be finalised as part of the outturn for year.

Appendix B provides a more detailed narrative against significant issues or variances.

Expenditure Budgets

- At the end of Q2, the risk of potential increases in homelessness costs was identified. However, as included within **Appendix H**, the Government have continued to provide valuable financial help to support the demand on this service.

Therefore at the present time, it is expected that the position can be managed within the existing homelessness budget, which is supported by the grant fund mentioned

above, rather than having to draw down money from the general COVID 19 grant that is discussed in more detail further on in this report.

- The necessary use of agency staff continues within Planning with an associated adjustment set out within **Appendix H**. A restructuring process is underway within the service, which aims to limit the use of agency staff going into 2022/23.

Income Budgets

- As highlighted within previous financial performance / budget reports, the continuing operational difficulties experienced at the crematorium during 2021/22 have resulted in significant reductions in income.

Although this can be partly offset by reduced expenditure at the crematorium, in areas such as utility costs, the likely net impact on the 2021/22 budget could be as high as **£0.750m** to **£0.800m** by the end of the financial year. This position will continue into 2022/23 given the current expected replacement cremators not becoming operational until the second quarter of the year. There is a key focus on finalising the associated procurement process to shorten the build, installation and commissioning process wherever possible.

As set out within the Q2 report, as part of a managed intervention, departments have been asked to identify one-off savings in 2021/22 to help offset the net impact expected. Although no formal adjustments have been included within **Appendix H**, there are now a number of emerging favourable variances to help achieve this, with some examples below:

- Parking income is currently ahead of the profile by **£0.160m**.
- Un-ringfenced external grant income of **£0.045m** has been received during the year. This is likely to increase as further New Burdens funding is expected to be received from the Government before the end of the financial year.

Although subject to use of the general COVID grant money receivable from the Government set out later on in this report, there is likely to be a favourable overall outturn position for the year, which will include items over and above those set out above – especially as departments are still being asked to identify one-off savings and, for example, the aggregate value of small underspends has over recent years supported a favourable year end position.

In addition to the actions above, the level of carry forwards can also be reviewed as part of finalising the outturn for 2021/22 to support the overall position for the year. This approach is expected to be possible by re-programming / rescheduling associated activities, to limit any consequential impacts.

OTHER EMERGING ISSUES / USE OF COVID FUNDING

Activities are continuing against a number of COVID 19 related schemes and initiatives, not least the administration of the recently announced additional business support grants. These budgets will be reviewed as part of the year end reconciliation processes with variances to date primarily reflecting the timing of income and associated expenditure.

However, as highlighted within the Q2 financial performance report, the Government did provide a number of un-ringfenced / general COVID 19 support grants. To date expenditure against these budgets that total **£2.276m** are summarised as follows:

- **£0.277m** allocated as part of the 2020/21 Outturn Report, which included the summertime plan and additional bins, bin emptying and grounds maintenance activities.
- **£0.083m** agreed by Cabinet on 8 October to 'extend' the waiving of rents as part of the CAROS scheme until the end of March 2022.
- **£0.047m** agreed by the Portfolio Holder for Corporate Finance and Governance to support the repairs to the treadwheel crane in Harwich, which 'levered' in a significant contribution from Historic England.
- **£0.765m** allocated as part of the Q2 report, which primarily reflected the reduction in income from leisure centres this year.

After taking the above into account, **£1.104m** remains available to support other / related areas of the budget.

Although not included within **Appendix H** as formal adjustments at this stage, the following have been identified as areas of the budget that can be supported by this available funding:

- Reduction in income of potentially **£0.300m** to **£0.400m** from the Council Tax Sharing Agreement with the major preceptors, given the recovery of amounts due are likely to extend into 2022 and beyond.
- The reduction in court cost income associated with the recovery of council tax highlighted above, especially as the court system is slowly returning to business as usual following the pandemic. The reduction in income could be as high as **£0.300m** by the end of the financial year.
- The net adverse position against leisure centres at the end of December 2021, totals **£0.143m**. Although this is after allowing for the **£0.750m** included within the **£0.765m** allocated from the general COVID 19 grant at the end of Q2, the year end position may be over and above this amount even after taking into account the additional support from the Government in the form of the sales, fees and charges compensation scheme.

Repeating a point from earlier in this report, at the end of the last quarter, potential additional homelessness costs were also raised as a potential 'call' on this funding. However, following receipt of additional financial support from the government as set out within **Appendix H**, this risk is now receding.

Based on the risks identified above, it would be prudent to continue to retain the unspent COVID 19 'pot' of **£1.104m** to support such unavoidable and on-going impacts from the pandemic that are likely to remain when the outturn position is finalised for the year. The position will therefore remain under review over the last quarter of the year.

Appendix H sets out other proposed budget adjustments that respond to a number of emerging issues at the end of Q3.

COLLECTION PERFORMANCE

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

As mentioned at the end of Q2, there is undoubtedly an on-going impact from COVID 19 on collection performance. However, the second half of the year continues to see on-going improvement with any necessary recovery action taken over the last quarter of the year and

into 2022/23, with the aim of maximising the level of collection performance wherever possible.

HRA REVENUE

An overall position is set out in the Executive Summary with further details included in **Appendix C**. At the end of December 2021, the HRA is showing a net overspend of **£0.059m**, which primarily reflects dwelling rental income being behind profile by **£0.111m**.

However as highlighted earlier in the year, a number of activities have been on-going with the aim of reducing the overall void rate closer to the historic level of 2%.

The position reported at the end of Q2 was a void rate of 6% compared with the budgeted rate of 4%. The table below sets out the latest position at the end of Q3:

	Weeks Void	Void Rate	Comments
Sheltered Accommodation	1,651	16%	Reduced from 18% as at the end of Q2
Long Term Voids (more than 180 days)	2,660	4% (of total stock rather than an absolute void rate)	118 properties were void as at the 1 April 2021, which has reduced to 15 at the end of December 2021.
All other properties	1,694	2%	Continues in-line with the historic rate of 2%
Totals	6,005	5%	Reduced from 6% as at the end of Q2.

As set out in the table above, the overall void rate has reduced from 6% to 5% at the end of December 2021. However, there remains a continued emphasis on reducing the void rate within sheltered blocks along with maintaining a low level of long term empty voids, which should support a stronger 'base' position going into 2022/23.

In addition to the actual reduction in income due to voids, the cost of paying council tax whilst the properties are empty remains ahead of the profiled budget – the cost is currently ahead of the profile by **£0.091m**. This will be kept under on-going review during Q4, with the aim of looking to accommodate the increase within the overall HRA budget for the year.

