



## CABINET

<b>DATE:</b>	<b>Friday, 25 March 2022</b>
<b>TIME:</b>	<b>10.30 am</b>
<b>VENUE:</b>	<b>Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE</b>

### MEMBERSHIP:

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

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DATE OF PUBLICATION: THURSDAY, 17 MARCH 2022

## AGENDA

### 1 **Apologies for Absence**

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

### 2 **Minutes of the Last Meeting (Pages 1 - 18)**

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 25 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 **Announcements by the Leader of the Council**

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

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

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

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

There are none on this occasion.

### 7 **Matters Referred to the Cabinet by a Committee - Reference from the Resources and Services Overview & Scrutiny Committee - A.7 - Joint Use Sports Facilities Update (Pages 19 - 20)**

To enable the Cabinet to consider its response to recommendations made by the Resources and Services Overview & Scrutiny Committee following that Committee's consideration of an update on the Joint Use Sports Facilities.

### 8 **Leader of the Council's Items - A.8 - Freeport East Full Business Case (Pages 21 - 42)**

To ask Cabinet to support the submission of the Freeport East Full Business Case, to approve the Council's participation in the governance of Freeport, the approach to business rate retention set out in the report, and to recommend to Full Council seeking approval that Freeport East is consistent with the Council's priorities and policy framework as set out in the Corporate Plan 2020-2024, in particular a growing and inclusive economy.

### 9 **Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.1 - Programme of Meetings: 2022/2023 Municipal Year (Pages 43 - 52)**

To enable Cabinet to give consideration to the programme of meetings for the 2022/2023 Municipal Year.

**10 Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.2 - Digital Transformation Phase Two Completion Performance Analysis and Exploration of Further Digital Investment Opportunities (Pages 53 - 76)**

This report covers the following two key strands:

1. A review of the digital transformation phase two programme and report the deliverables, outturn and analysis; and
2. To set out potential further investment opportunities for consideration via the Corporate Investment Plan.

**11 Cabinet Members' Items - Report of the Corporate Finance and Governance Portfolio Holder - A.3 - Corporate Investment Plan (Pages 77 - 94)**

To update Cabinet on the progress with the Corporate Investment Plan and to recommend investment in four projects along with the acceptance of grant funding to support the development of further projects.

**12 Cabinet Members' Items - Report of the Partnerships Portfolio Holder - A.4 - Essex Family Friendly Employers Charter (Pages 95 - 100)**

To raise awareness of, and provide an update on, Essex County Council's new Essex Family Friendly Employers Charter.

**13 Cabinet Members' Items - Report of the Partnerships Portfolio Holder - A.5 - Tendring Community Fund Working Party (Pages 101 - 106)**

To provide Cabinet with an update on the work of the Tendring Community Fund Working Party and to seek its approval for the ongoing work to enable the distribution of grants from the fund.

**14 Cabinet Members' Items - Joint Report of the Corporate Finance and Governance Portfolio Holder and the Housing Portfolio Holder - A.6 - Freehold Purchase of a Residential Property in Clacton-on-Sea (Pages 107 - 112)**

To seek approval, in principle, from Cabinet for the freehold purchase of a two bedroom residential property in Clacton-on-Sea to meet local housing needs.

**15 Management Team Items**

There are none on this occasion.

**16 Exclusion of Press and Public**

The Cabinet is asked to consider passing the following resolution:

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

**17 Exempt Minutes of the Meeting held on Friday 25 February 2022 (Pages 113 - 116)**

To confirm and sign as a correct record the exempt minutes of the meeting of the Cabinet held on Friday 25 February 2022.

**18** **Cabinet Members' Items - Joint Report of the Corporate Finance and Governance Portfolio Holder and the Housing Portfolio Holder - B.1 - Terms for the Freehold Purchase of a Residential Property in Clacton-on-Sea (Pages 117 - 140)**

To approve the terms for the freehold purchase of a residential property in Clacton-on-Sea.

### **Date of the Next Scheduled Meeting**

*The next scheduled meeting of the Cabinet is to be held in the Committee Room in the Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 29 April 2022.*

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

### **Notice of Intention to Conduct Business in Private**

Notice is hereby given that, in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Agenda Item Nos. 17 and 18 are likely to be considered in private for the following reason:

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

Item 17 - Exempt Minutes of the Meeting held on Friday 25 February 2022

Item 18 - Cabinet Members' Items - Joint Report of the Corporate Finance and Governance Portfolio Holder and the Housing Portfolio Holder - B.1 - Terms for the Freehold Purchase of a Residential Property in Clacton-on-Sea

## **Information for Visitors**

#### **COMMITTEE ROOM** **FIRE EVACUATION PROCEDURE**

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**MINUTES OF THE MEETING OF THE CABINET,  
HELD ON FRIDAY, 25TH FEBRUARY, 2022 AT 11.06 AM  
IN THE COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA,  
CO15 1SE**

<b>Present:</b>	<b>PRESENT:</b>	<b>PORTFOLIO:</b>
	Councillor Neil Stock OBE	Leader of the Council (Chairman)
	Councillor Paul Honeywood	Portfolio Holder for Housing
	Councillor Lynda McWilliams	Portfolio Holder for Partnerships
	Councillor Mary Newton	Portfolio Holder for Business & Economic Growth
	Councillor Alex Porter	Portfolio Holder for Leisure and Tourism
	Councillor Michael Talbot	Portfolio Holder for Environment & Public Space