CAPITAL PROGRAMME – GENERAL FUND

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

As at the end of December 2021, the programme is broadly on target against the profiled position or after taking account of the proposed adjustments set out within **Appendix H**. Detailed comments are provided within the appendix against a number of schemes.

CAPITAL PROGRAMME – HOUSING REVENUE ACCOUNT

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

As at the end of December 2021 the programme is behind profile by **£0.169m**.

This budget relates primarily to the on-going major repairs and improvements to the Council's own dwellings. There are no specific issues to highlight at this stage and the expectation is that expenditure / commitments will be broadly in line with the budget over the course of the year as work is progressed and procurement processes completed.

TREASURY ACTIVITY

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

During Q3, the Treasury Management limit of **£1.000m** that can be held in total across the Council's various current accounts on any one day was exceeded. On 17 December 2021 a total of **£2.213m** was held across the various current accounts.

This happened due to a serious cybersecurity attack on the Council, meaning that the treasury officers were unable to access the systems necessary to move **£1.300m** across to the call accounts. The Council successfully dealt with the cyber security issue, but for a very limited period, the treasury limit set out above was exceeded.

The treasury risk was extremely low as the Council can hold a total of **£4.000m** across the various current and call accounts it holds with Lloyds Bank. The total held by Lloyds Bank on the day in question was **£2.404m**, which was significantly less than the total limit set out above, albeit **£2.213m** was held in the current accounts rather than the call accounts - the overall counterparty risk was therefore no different to that if the necessary transaction had taken place as planned on 17 December.

SECTION 2 – UPDATED LONG TERM FORECAST

The detailed budget for 2022/23, which was based on the most up to date financial forecast, was considered and agreed by Full Council on 15 February 2022. The report considered by Full Council also included a summary of the forecast up until 2026/27.

Although the development of the forecast will continue in 2022/23, there have been no changes since the meeting of Full Council mentioned above. However, for completeness, a summary of the most up to date forecast in terms of the estimated annual position along with the estimated surplus of the forecast risk fund is set out in the following table:

Year	Net Budget Position (including adjusting for prior year use of reserves to balance the budget)	Forecast Risk Fund - Estimated Surplus Balance at the end of the year
2023/24	£1.348m deficit	£2.425m
2024/25	£1.312m deficit	£1.613m
2025/26	£1.205m deficit	£0.908m
2026/27	£1.103m deficit	£0.306m

Although the figures set out within the table above will change as part of updating the forecast on a regular basis during 2022/23, there have been no issues arising that indicate that the long term approach has become unsustainable. Against this background and as discussed previously, it may not be possible to avoid or mitigate adverse issues, such as cost pressures, over the remaining years of the forecast. However, the level of savings required will need to continue to act as the 'safety valve' with the overall position being subject to further updates as part of reporting the quarterly position going forward.

The identification of on-going savings remains as an essential element of the long term financial plan, although it will be important to take a pragmatic and balanced view as it is recognised that there will be growth in council tax and business rates over time that could exceed current forecasts.

In addition to the above, 2022/23 also sees the continued development of a zero based approach to support the long term financial plan.

The next updated forecast will be presented to Members at the end of the first quarter of 2022/23. However if anything significant emerges before then, the position will be reported to Members accordingly.

Delivering a favourable Outturn Position

As previously highlighted, the Forecast Risk Fund continues to rely on in-year outturn contributions of **£0.500m** per annum to support the overall balance on the reserve, which in turn underwrites the various risks to the forecast.

In respect of 2021/22 to date, net contributions to the Forecast Risk Fund total **£0.163m**, made up of:

- **£0.040m** contribution to the fund as reported at the end of Q2.
- **£0.123m** proposed contribution to the fund at the end of Q3 as set out in **Appendix H**.

The shortfall to date in 2021/22 of **£0.337m** remains subject to the outturn position for the year, where it may be possible to identify the required net underspends to fully meet the **£0.500m** planned contribution to this reserve. If not, then the final position for the year will need to be reflected in the revised forecast going into 2023/24 and beyond.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

RELATING TO SECTION 1 OF THE REPORT

Front Cover and Executive Summary

Appendix A – Summary by Portfolio / Committee

Appendix B – General Fund Budget Position by Department

Appendix C – Housing Revenue Account Budget Position

Appendix D – Capital Programme

Appendix E – Collection Performance – Council Tax, Business Rates, Housing Rent and General Debts

Appendix F – Treasury Activity

Appendix G – Income from S106 Agreements

Appendix H – Proposed Adjustments to the In-Year Budget

Tendring **District Council**



Appendices Included:

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

Financial Performance Report In-Year Performance as at end of:

December 2021

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

Financial Performance Report - Executive Summary as at the end of December 2021

The tables below show the summary position for the General Fund, Housing Revenue Account, Capital, Collection Performance and Treasury Activity.

General Fund - Summary by Department Excluding Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Office of the Chief Executive	(27,174,980)	(4,991,348)	(13,551,438)	(8,560,090)
Operations and Delivery	12,412,980	6,431,029	6,668,883	237,854
Place and Economy	14,762,000	3,087,367	3,365,850	278,483
Total General Fund	0	4,527,048	(3,516,705)	(8,043,753)

Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Total HRA	0	(6,256,019)	(6,196,800)	59,219

Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	16,480,850	2,916,160	2,914,757	(1,403)
Housing Revenue Account	10,841,280	2,493,349	2,324,719	(168,631)
Total Capital	27,322,130	5,409,509	5,239,475	(170,034)

Collection Performance

	Collected to Date Against Collectable Amount
Council Tax	78.88%
Business Rates	72.33%
Housing Rents	96.58%
General Debt	87.94%

Treasury

	£'000
Total External Borrowing	37,216
Total Investments	79,195

Revenue Budget Position at the end of December 2021

General Fund Portfolio / Committee Summary

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £
Leader	4,506,020	785,545	891,772	106,227
Corporate Finance and Governance	1,071,590	(992,638)	(13,064,529)	(12,071,891)
Environment and Public Space	7,822,900	3,564,527	3,943,415	378,888
Housing	3,862,600	3,883,440	7,290,793	3,407,353
Partnerships	1,753,650	693,205	498,716	(194,489)
Business and Economic Growth	6,223,270	778,043	791,380	13,337
Leisure and Tourism	6,974,870	2,190,745	2,307,261	116,516
Budgets Relating to Non Executive Functions	759,140	348,720	545,136	196,416
	32,974,040	11,251,588	3,203,943	(8,047,644)
Revenue Support for Capital Investment	6,738,830	0	0	0
Financing Items	(4,414,950)	(172,208)	(168,311)	3,896
Budget Before use of Reserves	35,297,920	11,079,380	3,035,632	(8,043,748)
Contribution to / (from) earmarked reserves	(27,681,390)	0	0	0
Total Net Budget	7,616,530	11,079,380	3,035,632	(8,043,748)
Funding:				
Business Rates Income	(4,598,900)	(4,610,059)	(4,610,066)	(7)
Revenue Support Grant	(431,170)	(293,194)	(293,192)	2
Collection Fund Surplus	6,017,640	4,814,112	4,814,112	0
Income from Council Tax Payers	(8,604,100)	(6,463,191)	(6,463,191)	0
Total	0	4,527,048	(3,516,705)	(8,043,753)

Revenue Budget Position at the end of December 2021

HRA Portfolio Summary

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £
Housing	(1,909,950)	(6,256,019)	(6,196,800)	59,219
	(1,909,950)	(6,256,019)	(6,196,800)	59,219
Revenue Support for Capital Investment	280,820	0	0	0
Financing Items	1,751,530	0	0	0
Budget Before use of Reserves	122,400	(6,256,019)	(6,196,800)	59,219
Contribution to / (from) earmarked reserves	(122,400)	0	0	0
Total	0	(6,256,019)	(6,196,800)	59,219

Corporate Budget Monitoring - General Fund Budget Position at the end of December 2021

Department - Chief Executive, Finance, IT, Governance and Partnerships

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Type of Spend</u>					
Direct Expenditure					
Employee Expenses	10,244,070	5,495,556	5,544,944	49,388	
Premises Related Expenditure	361,210	263,237	159,036	(104,201)	
Transport Related Expenditure	105,540	92,245	110,103	17,858	
Supplies & Services	33,833,880	26,477,537	14,399,635	(12,077,902)	
Third Party Payments	67,790	0	0	0	
Transfer Payments	46,640,120	29,942,302	25,565,853	(4,376,450)	
Interest Payments	17,800	10,184	3,658	(6,525)	
Total Direct Expenditure	91,270,410	62,281,062	45,783,229	(16,497,833)	
Direct Income					
Government Grants	(76,079,870)	(57,609,280)	(49,896,957)	7,712,323	
Other Grants, Reimbursements and Contributions	(2,099,690)	(1,858,673)	(1,626,613)	232,060	
Sales, Fees and Charges	(1,290,300)	(865,684)	(846,948)	18,736	
Rents Receivable	(650)	(522)	(44,814)	(44,292)	
Interest Receivable	(419,050)	(361,287)	(339,680)	21,607	
RSG, Business Rates and Council Tax	(7,616,530)	(6,552,332)	(6,552,337)	(5)	
Total Direct Income	(87,506,090)	(67,247,778)	(59,307,349)	7,940,429	
Net Direct Costs	3,764,320	(4,966,716)	(13,524,120)	(8,557,404)	
Net Indirect Costs	(3,257,910)	(24,632)	(27,318)	(2,686)	
Net Contribution to/(from) Reserves	(27,681,390)	0	0	0	
Total for Chief Executive, Finance, IT and Governance	(27,174,980)	(4,991,348)	(13,551,438)	(8,560,090)	

Department - Chief Executive, Finance, IT, Governance and Partnerships

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Chief Executive and Administration	5,540	166,207	192,931	26,724	
Total for Finance and IT Management and Administration	0	70,343	74,031	3,688	
Total for Finance	222,660	806,169	845,895	39,726	
Total for Finance - Other Corporate Costs	217,800	(5,281,676)	(17,051,769)	(11,770,094)	The position at the end of Q3 primarily reflects the various COVID 19 Grants where a full reconciliation will be finalised as part of the outturn position for the year.
Total for Finance - Financing Items	(25,837,920)	174,651	162,511	(12,140)	
Total for Finance - RSG, Business Rates and Council Tax	(7,616,530)	(6,552,332)	(6,552,337)	(5)	
Total for Revenues and Benefits	2,005,050	1,430,960	4,381,441	2,950,481	As in previous quarters, the position primarily reflects the timing difference between the payment of housing benefits and the associated reimbursement via the Government subsidy process.
Total for IT, Emergency Planning and Business Continuity	177,250	1,292,448	1,217,802	(74,646)	

Appendix B

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
Total for Governance Management and Administration	3,750	76,687	78,491	1,803	
Total for Legal	14,160	207,222	203,846	(3,376)	
Total for Democratic Services	1,408,660	797,830	1,128,741	330,911	The reflects the cost of the ECC and PFCC elections back in May where the reimbursement of the costs incurred is due to be received in the last quarter of 2021/22.
Total for Partnerships Management and Administration	26,000	62,010	69,513	7,503	
Total for HR and OD	254,840	506,796	404,129	(102,667)	The position primarily reflects the timing of expenditure against corporate training budgets along with Career Track income falling behind the profiled budget by £29k, which will be reviewed as part of the final outturn position for the year.
Total for Community Partnerships	1,268,430	302,135	302,020	(115)	
Total for Communications	210	56,700	57,396	696	
Total for Customer and Commercial	675,120	892,501	933,921	41,420	
Total for Chief Executive, Finance, IT and Governance	(27,174,980)	(4,991,348)	(13,551,438)	(8,560,090)	

Corporate Budget Monitoring - General Fund Budget Position at the end of December 2021

Department - Operations and Delivery

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Type of Spend</u>					
Direct Expenditure					
Employee Expenses	6,464,840	4,685,960	4,826,979	141,019	
Premises Related Expenditure	2,433,470	1,714,890	1,623,966	(90,924)	
Transport Related Expenditure	546,860	359,845	433,140	73,296	
Supplies & Services	2,586,995	1,608,864	1,999,402	390,538	
Third Party Payments	5,248,180	3,060,369	3,239,761	179,392	
Transfer Payments	191,340	245,145	289,224	44,079	
Total Direct Expenditure	17,471,685	11,675,072	12,412,472	737,400	
Direct Income					
Government Grants	(918,030)	(815,940)	(871,397)	(55,457)	
Other Grants, Reimbursements and Contributions	(1,564,885)	(886,319)	(1,007,861)	(121,542)	
Sales, Fees and Charges	(3,441,470)	(2,642,841)	(2,683,361)	(40,521)	
Rents Receivable	(157,560)	(116,314)	(158,220)	(41,907)	
Direct Internal Income	(1,075,090)	(765,950)	(1,022,749)	(256,799)	
Total Direct Income	(7,157,035)	(5,227,363)	(5,743,589)	(516,225)	
Net Direct Costs	10,314,650	6,447,709	6,668,883	221,174	
Net Indirect Costs	2,098,330	(16,680)	0	16,680	
Total for Operations and Delivery	12,412,980	6,431,029	6,668,883	237,854	