**Group Leaders Present by Standing Invitation:** Councillors Terry Allen (Leader of the Tendring First Group), Jayne Chapman BEM (Leader of the Independents Group), Ivan Henderson (Leader of the Labour Group), Mark Stephenson (Leader of the Tendring Independents Group) and Colin Winfield (Leader of the Holland-on-Sea Group)

**Also Present:** Councillors Andy Baker and Gina Placey (Deputy Leader of the Tendring First Group)

**In Attendance:** Ian Davidson (Chief Executive), Lisa Hastings (Deputy Chief Executive & Monitoring Officer), Lee Heley (Interim Corporate Director (Projects Delivery)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Anastasia Simpson (Assistant Director (Partnerships)), Keith Simmons (Head of Democratic Services and Elections), Ian Ford (Committee Services Manager), William Lodge (Communications Manager), Michael Cook (Licensing Manager) and Matt Cattermole (Communications Assistant)

**125. APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors Carlo Guglielmi (the Deputy Leader of the Council & Portfolio Holder for Corporate Finance and Governance) and Gary Scott (the Leader of the Liberal Democrats Group).

**126. MINUTES OF THE LAST MEETING**

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 28 January 2022, be approved as a correct record and be signed by the Chairman.

**127. DECLARATIONS OF INTEREST**

There were no Declarations of Interest made on this occasion.

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**128. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL****Russia's Invasion of the Ukraine**

The Leader of the Council (Councillor Neil Stock OBE) referred to the “chilling events” of the last couple of days which had seen the Ukraine invaded by Russia and which was “very worrying and concerning for us all.” He suggested that Members’ message to their residents should be to ‘keep calm and carry on’ and for everyone to be as productive as they possibly could in order to help minimise the impact on the UK of the sanctions imposed on Russia which would seriously affect the world’s economy, fuel supplies and food supplies, especially of grain.

The Leader also suggested that residents could help by donating monies to the relief charities working in the Ukraine and by writing to their local Member of Parliament to make them aware of their feelings on this. He had also requested the Chief Executive to consider lighting up the Town Hall in the colours of the national flag of the Ukraine as a small token of this District’s support for the Ukraine.

The Leader of the Labour Group (Councillor Ivan Henderson) proposed that a letter be sent in either the Leader’s name or in the name of the Chairman of the Council to the Prime Minister to support the UK Government’s sanctions against Russia and to condemn Russia’s actions.

Councillor Neil Stock OBE agreed that this was an excellent idea and further proposed that the letter should be signed by the Leaders of all the political groups on the Council in a show of collective solidarity.

**Covid-19 Memorial**

Further to the decision taken by Full Council at its meeting held on 30 November 2021 (Minute 94 referred), the Leader of the Council informed Cabinet that he had requested the Portfolio Holder for Partnerships (Councillor Lynda McWilliams) to work with Councillor Mark Stephenson on the installation of a Covid-19 Memorial and to report back to Cabinet in due course. He urged them to ‘think positive and think big’ and gave by way of an example of a public art project the “Angel of the North”.

**Kinder Transport Statue in Harwich**

The Leader of the Council referred to the successful appeal by the Harwich Kindertransport Memorial and Learning Trust Limited to fund a statue to commemorate the role of the Port and People of Harwich in welcoming the 10,000 unaccompanied Jewish children who came, in the period December 1938 to September 1939, as refugees to Britain from Berlin, Vienna, Prague, Gdańsk, Hamburg arriving in Harwich via the Hook of Holland before eventually travelling onto Liverpool Street Station in London. The project had been supported by the Association for Jewish Refugees (AJR), The Federal Republic of Germany, Tendring District Council, Harwich Town Council, Harwich Haven Authority, Essex Community Fund, The Grassroots Foundation, The Bridges Impact Foundation and the University of Essex.

Essex artist Ian Wolter had created a bronze life-size statue which would evoke the arrival of the children by ship and for which planning permission had been granted to erect the statue on Harwich Quay near the RNLI Station later on in 2022.



**129. ANNOUNCEMENTS BY CABINET MEMBERS**

There were no announcements made by the members of the Cabinet on this occasion.

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

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

**131. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE COMMUNITY LEADERSHIP OVERVIEW & SCRUTINY COMMITTEE - A.1 - SCRUTINY OF THE HOUSING ISSUES IN THE DISTRICT - EXTERNAL PARTNERS**

Cabinet was aware that, at its meeting held on 10 January 2022 (Minute 33 referred), the Community Leadership Overview & Scrutiny Committee ("the Committee") had undertaken an enquiry (within the Corporate Plan Theme of Community Leadership) into how joined up public services were to address the housing needs in the District.

As part of the Committee's enquiry, the Committee was provided with a written report from the Council's Portfolio Holder for Housing. The report referenced the Council's Housing Strategy (approved in October 2020) and how the Council was working with statutory and non-statutory partners to deliver homes to local people, tackle homelessness, to make best use of the Council's housing stock and to support residents in their homes and communities. The Committee was given information on the how the strategy focussed on external partnership working to achieve its priorities. The Committee heard oral submissions from three external partners, namely Anglia Care Trust, Priest Property Consultants and Peabody Floating Support.