Department - Operations and Delivery

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for CD Operations and Delivery Management and Administration	10,000	222,250	216,345	(5,905)	
Total for Building and Public Realm Management and Administration	0	52,808	60,384	7,577	
Total for Building and Surveyors	(7,410)	986,662	972,982	(13,680)	
Total for Engineering	2,904,240	697,508	627,437	(70,070)	
Total for Public Realm	2,313,870	627,828	1,111,523	483,695	The position at the end of Q3 primarily reflects the reduction in crematorium income. This is being partly offset by increased parking income - please see the main body of the report for further details.
Total for Waste Management	4,560,050	2,337,272	2,324,749	(12,523)	
Total for Assets	201,250	280,403	268,749	(11,654)	
Total for Housing and Environment Management and Administration	3,750	107,205	106,579	(626)	
Total for Housing and Homelessness	1,241,800	518,048	496,159	(21,889)	
Total for Environment Health Services	1,185,430	601,045	483,976	(117,069)	This reflects the timing of income / expenditure against various projects that are being delivered with our external partners
Total for Operations and Delivery	12,412,980	6,431,029	6,668,883	237,854	

Corporate Budget Monitoring - General Fund Budget Position at the end of December 2021

Department - Place and Economy

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Type of Spend</u>					
Direct Expenditure					
Employee Expenses	5,342,170	3,887,902	3,916,129	28,226	
Premises Related Expenditure	1,255,560	916,830	1,108,020	191,189	
Transport Related Expenditure	45,210	33,868	17,866	(16,002)	
Supplies & Services	11,243,380	3,392,158	3,095,626	(296,533)	
Third Party Payments	45,870	45,000	53,131	8,131	
Total Direct Expenditure	17,932,190	8,275,759	8,190,771	(84,989)	
Direct Income					
Government Grants	(142,500)	(142,500)	(164,086)	(21,586)	
Other Grants, Reimbursements and Contributions	(1,075,900)	(938,633)	(969,102)	(30,469)	
Sales, Fees and Charges	(4,576,480)	(3,781,599)	(3,324,309)	457,290	
Rents Receivable	(369,960)	(325,660)	(367,423)	(41,763)	
Total Direct Income	(6,164,840)	(5,188,392)	(4,824,920)	363,472	
Net Direct Costs	11,767,350	3,087,367	3,365,850	278,483	
Net Indirect Costs	2,994,650	0	0	0	
Total for Place and Economy	14,762,000	3,087,367	3,365,850	278,483	

Department - Place and Economy

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Place and Economy Management and Administration	628,910	124,005	62,826	(61,179)	
Total for Planning Management and Administration	0	62,010	66,838	4,828	
Total for Development	1,326,490	452,768	579,926	127,158	Similarly to previous quarters, please see Appendix H for proposed adjustments relating to the cost of agency staff that is planned to be met from salary savings and the use of the 20% increase in planning fee budget, which is a interim response whilst an associated restructure is finalised.
Total for Enforcement	459,290	11,438	22,754	11,317	
Total for Building Control	230,770	9,242	40,111	30,868	Please see above Development comment which also applies to this area of the budget.
Total for Economic Growth and Leisure Management and Administration	0	62,010	66,008	3,998	
Total for Economic Growth	4,637,980	1,093,643	1,061,264	(32,379)	
Total for Sport, Leisure, Tourism, Heritage and Culture	4,053,510	1,296,724	1,538,694	241,970	This primarily reflects the position against Leisure Facilities Income - please see main body of the report for further information.

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
Total for Local Plan and Place Shaping Management and Administration	0	60,712	72,100	11,388	
Total for Strategic Planning	1,055,590	29,752	(30,587)	(60,339)	
Total for Place	2,369,460	(114,938)	(114,085)	853	
Total for Place and Economy	14,762,000	3,087,367	3,365,850	278,483	

Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of December 2021

Housing Revenue Account

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Type of Spend</u>					
Direct Expenditure					
Employee Expenses	1,208,340	565,822	519,837	(45,985)	
Premises Related Expenditure	3,626,410	2,464,031	2,512,210	48,179	
Transport Related Expenditure	23,870	17,902	10,232	(7,671)	
Supplies & Services	472,910	294,794	278,411	(16,383)	
Third Party Payments	1,030	773	500	(273)	
Transfer Payments	17,000	12,750	15,703	2,953	
Interest Payments	1,322,220	617,705	612,374	(5,331)	
Total Direct Expenditure	6,671,780	3,973,777	3,949,266	(24,511)	
Direct Income					
Other Grants, Reimbursements and Contributions	(8,440)	(330)	(3,941)	(3,611)	
Sales, Fees and Charges	(566,040)	(380,570)	(374,548)	6,021	
Rents Receivable	(13,101,800)	(9,848,897)	(9,767,577)	81,319	
Interest Receivable	(13,350)	0	0	0	
Total Direct Income	(13,689,630)	(10,229,796)	(10,146,067)	83,729	
Net Direct Costs	(7,017,850)	(6,256,019)	(6,196,800)	59,219	
Net Indirect Costs	7,140,250	0	0	0	
Net Contribution to/(from) Reserves	(122,400)	0	0	0	
Total for HRA	0	(6,256,019)	(6,196,800)	59,219	

Housing Revenue Account

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Finance - Financing Items	2,032,350	0	0	0	
Total for Housing and Homelessness	(1,969,840)	(6,211,759)	(6,152,540)	59,219	This variance broadly reflects the most up to date position against the rental income budget due to voids along with the cost of council tax on empty properties - please see the main body of the report for further information.
Total for Customer and Commercial	(62,510)	(44,260)	(44,260)	(0)	
Total for HRA	0	(6,256,019)	(6,196,800)	59,219	

Corporate Budget Monitoring - General Fund Capital Programme Position at the end of December 2021