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

- a. *encourage real estate investment trust investment in purchasing low quality HMO's and investing in them to produce good quality self-contained affordable units.*
- b. *sign posting those who apply to join the housing register to organisations to support debt management, maximising benefits, over-coming isolation and other issues they may struggle with.*
- c. *securing additional accommodation for those with vulnerabilities who are rough sleeping, to continue and develop early intervention with Landlords to resolve issue rather than moving to evictions.*

The Cabinet had before it the responses of the Housing Portfolio Holder thereto as follows:-

*"The meeting served as a useful reminder of all the work that goes on in our housing service and the wide range of partner organisations who we work with to support residents of our District. The recommendations to Cabinet all tie back to commitments already made in our Housing Strategy and in the Homelessness and Rough Sleeping Strategies and as such I have no further comments to make."*

Having considered the recommendations of the Community Leadership Overview & Scrutiny Committee, together with the responses of the Housing Portfolio Holder thereto:-

It was moved by Councillor Paul Honeywood, seconded by Councillor Neil Stock OBE and:-

**RESOLVED** that the recommendations made by the Community Leadership Overview & Scrutiny Committee be noted and that the responses of the Housing Portfolio Holder thereto be endorsed.

**132. LEADER OF THE COUNCIL'S ITEMS - A.2 - HIGHLIGHT PRIORITY ACTIONS FOR 2022/23 AND MONITORING DELIVERY OF THOSE ACTIONS**

Cabinet gave consideration to a report of the Leader of the Council (A.2) which informed it of the outcome of the consultation with the public, partners and the two Overview and Scrutiny Committees on its provisional highlight priority actions for 2022/23. Cabinet was also requested to determine its highlight priority actions for 2022/23 against which performance would be monitored and reported on in that year.

Cabinet recalled that, at its meeting held on 17 December 2021, it had considered a provisional list of highlight priority actions, which had been prepared following consultation with individual Portfolio Holders and the Leader of the Council. These had then been submitted to the two Overview and Scrutiny Committees in order to engage with those Committees on the priority actions to be adopted and the performance monitoring of the delivery of those actions. In addition, between the dates 5 - 19 January 2022, local partner organisations and the public had been invited to submit views on the initial priorities.

It was reported that the Community Leadership Overview and Scrutiny Committee, at its meeting held on 10 January 2022, had considered Cabinet's request for feedback. The Cabinet's request for feedback had also been submitted to the Resources and Services Overview and Scrutiny Committee at its meeting held on 12 January 2022. Set out at Appendix B to item A.2 of the Report of the Leader of the Council were the views of the two Overview and Scrutiny Committees and a summary of the views from the public and partner organisations.

Having duly considered the feedback from the consultation process together with all of the information contained in the Leader of the Council's report:-

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

**RESOLVED** that -

- (a) the outcome of the consultation with the public, partner organisations and the two Overview and Scrutiny Committees on the provisional list of highlight priority actions agreed by Cabinet on 17 December 2021, as set out at Appendix B to item A.2 of the Report of the Leader of the Council, be received and welcomed; and
- (b) the highlight priority actions for 2022/23, as set out at Appendix A to the aforesaid report, be formally adopted by Cabinet.

**133. LEADER OF THE COUNCIL'S ITEMS - A.3 - PRINCIPLE OF DISPOSAL OF LAND FOR ACCESS TO ADJOINING REDEVELOPMENT VIA HOUSING ESTATE LAND IN STOURVIEW AVENUE, MISTLEY**

Cabinet gave consideration to a report of the Leader of the Council (A.3) which sought its approval, in principle, to dispose of land in Stourview Avenue, Mistley in order to provide access to an adjoining potential development.

It was reported that the Council had freehold ownership of land in Stourview Avenue and adjoining roads. The land included dwellings and areas for a range of related amenity uses ("an estate"). The estate was of mixed tenure but the majority of the dwellings remained in the Council's ownership and were tenanted. The estate area was shown edged red on the plan attached at Appendix A to item A.3 of the Report of the Leader of the Council.

Cabinet was informed that a developer sought access to adjoining potential development land (as shown edged pale blue on the aforementioned plan attached at Appendix A) via a verge and a section of scrub land to the east of Stourview Avenue. That land was within the estate and the sale of it offered the opportunity for the Council to gain a capital receipt and to facilitate new homes with very little effect on the existing housing areas. The plan attached as Appendix A showed the potential access, which had planning permission, coloured magenta.

Members were made aware that Officers and a commercial agent acting for the Council had negotiated terms for the freehold disposal of the verge land and an isolated area north of the Council's housing. Full details of the terms of the option were contained in the related private and confidential report of the Leader of the Council which would be considered later on in the meeting following the exclusion of the press and public.

Cabinet was advised that, ordinarily this report would be presented by the Corporate Finance & Governance Portfolio Holder. However, in this case the Portfolio Holder had declared an interest and had asked for the report to be presented by the Leader of the Council instead.

Having duly considered the information and advice contained in the Leader of the Council's report:-

It was moved by Councillor Neil Stock OBE, seconded by Councillor Paul Honeywood and:-

**RESOLVED** that Cabinet agrees, in principle, to dispose of the land in question in Stourview Avenue, Mistley in order to facilitate access to a proposed adjoining development.

**134. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.4 - ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION**

Cabinet gave consideration to a report of the Corporate Finance & Governance Portfolio Holder (A.4) which sought its approval of the recommended changes to the Constitution for referral onto Full Council following a review undertaken by the Portfolio Holder for Corporate Finance and Governance through a Working Party constituted for this purpose.

Members were informed that the Review of the Constitution Portfolio Holder Working Party (CRWP)'s membership included the Portfolio Holder and Councillors Allen, Barry,

Coley, I J Henderson, M E Stephenson, Talbot, Wiggins and Winfield (with Councillors Fowler and Placey as designated substitutes). The CRWP had met on 19 November 2021, 17 December 2021, 14 January 2022 and 31 January 2022.

It was reported that the main proposals covered a number of miscellaneous amendments to the Council Procedure Rules, Articles of the Constitution, Overview and Scrutiny Procedure Rules, the Property Dealing Procedure and the Procurement Procedure Rules in order to ensure that the Council's Constitution remained effective, efficient and consistent at an operational level. The key changes to each of those documents were highlighted within the body of the Portfolio Holder's report.

In addition, there were proposals relating to matters including the size of Committees (following a review previously requested by Full Council), start times for meetings of the Council and various Committees, consideration of motions at Full Council meetings, training for members of an overview and scrutiny committee, moving to a "paperless" working environment, and a protocol for the live webcasting of meetings.

Having duly considered all of the information, proposals and advice contained in the Corporate Finance & Governance Portfolio Holder's report and in order to enable the this matter to be submitted to Full Council in accordance with the requirements of the Council's Constitution:-

It was moved by Councillor Neil Stock OBE, seconded by Councillor Mary Newton and:-

**RESOLVED -**

1. That Cabinet **RECOMMENDS TO COUNCIL** that:
  - (a) the Council's Constitution be amended to reflect the proposed changes, as set out in Appendices A – K, & M attached hereto this report, and that those changes come into effect on 27<sup>th</sup> April 2022 i.e. the day after the Annual Meeting of the Council;
  - (b) with effect from the Annual Meeting of the Council on 26 April 2022, the Committees listed below be reduced in size as follows:-

Audit = 5 Members (from 7 Members);  
Human Resources & Council Tax = 7 Members (from 9 Members);  
Licensing & Registration = 7 Members (from 9 Members); and  
Planning Policy & Local Plan = 9 Members (from 11 Members).
  - (c) the Review of the Constitution Portfolio Holder Working Party be requested to carry out a fundamental review during 2022 of the way in which Motions to Council, submitted in accordance with Council Procedure Rule 12, are dealt with procedurally and that the results of that review be submitted to Full Council, via the Cabinet, in due course.
  - (d) commencing with the newly elected Council in May 2023, Members of the Tendring District Council will operate in a "paperless" environment e.g. by providing agendas/reports etc. to Members by electronic means only and to cease entirely the provision of printed (and posted) copies of such documents.

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- (e) in the meantime Members of the Tendring District Council continue to be encouraged to give their consent for the Council and Committee Agendas to be transmitted (i.e. sent) in electronic form to a particular electronic address rather than by a paper copy through the post.
- (f) in relation to Council Procedure Rule 33.3 (Training Members of the Audit, Licensing and Registration, Planning and Standards Committees), the Monitoring Officer be authorised to define what is meant by the word “mandatory” and to also decide whether the training offered/provided is/was sufficient and “fit for the purpose” to be contained within guidance and issued to members of those Committees accordingly.
- (g) the reduction in the number of formal scheduled meetings for the Council’s overview and scrutiny committees should be maximised to focus on the principles established in the Executive – Overview & Scrutiny Protocol and work of the Centre for Governance and Scrutiny over the next year, particularly with regard to the use of task and finish groups and researched and evidenced reviews on specific topics linked to the Council’s Corporate Plan.
- (h) the Protocol for the webcasting and public filming and recording of meetings of the Full Council, Cabinet and Committees, as set out in Appendix L, be approved and incorporated into Part 6 of the Constitution and that it comes into effect on 27th April 2022 i.e. the day after the Annual Meeting of the Council.
- (i) Council notes that the Monitoring Officer intends to exercise her delegated powers (as a result of management restructures and legislative requirements) and make appropriate amendments to the Constitution in relation to the following matters:-
- Article 12 (Officers);
  - Removal of those provisions within the Council’s Constitution that had been inserted in accordance with the (now defunct) “Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 [SI 2020/392]”;
  - The terms of reference and delegated powers of the Human Resources & Council Tax Committee and its Sub-Committee; and
  - The list of Proper Officers within the Scheme of Delegation.
2. That Cabinet **agrees** that:
- (a) the definition of a Key Decision, as contained in Article 13.03 of the Council’s Constitution, be reviewed as part of the annual review of the Council’s Treasury Strategy;
- (b) the Councillor Development Portfolio Holder Working Party be requested to consider and report back to Cabinet whether, in the light of the Centre for Governance & Scrutiny’s recommendation, members of this Council’s overview and scrutiny committee(s) should receive mandatory training; and
- (c) the Deputy Chief Executive & Monitoring Officer be requested to produce and submit to the Leader of the Council, for his consideration, terms of reference and a scheme of delegation for a Road Naming Portfolio Holder Working Party.

**135. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.5 - ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2022/23 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)**

Cabinet gave consideration to a report of the Corporate Finance & Governance Portfolio Holder (A.5) which sought its approval of 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 Services Overview Scrutiny Committee.