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
Expenditure					
Business and Economic Growth Portfolio					
SME Growth Fund Capital Grants	43,250	0	0	0	
Starlings and Milton Road Redevelopment	1,257,510	58,890	68,006	9,116	
Total for Business and Economic Growth Portfolio	1,300,760	58,890	68,006	9,116	
Corporate Finance and Governance Portfolio					
Information and Communications Technology Core Infrastructure	129,140	78,075	78,074	(1)	
Agresso e-procurement	84,000	0	0	0	The Service is reviewing options of how this project can be progressed along with the associated resourcing requirement.
Enhanced Equipment replacement - Printing and Scanning	6,210	0	0	0	

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
Office Rationalisation	119,060	119,060	213,942	94,882	Physical work on office buildings is complete, with redecoration of main corridors to be completed early 2022. Progress of works at the Town hall were affected by the discovery of a number of roofing issues and the need to rewire the building instead of the alteration works budgeted for. Please see Appendix H for associated budget adjustment to meet the costs of these additional works.
Treadwheel Crane	186,790	53,730	53,726	(4)	The project is progressing in accordance with the works schedule, with the first phase of works completed and the second phase due to start in early 2022.
Carnarvon House Demolition	80,000	0	0	0	
Total for Corporate Finance and Governance Portfolio	605,200	250,865	345,743	94,878	
Environment and Public Space Portfolio					
Cranleigh Close, Clacton, landscaping works	640	0	0	0	
Environmental Health Database Migration	5,250	0	0	0	
Laying Out Cemetery	150,250	7,720	7,720	0	Initial site surveys have been completed, with planning permissions now being considered.
Bath House Meadow Security Measures	5,570	0	0	0	

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
Clacton Multi-Storey car park repairs	180,000	180,000	136,839	(43,161)	Works completed. Please see Appendix H for an associated adjustment that supports the Office Transformation budget above.
Public Convenience Works	40,000	0	0	0	Works planned for Mill Lane & Old Naze sites.
Works at Halstead Road Play Area, Kirby	5,150	0	0	0	Final landscaping works to be completed during remainder of 2021/22.
Weeley Crematorium Works	1,539,140	0	0	0	The associated procurement work remains in progress.
Purchase of Hot Wash Street Cleaner	35,000	35,000	35,000	0	
Total for Environment and Public Space Portfolio	1,961,000	222,720	179,559	(43,161)	
Housing Portfolio					
Replacement of High Volume Printers	29,000	0	0	0	
Careline - Replacement Telephone System	14,240	0	(0)	(0)	
Replacement Scan Stations	12,000	0	0	0	
Housing in Jaywick	404,730	0	(13,613)	(13,613)	
Private Sector Renewal Grants/Financial Assistance Loans	287,170	71,792	0	(71,792)	
Disabled Facilities Grants	7,873,420	292,402	292,594	191	
Financial Assistance Grants	125,650	125,650	125,647	(3)	
Private Sector Leasing	75,660	0	0	0	
Empty Homes funding	152,220	0	0	0	

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
Total for Housing Portfolio	8,974,090	489,845	404,627	(85,217)	
Leisure and Tourism Portfolio					
Town Centre Fountain	159,080	0	0	0	
CLC - Spa and Wetside Re-development	592,230	592,230	595,215	2,985	Although the Service is still in discussions with the contractor, final scheme costs are expected to exceed the budget by up to £30k. This will be reviewed during quarter 4 and revisited as part of the overall capital financing position agreed within the overall outturn position for the year.
Walton Leisure Centre - Replacement Boilers	44,180	44,180	44,176	(4)	
CLC - Replacement of All Weather Pitch	668,750	1,020	1,020	0	
New Beach Huts	64,600	0	0	0	
Clacton/Holland Cliff Stabilisation	2,110,960	1,256,410	1,276,410	20,000	The project has encountered a number of challenges with site conditions, resulting in a currently forecast overspend of around £20k however this will be reviewed over the remaining life of the project to explore opportunities to offset this position wherever possible.
Total for Leisure and Tourism Portfolio	3,639,800	1,893,840	1,916,821	22,981	
Total Approved General Fund Capital	16,480,850	2,916,160	2,914,757	(1,403)	

Corporate Budget Monitoring - Housing Revenue Account Capital Programme Budget Position at the end of December 2021

	2021/22 Current Full Year Budget £	2021/22 Profiled Budget to date £	2021/22 Actual to date £	2021/22 Variance to Profile £	Comments
Improvements, enhancement & adaptation of the Council's housing stock	3,477,200	1,802,270	1,703,555	(98,715)	
IT Upgrade & Replacement	20,000	0	375	375	
Disabled Adaptations	400,000	281,115	210,820	(70,295)	
Cash Incentive Scheme	60,000	0	0	0	
Jaywick Sands - Flexible Workspace Project	4,407,000	209,504	209,504	0	
HRA - New Build & Acquisitions - To Be Allocated	958,680	0	0	0	
HRA - Acquisitions - Council Dwellings	1,333,400	185,400	185,402	2	
HRA - Acquisitions - Non-Dwellings	185,000	15,060	15,063	3	
Total Housing Revenue Account Capital Programme	10,841,280	2,493,349	2,324,719	(168,631)	

New-Build and Acquisitions - Subject to 1-4-1 Pooling Retained Receipts Regulations

	Required Expenditure to meet MHCLG Target within:				
	1 Year £	2 Years £	3 Years £	4 Years £	5+ Years £
30% Capital Receipts	0	0	59,234	207,930	92,834
70% TDC Funded	0	0	138,212	485,171	216,614
Cumulative Expenditure	0	0	197,446	693,101	309,448

Collection Performance : Position at the end of December 2021

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

Council Tax			Business Rates		
	2020/21	2021/22		2020/21	2021/22
Quarter 1	27.79%	27.82%	Quarter 1*	24.55%	19.64%
Quarter 2	53.20%	53.45%	Quarter 2*	46.37%	48.69%
Quarter 3	77.96%	78.88%	Quarter 3*	74.79%	72.33%
Quarter 4	92.66%		Quarter 4*	90.66%	
Housing Rents			General Debt		
	2020/21	2021/22		2020/21	2021/22
Quarter 1	96.78%	97.50%	Quarter 1	64.75%	73.40%
Quarter 2	97.17%	97.25%	Quarter 2	82.35%	87.38%
Quarter 3	96.95%	96.58%	Quarter 3	83.30%	87.94%
Quarter 4	97.00%		Quarter 4	90.00%	

* these percentages have been changed from previous quarters to capture just the underlying collection performance. This change seeks to aid the comparison from one period to the next as previous reports included the impact from the various COVID 19 related reliefs which have been subject to changes during the year.

Treasury Activity : Position at the end of December 2021

Key Treasury Management Performance Data and Prudential Indicators are set out below.

TREASURY ACTIVITY

Borrowing	Opening Balance 1 April £'000	Borrowing to date £'000	Borrowing Repaid to date £'000	Balance to Date £'000	Comments
Long Term PWLB Borrowing - GF	151	0	4	147	
Long Term PWLB Borrowing - HRA	38,441	0	1,372	37,069	
TOTAL BORROWING	38,592	0	1,376	37,216	
Investments	Opening Balance 1 April £'000	Investments to date £'000	Investments Repaid to date £'000	Balance to Date £'000	Comments
<i>Investments less than a year</i>					
Investments with UK Government via Treasury Bills/Investments with DMO, and Local Authorities and other public bodies	65,600	696,000	702,800	58,800	Overall investments have increased over the reporting period due to the timing of the Council's cash flow such as expenditure budgets behind profile or income being received ahead of expenditure. However, there has been a switch away from investments with other local authorities to investments with UK Financial Institutions as fewer local authorities have been borrowing.
Investments with UK financial Institutions (including Money Market Funds)	11,359	45,536	36,500	20,395	In respect of investments with UK financial institutions, at the end of the period, investments were held with 9 counterparties, including 2 Money Market Funds.
Investments with non-UK Financial institutions	0	0	0	0	
Total Investments for less than a year	76,959	741,536	739,300	79,195	
<i>Investments for longer than a year</i>	0	0	0	0	
TOTAL INVESTMENTS	76,959	741,536	739,300	79,195	
Interest Paid / Received	Full Year Budget £'000	Profiled Budget to Date £'000	Actual to Date £'000	Variance to date £'000	Comments
Interest Paid on Borrowing - GF	11	5	4	(1)	The weighted average rate of interest on the Council's GF borrowing is currently 7.18%. (on an accrued basis).
Interest Paid on Borrowing - HRA	1,322	618	612	(6)	The weighted average rate of interest on the Council's HRA borrowing is currently 3.51%. (on an accrued basis)
Interest Received on Investments	(67)	(53)	(31)	22	The weighted average rate of interest being received on the Council's investments is currently 0.05%. (on an accrued basis)
PRUDENTIAL INDICATORS					
	Approved Indicator £'000	Highest amount reached in the period £'000	Comments		
Authorised limit for external borrowing	75,355	38,592	Borrowing has remained within approved limits.		
Operational boundary for external borrowing	67,342				

Income from S106 Agreements

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

Where related to capital schemes - see Appendix D for overall scheme progress.

ALLOCATED / BEING SPENT

Scheme Type	Amount Committed / Planned to be Spent in 2020/21 (including accrued interest as appropriate) £'000
GF Revenue Schemes	218
GF Capital Schemes	6
HRA Capital Schemes	591
TOTAL	815

UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date			
	Less than 1 Year £'000	1 to 2 Years £'000	2 to 4 Years £'000	4 years + £'000
Regeneration Programme and Other Initiatives	0	0	0	2
Affordable Housing	0	0	0	1,167
Town Centre Improvements	0	0	22	22
Cycle Facilities	0	0	22	0
Habitat Protection	0	0	0	3
Open Space*	4	12	99	1,600
TOTAL	4	12	143	2,794

* For schemes with a 'spend by' date of less than one year, this money must be spent as follows

£4,000 by August 2022

Proposed Adjustments to the Budget December 2021

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
GENERAL FUND REVENUE			
<i>The following items have no net impact on the overall budget</i>			
Seafront Works Undertaken by in-house Engineering Team	134,000		A number of seafront / beach hut jobs have been undertaken by the In-house Engineering Team during Q3, which are proposed to be funded from associated budgets.
Use of Beach Hut Seafront Investment Budget	(87,000)		
Use of Beach Hut income received in the year over and above the annual budget	(47,000)		
Planning Services/Building Control - Agency Staff	280,380		Use of vacancies and projects budget funded by 20% Planning Fee income to support short term temporary staff costs.
Planning Services/Building Control - Employee Expenses	(119,700)		
Planning Projects Budget	(160,680)		
Homelessness Prevention Grant		(163,750)	Additional Government support has been received during Q3 to support the various homelessness projects and initiatives.
Associated Homelessness Expenditure Budgets	163,750		
Essential Cyber Security Activities (including replacement of HR system and Internet / Intranet redesign, hosting and support)	190,000		A number of important IT improvement projects that have been identified as part of a collaborative / joint review with DLUHC are to be taken forward following the receipt of the associated Government grant. This includes planned upgrades to existing legacy systems that will become unsupported during the next financial year.
Grant income from DLUHC		(150,000)	
Income from IT Partnership Working with Neighbouring Local Authority		(40,000)	Additional income has been receivable during the year that can be used to support the above project.
Total General Fund Revenue with no net impact on the overall budget	353,750	(353,750)	

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
<i>The following items will be adjusted against the Forecast Risk Fund</i>			
Employee Costs	(100,000)		To reflect current vacancy savings accrued to date.
Temporary HR Support	25,000		Additional support has been identified in HR to support the delivery of a number of corporate activities.
Rent Review		(111,550)	Additional income is receivable in year following the annual rent review process.
New Committee Audio Visual Equipment	64,000		This relates to the recent Cabinet decision to purchase additional equipment to improve the audio and visual experience within the new committee room.
Contribution to the Forecast Risk Fund	122,550		
GENERAL FUND CAPITAL			
Schemes Reprofiled			
None			
Other Changes to General Fund Capital Programme			
Additional Office Transformation Costs	94,880		As set out within Appendix D, additional office transformation costs have been incurred. However this are proposed to be offset by utilising the saving against the car park project along with reprogramming a number of seafront works within the Operations and Delivery revenue budget.
Underspend against Clacton Multi-Storey Car Park Scheme	(43,160)		
Reductions to seafront revenue maintenance budgets	(51,720)		
Total General Fund Capital Adjustment - no net impact on the overall budget	0	0	
HRA REVENUE			
<i>The following items will be adjusted against the HRA General Balance</i>			
None			
HRA CAPITAL			
None			

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

14 MARCH 2022

REPORT OF THE PORTFOLIO HOLDER FOR LEISURE AND TOURISM

A.6 JOINT USE SPORTS FACILITIES UPDATE

(Report prepared by Mike Carran)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To update the committee on progress with the Joint Use Sports Centre transition process at Brightlingsea and Harwich, following the end of joint use agreements with the Sigma Trust on 31 December 2021.