Members were reminded that the Local Government Act 2003 and supporting regulations required the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice.

Cabinet recalled that the current editions of the above codes that the Council's capital and treasury activities reflected had been issued in December 2017. These included the requirement to publish a Capital Strategy, which from 2019/20 had been combined with the Treasury Strategy into one document, and which was required to be updated / approved annually.

Cabinet was informed that CIPFA had published revisions to both of the above codes in December 2021, but as part of the associated announcements, they had confirmed that they would not be fully implemented until the 2023/24 financial year. Local Authorities therefore did not have to amend or revise the Capital and Treasury Strategy for 2022/23. However, CIPFA had 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 those changes.

It was reported that, although the revised codes would be reflected in future years, there were no changes included within the proposed Capital and Treasury Strategy for 2022/23 that conflicted with the aforementioned request to ensure new investments followed the new provisions.

The proposed Annual Capital and Treasury Strategy for 2022/23 was before the Cabinet, as set out in Appendix A to item A.5 of the Report of the Corporate Finance & Governance Portfolio Holder.

Members were made aware that the Capital Strategy element of the combined document covered the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.

Members were further informed that the Treasury Strategy element of the combined document covered the various elements that satisfied the requirements of the various codes that governed the borrowing and investment activities of the Council and had been prepared in the light of advice received from the Council's Treasury advisors and reflected the relevant codes and guidance.

The Prudential and Treasury indicators were included as an Annexe to the combined strategy and were therefore included within the aforementioned Appendix A.

Cabinet was advised that, under the Prudential Code, the Council had freedom over capital expenditure as long as it was prudent, affordable and sustainable. The Prudential Indicators either measured the expected activity or introduced limits upon the activity, and reflected the underlying capital appraisal systems and enabled the Council to demonstrate that it was complying with the requirements of the Prudential Code.

Members were reassured that the Council's investments would be undertaken in accordance with its Treasury Management Practices. These had been expanded to include the use of non-specified investment in property to yield both rental income and capital gains from 2016/17. If credit ratings remained at their current extremely low levels it was likely that a significant proportion of the Council's investments would continue to be in Government securities such as with other Local Authorities. Issues such as the business rates grant process associated with COVID 19, continued to demonstrate the need to maximise flexibility in the range of counterparties the Council used plus rates paid by the Debt Management Office had again been negative during Autumn 2021.

It was reported that, as was always the case, other 'quality' investment opportunities would always be explored during the year, in consultation with the Council's external advisors, in order to maximise returns on investments within a continuing and overall risk-averse / aware approach.

Cabinet was informed that it had been initially proposed by Officers to seek the Portfolio Holder for Corporate Finance and Governance's 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 was proposed. It was therefore now proposed to seek the Cabinet's initial agreement to the Strategy via this report and then to ask the Resources and Overview and Scrutiny Committee to consider it at their meeting due to be held on 21 March 2022. Any comments that the Resources and Overview and Scrutiny Committee had would be submitted directly to the Full Council meeting on 29 March 2022 where Council would be asked to consider and approve the Strategy.

The Portfolio Holder felt that the above reflected a pragmatic approach to ensure that the Strategy could be approved ahead of the financial year it related to. However, it was also recognised that if the comments of the Resources and Overview and Scrutiny Committee required further exploration / investigation, then they could be considered and reported back to Full Council at a later date, where potential in-year revisions to the Strategy could be considered.

Having duly considered all of the information, proposals and advice contained in the Corporate Finance & Governance Portfolio Holder's report and in order to enable this matter to be submitted to Full Council in accordance with the requirements of the Council's Constitution:-

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

**RESOLVED** that Cabinet agrees 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.

**136. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.6 - ADOPTION OF THE COUNCIL'S STATEMENT OF GAMBLING POLICY**

Cabinet gave consideration to a report of the Partnerships Portfolio Holder (A.6) which sought its approval of the amended and updated draft Gambling Policy (as previously agreed by the Licensing and Registration Committee on 17 January 2022) and to recommend the Policy to the Full Council for formal adoption at its meeting due to be held on 29 March 2022.

Cabinet was reminded that the Council was required to review its Statement of Gambling Policy every three years in accordance with Section 349 of the Gambling Act 2005 and to widely consult on that review with responsible authorities and other interested parties. The Council had to have a Gambling Policy agreed, published and in place at all times.

Members were made aware that Schedule 3 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) described the functions of formulating or preparing a plan or strategy, as referred to within Regulation 4(1), that were not to be the sole responsibility of an Authority's Executive. This included a Licensing Authority Policy Statement under Section 349 of the Gambling Act 2005. Consequently, any recommendation onto Full Council should be endorsed and approved by the Cabinet. This meant that for this Council the Policy must be adopted by Full Council on recommendation from the Licensing and Registration Committee and Cabinet. Following its adoption by Full Council the Policy had to be then published on the Council's web site and by way of a public notice in a local newspaper.

It was reported that the review and renewal of this Policy had been subject to a public consultation and a final draft of the Policy had been considered and agreed by the Licensing and Registration Committee at its meeting held on 17 January 2022.