EXECUTIVE SUMMARY

- At their meeting on 17 December 2021, Cabinet determined the following in relation to the Joint Use Agreements for and Brightlingsea Sports Centre (BSC) and Harwich Sport Centre (HSC):
 - (a) *notes that the Joint Use Agreements between the Council and the Sigma Trust for the Harwich and Brightlingsea Sports Centres end on 31 December 2021;*
 - (b) *agrees to the provision of transitional support from existing resources, for up to three months, to extend the community use of the facilities where possible;*
 - (c) *invites representatives from the relevant Town Councils and the Sigma Trust to join an engagement group to meet during the transition period to work through the operations of providing community use from the facilities;*
- The Cabinet report highlighted that *‘the Joint Use Facilities also require investment and Cabinet would need to consider the viability of investing in facilities which the Council does not own.’* The Council would have needed to invest significantly in the facilities to ensure they were fit for purpose and financially viable and stem the decline in attendances set out in the report.
- Following on from the Cabinet report, Sigma Trust have agreed to keep their facilities open to the community and are working with Council Officers to accommodate as many of the existing customer base as possible. Updates are being provided to the respective Town Councils via the engagement group which has met regularly since the start of 2022.
- The Council has arranged for a single point of contact at both sites, who are available to support existing users/hirers. These Officers have and will continue to support hirers who may have challenges in making the transition.
- To date over 90% of current hirers (50 out of 55) at Brightlingsea and Harwich Sports Centres have either agreed and signed new booking forms with Sigma Trust, or agreed in principal to the new conditions and Sigma are awaiting forms to be returned.
- There has been a trend at Brightlingsea towards block bookings and at Harwich towards more casual use. As the Sigma Trust cannot accommodate casual use, an action plan was devised of how casual use could be converted to hirers. The plan which is being worked

through by the single point of contact at each site is set out in Section 2 of this report.

- In addition to the work above, local people have been asked if they are interested in establishing a new club or clubs, which would allow racket sports to continue under the management of the Sigma Trust. The deadline for responses has now passed and a meeting with those interested is being arranged. Around 20 people have come forward in Harwich and there has been no response in Brightlingsea to date.
- Given the level of interest shown by users in Harwich to form a club, the Council will work closely to support the formation of a racket sports club to block book from the Sigma Trust, and will look to invest to support its development.
- The Leader agreed at Council in February 2022 to include the proposal for investment in sports facilities in Harwich and Brightlingsea to come forward through the Corporate Investment Plan. He reiterated this point at Cabinet February 2022, and agreed that officers will develop options to be considered by Cabinet in March.
- Once the transition period is over on 31 March 2022 hirers of both facilities will become customers of the Sigma Trust, while arrangements for the Squash Courts at Harwich will be developed and reported to Cabinet in March. The booking process which has been set in place by the Trust, will also allow new customers use of the facilities.

RECOMMENDATION(S)

- a) **That the committee note the contents of this report**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The District's Sports Facilities contribute to the following priorities set out in the Council's Corporate Plan:

Improving the financial efficiency of the Council's Sports Facilities would support the target for '*strong finances and governance*', through strong financial management to achieve a balanced annual budget.

Under the banner of the Council's Community Leadership through Partnership objective, the Corporate Plan sets out a partnership with Sport England and Active Essex to increase and improve local physical activity and wellbeing. In partnership with Essex County Council, Basildon Council and Colchester Borough Council, the Council is part of a ground breaking 'Local Delivery Pilot' Sport England scheme, to pilot new activity schemes.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The combined subsidy for managing community use facilities on the school sites is £146,969.

A proposal will come to Cabinet in March for investment of some of this funding in 2022/23 to support sport, which will include racquet sports in Harwich.

Risk

In order to mitigate against facilities not being open for community use, the transition period was agreed to accommodate as many existing customers as possible with the opening hours provided by Sigma Trust.

LEGAL

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

In the December Cabinet report, the following passage was set out in relation to the consultation process, which commenced on 13 September 2021:

'Whilst the provision of Leisure Services is a discretionary function, the Council is under a legal obligation to undertake public consultation if it is considering altering or ceasing a service delivered to the public and community. Furthermore, any future changes will be subject to an Equality Impact Assessment taking into account the outcome of the public consultation'

OTHER IMPLICATIONS

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

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

Area or Ward Affected

The two joint use Sports Facilities are located in Brightlingsea and Dovercourt All Saints Wards respectively. The Sports Facilities, also attract users from other parts of the District.

Consultation/Public Engagement

As set out in the December Cabinet Report, a consultation exercise was undertaken with residents from 13 September 2021 until 24 October 2021. The scope and questions were agreed with the Cabinet Member for Leisure and Tourism and the key information is set out below:

- 495 people completed the questionnaire
- 94% believed the facilities were a valuable part of the community
- 78% said losing these facilities would impact on their ability to access physical activities
- 68% said they would continue to use the facilities if there were managed by another operator

Free text comments in the consultation highlight a range of issues, including the age of facilities given the price of entry. Due consideration has been given to the consultation responses and comments raised and a full breakdown is provided in Appendix C.

Consultation has also taken place with both Brightlingsea and Harwich Town Councils, to establish their opinions and whether they would consider future involvement in the operation of BSC and HSC respectively. Both organisations stated that they were open to discuss future involvement. There is potential for the Council to support both organisations in exploring the feasibility of operating BSC and HSC respectively.

Joint Use Facilities Transition Period and Engagement Group

Transition Plan

The following plan was devised in partnership with Sigma Trust to accommodate as many existing users from the management of the Council to that of the Trust.