Having duly considered the amended Policy and in order to enable this matter to be submitted to Full Council in accordance with the requirements of the legislation:-

It was moved by Councillor Lynda McWilliams, seconded by Councillor Paul Honeywood and:-

**RESOLVED** that Cabinet –



- a) approves the final draft Statement of Gambling Policy, as set out in Appendix A to item A.6 of the Report of the Partnerships Portfolio Holder, for recommendation onto Full Council for its formal adoption and publication; and
- b) agrees that any further amendments to the Gambling Policy that are minor, or administrative only, in nature are delegated to the relevant Assistant Director, in consultation with the Chairman of the Licensing and Registration Committee and the Portfolio Holder for Partnerships, without the need for further public consultation or adoption.

**137. CABINET MEMBERS' ITEMS - JOINT REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER AND THE BUSINESS & ECONOMIC GROWTH PORTFOLIO HOLDER - A.7 - BACK TO BUSINESS AND CORPORATE INVESTMENT PLAN**

Cabinet had before it a joint report of the Corporate Finance & Governance Portfolio Holder and the Business & Economic Growth Portfolio Holder (A.6) which updated it on the success of the Back to Business Programme and sought its agreement to move to a Corporate Investment Plan to support accelerated delivery.

Members were aware that the Council had co-ordinated some of its investment over the last two years through the Back to Business Plan in response to the Covid 19 Pandemic. In line with the Capital Strategy, other investments and cost pressures had been managed via the financial strategy and in-year financial performance reports. This approach had been supported by earmarking reserves and budgets with the aim of managing such costs separately to the annual budget cycle. As a result the Council had protected the underlying base revenue budget as far as possible.

It was reported that, in response to previous peer reviews and the annual governance statement action plan (including points raised by the Council's External Auditor), the opportunity had been taken to review the corporate framework against which projects and investments were prioritised. This was felt timely given the limited funding available to the Council outside of the money required to operate its key front line services and other day to day operations.

It was considered that Back to Business had galvanised the Council to counter the impacts of the pandemic, successfully delivering projects against the themes of 'Strive', 'Thrive' and 'Live'. It had enabled the Council to respond to the economic challenges Tendring had faced, for example, providing businesses with advice and supporting the development of Freeport East. The Council had also attracted tourists to the Coast and had engaged local residents during the Pandemic, including the Octopus Ahoy! sculpture trail, Clacton 150 Anniversary flights and the Clacton 150 Heritage Trail from Jaywick Sands to Holland Haven. Back to Business had also supported well-being, with over twenty well-being hubs set up in Tendring and Colchester schools.

Cabinet was informed that this new approach had therefore allowed the Council to merge the Back to Business Plan into a new Corporate Investment Plan along with the other proposals for schemes and projects that flowed from initiatives and strategies, in order to compete for the Council's scarce resources. It also enabled a reinvigorated approach to reviewing existing 'cash backed' schemes and projects where they could be considered against other emerging issues in order to ensure the Council's money was being put to effective use in the short, medium and long term.

From now on, the Corporate Investment Plan would bring together a fuller pipeline of opportunities to be funded, which would enable the various competing priorities to be considered in a consistent way.

Members were advised that the new Corporate Investment Plan would include the following key elements:-

***“A decision making process, including a Corporate Investment Board to agree the project Pipeline, and which projects to recommend for progression towards a formal decision to allocate resources to deliver.***

***Criteria / Priority Drivers to help decision makers to prioritise and choose between competing proposals, including a project’s impact on the Council’s priorities, its financial implications, statutory obligations and risk mitigation.***

***A Pipeline of projects showing: projects in delivery moving to completion; approved projects with published decisions against them; and a long list of proposals yet to be decided on whether to progress. The pipeline of proposals will be refreshed as new opportunities emerge, new challenges need to be resolved, and priorities change.***

*Annex 3 offers a proposed first iteration of pipeline projects, which includes the projects raised at Full Council on 15 February 2022. Annex 3 is not exhaustive. Additional projects will start to be added to this plan as part of the first Corporate Investment Board in March 2022, with future boards adding / reconsidering projects within the pipeline where necessary.*

***Funding to allocate or reallocate to a Corporate Investment Fund to enable the Council to put resources to the recommended projects from the Pipeline. This approach to budgeting makes transparent funding that is set against projects that are in delivery, and Corporate Investment Plan funding that remains available to be allocated through the process to future projects.”***

It was recognised that this new approach would develop in the months ahead, in particular, as the pipeline of project proposals matured, and the first Corporate Investment Board started to consider projects to add to, and progress from, the pipeline.

It was also drawn to Members’ attention that, as part of developing the plan, a number of existing budgets would be reviewed with the aim of identifying those that could potentially be repurposed to support projects within the Corporate Investment Plan. This work was currently on-going and would be considered for inclusion within the available funding that could support the plan going forward.

Pursuant to the provisions of Article 7.08 (1.5(ii)) of the Council’s Constitution, the Leader of the Labour Group (Councillor Ivan Henderson) requested that the minutes record his Group’s opposition to the inclusion of Officers as part of the strategic decision making process by the Corporate Investment Board.

In response, the Monitoring Officer (Lisa Hastings) confirmed that she had no concerns with what was being proposed with the Corporate Investment Board, whose primary function would be to make recommendations to the Cabinet or individual Portfolio Holders, as appropriate.

The Chief Executive (Ian Davidson) also gave an assurance that the Officers' role would be to give their professional advice only and not to participate in the making of any decisions.