TRANSITION STRAND 1	TRANSITION STRAND 2	TRANSITION STRAND 3
<p>Name: Block Bookings A:</p> <p>Description: Where existing bookings could be accommodated by Sigma Trust without any changes to their current times.</p>	<p>Name: Casual Use A</p> <p>Description: Explore whether any existing casual use can be changed to Block Bookings</p>	<p>Name: Fitness Suite (Brightlingsea)</p> <p>Description: Explore whether an organisation was able to take over the running of the Fitness Suite in a hire agreement with the Trust</p>
<p>Name: Block Bookings B:</p> <p>Description: Where bookings cannot be accommodated at their current day/time, but can be altered to suit the user and the school</p>	<p>Name: Fitness Classes</p> <p>Description: Explore whether existing Fitness Classes can be changed from in-house to hirer</p>	<p>Name: Address outstanding challenges or barriers to bookings</p> <p>Description: Explore options for those bookings which cannot be accommodated through any of the alternative means in strand 1 or 2</p>
<p>Name: New Sigma Hire Agreement forms</p> <p>Description: Confirm future hire process with Sigma</p>	<p>Name: Club Conversion</p> <p>Description: Explore whether any existing casual use can be changed to club use (e.g. racket sports) *</p>	

Updates following action plan

- Following the Cabinet Meeting in December, an engagement group was set up with Council and Sigma Trust Officers, together with representatives from the respective Town Councils. This allowed Officers to share a plan of action for transition and update Town Councils on progress;
- Following an initial meeting set up with both Town Councils and Council Officers in December, by Friday 25 February there will have been four meetings of the engagement group. The last three of those meetings were specific to each of the Sports Centres/Town Councils, in order to concentrate on the topics that impact on Brightlingsea and Harwich respectively;
- At this stage, under the Sigma Trust, opening hours will change to reflect the demand for bookings. The Trust have indicated that opening hours will increase if there is a demand and financial case to do so;
- Over 90% of current hirers (50 out of 55) at Brightlingsea and Harwich Sports Centres have either agreed and signed new booking forms with Sigma Trust, or agreed in principal to the new conditions and Sigma are awaiting forms to be returned;
- Council Officers and Sigma Trust are actively working with the remaining hirers to allocate

them a slot. There is a strong confidence that the majority of those can be accommodated with support from Officers;

- To date there is currently no proposal from organisations to manage the gym at Brightlingsea Sports Centre. As it stands therefore, the gym would no longer be available for public use following the end of the transition period;
- All Sports Centre Members have received a letter explaining their options and the other facilities available to them;
- Council Officers are working with any individuals/organisations who are not as yet accommodated within the new timetable.
- Council officers are working with Harwich users to develop community use for racquet sports.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The following timelines sets out the key dates in **2021** for the decision making process in relation to the Joint Use Sports Facilities at Brightlingsea and Harwich:

27 July: The intention to submit a Cabinet report on the Joint Use Sports Facilities, was entered on the Forward Plan;

20 August: Communication was sent to all appropriate Ward Members to update that a decision would be published imminently in relation to the Joint Use Sports Facilities (the decision eventually published on 24 August);

24 August: An executive decision was published to extend the Joint Use Agreements, undertake a consultation exercise and agree that an options report would be brought forward for consideration by Cabinet in December 2021;

13 September: Joint Use Sports Centre consultation commences for 6 weeks

9 December 2021: Publication of the Cabinet Report on the Joint Use Sports Facilities

13 December 2021: Resources and Services Overview and Scrutiny Meeting to discuss the Joint Use Sports Facilities

17 December: Cabinet considered a report on the Joint Use Sports Facilities at Brightlingsea and Harwich. A decision was taken to note the end of the Joint Use Facility Agreements.

As set out in the December Cabinet report, the scope of the community use agreements at BSC and HSC, includes the following:

Brightlingsea Sports Centre

Facilities: Two Sports Halls, two Fitness Suites, two Squash Courts and a Dance Studio.

Subsidy: £62,390

Attendances: Approximately 33,108 visits per year (at pre Covid levels). It should be noted that this includes the artificial grass pitch, despite this facility falling outside of the agreement).

Harwich Sports Centre

Facilities: Sports Hall, two Squash Courts, four Tennis Courts and a Hard Court Area (free to use multi use games area)

Subsidy: £70,456

Attendances: Approximately 32,792 visits per year (at pre Covid levels).

Note: Due to the impact of Covid-19 on the Council's Sports Facilities, the subsidy provided is the last full financial year which was not impacted by national restrictions (2018/19).

In addition to the three Joint Use Facilities, the Council has the following three further Sports Facilities, under direct ownership and management:

Clacton Leisure Centre
Dovercourt Bay Lifestyles
Walton on the Naze Lifestyles

Over recent years, there has been significant investment at the Dovercourt and Walton facilities as part of a refurbishment programme to improve the Council's leisure stock. In addition to this, work is near completion on a £575,000 refurbishment of Clacton Leisure Centre. As a District with historically low levels of participation in sport, the Council has invested significant sums in encouraging increased activity and offering high-quality facilities.

Prior to the pandemic, there was an aspiration to bring forward a Sports Facilities Strategy and set out a plan to develop the leisure stock over the lifetime of the Council's financial plan. The recommendations in the strategy were underpinned by the financial position at that time, together with the number of pre-paid members. Due to the restrictions placed on the Sports Facilities opening over the last 18 months, the position has changed significantly since that time, and the strategy will be considered by Cabinet at its March 2022 meeting.

The Covid-19 pandemic required the Council's Sports Facilities to shut for periods during 2020/21 and operating restrictions have been in place even when allowed to open. As such, usage across the service was 7.5% down in June 2021 compared to June 2019 and live pre-paid memberships (direct debits and annual memberships) have also decreased by 10% within this period. The number of memberships has been rising month on month and in September, the number of pre-paid members, passed that of pre Covid levels.

The Council also managed Community Use facilities at Manningree Sports Centre until 31 July 2021. The governing Alpha Trust, took a decision not to renew that agreement and as such, the school took responsibility for community use from 1 August 2021. Manningtree High School committed to making all its facilities available for community hire for sports and leisure activities following the end of their agreement with the Council

Physical Activity Levels in Tendring

- 'Inactivity' in Tendring remained the same year on year between 2017/18 and 2018/19 and increased 3.4% in 2019/20, sitting alongside Basildon and Braintree;
- 'Active' activity levels in Tendring were at 56.8% in the year 2017/18, which was one of the lowest, and this decreased further by 2.4% in 2018/19; however, it saw a rise of 3.4% in 2019/20 and was slightly ahead of Harlow and Basildon Districts;
- 'Fairly active' levels in Tendring were reasonably high in 2017/18 compared to other Districts and increased in 18/19 by 2.7%, the highest across all Districts. Unfortunately, it became the lowest level at 10.2% in 19/20, sitting alongside Basildon and Braintree;

Note: Tendring has a larger older population than other Essex Districts, and the survey did not include some gentle activity such as gardening.

BACKGROUND PAPERS FOR THE DECISION

JOINT USE SPORTS FACILITIES REPORT, 3 August 2021

FUTURE OF JOINT USE SPORTS FACILITIES, 17 DECEMBER 2021

APPENDICES

None

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