Having duly considered all of the information and advice contained in the Corporate Finance & Governance Portfolio Holder's and Business & Economic Growth Portfolio Holder's joint report and in order to enable this matter to move forward:-

It was moved by Councillor Neil Stock OBE, seconded by Councillor Michael Talbot and:-

**RESOLVED** that Cabinet –

- (a) notes the work completed under the Back to Business programme;
- (b) agrees to implement a Corporate Investment Plan approach along with establishing the associated Corporate Investment Board, as set out in the joint report of the Corporate Finance & Governance Portfolio Holder and the Business & Economic Growth Portfolio Holder (report A.7);
- (c) requests Portfolio Holders to explore with Officers further items for consideration by the proposed first meeting of the Corporate Investment Board in March 2022;
- (d) (i) agrees to the creation of a one-off Members' Small Grant Scheme to make available £1,000 to each Member for the support of Her Majesty The Queen's Platinum Jubilee celebrations within the District and authorises the Assistant Director (Finance & IT) and the Deputy Chief Executive to finalise the conditions, in consultation with the Leader of the Council and make the necessary arrangements to enable Members to access this funding as soon as possible;  
  
(ii) agrees that the total cost of the scheme of £48,000 be funded from the existing Tendring Community Fund budget; and
- (e) agrees that a cross-party Member working group is set up to explore the establishment of a local scholarship scheme and that Officers be requested to set up the first meeting of the group in consultation with the Portfolio Holder for Partnerships.

138. **CABINET MEMBERS' ITEMS - JOINT REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER AND THE HOUSING PORTFOLIO HOLDER - A.8 - FREEHOLD SALE OF A RESIDENTIAL PROPERTY IN HARWICH**

Cabinet had before it a detailed joint report of the Corporate Finance & Governance Portfolio Holder and the Housing Portfolio Holder (A.8) which sought its approval, in principle, for the freehold sale of a five bedroom residential property in Harwich requiring substantial maintenance work.

It was reported that the property in question was a 'non-traditional' Council house in need of substantial maintenance work and had been identified as surplus to requirements. In November 2021 authority had been obtained to commence the Property Dealing Procedure and list the property for open market sale.

Members were informed that the property had been on the market with a local Estate Agent for a number of weeks and an offer had been received. This offer had been provisionally accepted subject to the decisions of the Cabinet.

Cabinet was advised that the offer accepted was equal to the market value of the property, as determined by the valuations obtained and as such the disposal would be in accordance with the General Consents Order.

Having considered the information and advice contained in the Portfolio Holders' joint report and to enable this matter to continue to progress to a satisfactory conclusion:-

It was moved by Councillor Neil Stock OBE, seconded by Councillor Paul Honeywood and:-

**RESOLVED** that Cabinet –

- (a) authorises, in principle, the freehold sale of the property; and
- (b) subject to its decision on terms to be taken later on in the meeting following the exclusion of the press and public, authorises the Corporate Director (Operations and Delivery) to enter into a contract and transfer deed to complete the sale of the property. However, should this sale fall through, the Corporate Director (Operations and Delivery) may continue to accept offers £10,000 above or below the sale price or to go to auction via the recommended reserve price.

**139. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.9 - FINANCIAL PERFORMANCE REPORT: IN-YEAR PERFORMANCE AGAINST THE BUDGET AT THE END OF THE THIRD QUARTER 2021/22 AND LONG-TERM FINANCIAL FORECAST UPDATE**

Cabinet had before it a report of the Corporate Finance & Governance Portfolio Holder (A.9) which provided it with an overview of the Council's financial position against the budget, as at the end of December 2021 and also presented it with an updated long term forecast.

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

It was reported that the position to the end of December 2021 showed that, overall, the General Fund Revenue Account was underspent against the profiled budget by £8.044m (after excluding variances against COVID 19 grant supported activities, such as business grants, this position was revised to a net overspend of £4.243m). It was acknowledged that other expenditure or income trends could 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 had been highlighted and comments provided as necessary within the Portfolio Holder's report.

Members were informed that, 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 in this report, there were no other major issues that had been identified to date. Any emerging issues would be monitored and updates provided in future reports, which would include their consideration as part of updating the long term financial forecast.

Cabinet was made aware that some necessary changes to the 2021/22 budget had been identified which were set out in Appendix H, with an associated recommendation also included within the Portfolio Holder's report.

Members were advised that the net impact of the budget adjustments would be moved to, or from, the Forecast Risk Fund. At the end of the third quarter, it had been possible to make an additional contribution to the fund of £123k, which supported 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:**

It was reported that there had been no changes made to the forecast position considered by Full Council on 15 February 2022 as part of agreeing the detailed budget for 2022/2023.

Cabinet was aware that the identification of on-going savings remained an important element of the long-term financial plan. The developing zero based framework in which to identify the required level of savings formed part of the key priority actions set out in the Council's Corporate Plan.

It was important to continue to deliver against the longer-term approach to the budget as it continued 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.

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

It was moved by Councillor Neil Stock OBE, seconded by Councillor Paul Honeywood and:-

**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.

**140. MANAGEMENT TEAM ITEMS - REPORT OF THE MONITORING OFFICER - A.10 - HOUSING OMBUDSMAN**

Members were reminded that the Council's Constitution (Article 12.03(a)) required the Monitoring Officer to report to Cabinet (or to Council for non-executive functions) if any

decision or omission had given rise to maladministration. This report concerned omissions that the Housing Ombudsman had determined were serious maladministration on the part of this Council.

It was reported that, on 14 December 2021, the Housing Ombudsman had determined a complaint submitted to it in relation to the handling of repairs by the Council at one of its tenanted properties. The Housing Ombudsman had also considered the Council's handling of the resident's complaint about those repairs and its record keeping about the repairs. The conclusion of the Housing Ombudsman in respect of the complaint had been as follows:

1. *Severe maladministration by the landlord regarding its handling of repairs to the resident's property.*
2. *Maladministration by the landlord regarding its handling of the resident's complaint about those repairs.*
3. *Service failure by the landlord regarding its record keeping about those repairs.*

Cabinet was informed that the property concerned was a Grade II listed building and had been suffering a long-standing issue of water penetration through the roof. In part, the complaint related to work undertaken by those contracted to undertake the repairs and that the repairs had not fully addressed the water penetration into the property. The complainant had advised the Ombudsman that issues with the roof, and resultant damage inside the property, had been going on for over a year. Finding mutually convenient times for inspections to be undertaken had, again in part, added to the length of time taken by the Council to address those issues. Apologies had been issued for those matters and the sum of £100 had been offered in recognition of the complainant's time and trouble in pursuing the matter. This had been declined before the complainant had then taken the matter to the Housing Ombudsman.

Members were made aware that from the information provided to the Housing Ombudsman, it had been apparent to them that the Council had attended the property on various occasions since the resident's initial repair reports. The Ombudsman did though state that the records had not provided a precise chronology regarding how it had handled the repairs and whether it had, at the time of the complaint, fully established the root cause of the issue. The records presented had shown, in this specific case, considerable and unacceptable delays between the investigative work being undertaken and repair works being commissioned and then the outcome of checks of the works undertaken.

Cabinet was further informed that, in respect of the handling of the complaint, the Housing Ombudsman had criticised the Service for not properly addressing the delays in the handling of the particular repairs, not acknowledging the impact the delay in the repairs was having on the tenant, not demonstrating a timeline to 'put the matter right' and failing to reference the requirements of the Council's own complaints process. The Council's subsequent and further corporate response to the complaint had also been commented on by the Ombudsman although this was to suggest that the offer of £100 to the complainant was modest and inadequate.

It was reported that the Ombudsman had ordered that an award of £2,110 be paid to complainant and this payment had been made. It had also ordered a final inspection of the property to be carried out with a letter to the complainant setting out a plan of action

to address the necessary works. This too had been undertaken and confirmation of this and the payment referred to had been provided to the Housing Ombudsman.

Further steps the Housing Ombudsman had set out were:

- *The Council should carry out a review of its findings and remedies set out in this report and draw up an action plan to improve its repairs service delivery. This review should be led by a suitably senior member of staff (Head of Service or equivalent).*
- *The Council should review the performance of the individual contractors used in this case and ensure that any performance related matters are raised via its contract management and monitoring processes.*
- *The Council should ensure that its overall contract management and monitoring of contractor performance is robust and that any lessons learned from its complaint investigations are fed back to the relevant parties.*
- *The Council should review its record keeping procedures in relation to repairs, taking into account the comments in this investigation report. It should ensure that it has robust record keeping arrangements in place which allow it to provide clear audit trails of all actions taken.*
- *The Council should share the Housing Ombudsman's Complaint Handling Code with all staff dealing with resident complaints and ensure they have had up to date training regarding best practice in responding to complaints.*

In response to the above, the Corporate Director (Operations and Delivery) had advised:

*"The Assistant Director for Building and Public Realm has commenced a review of the repairs processes. A Senior Surveyor has been given specific responsibility for implementation of Oneserve, availability of data and for the operational level of service review. Further changes are likely as a result of the process.*

*The term maintenance contractor at the initial stages of the matter has been wound up. The interregnum during the procurement of the replacement term contractor created a period of development with a number of external contractors involved in repairs. The new term maintenance contractor has been appointed and working relationships are improving. The Council's in house housing repairs team is also now established and building a reputation for prompt attendance, flexible response and customer satisfaction.*

*The IT systems procured for the use of the team coupled with additional staff proposed for restructure (subject to decision and recruitment will supplement the outcome of the processes review.*

*The Council has procured additional IT systems: auditor to record inspections including photographs videos and readings and Oneserve to retain and make available property data and to manage works. The auditor system is fully deployed and Oneserve is in the process of being fully applied following acquisition in December 2021.*

*The Complaint Handling Code has been provided to the team leader and senior surveyors. Further training is being sourced at the time of writing."*

Members' attention was drawn to the fact that, over at least the past ten years, this had been the first report from the Housing Ombudsman to indicate that there had been maladministration by this Council in its role as a landlord.

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Cabinet noted the foregoing.

**141. EXCLUSION OF PRESS AND PUBLIC**

It was moved by Councillor Neil Stock OBE, seconded by Councillor Michael Talbot and:-

**RESOLVED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Items 18 and 19 on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, as amended, of the Act.

**142. LEADER OF THE COUNCIL'S ITEMS - B.1 - TERMS FOR THE DISPOSAL OF LAND FOR ACCESS TO ADJOINING REDEVELOPMENT VIA HOUSING ESTATE LAND IN STOURVIEW AVENUE, MISTLEY**

**RESOLVED** that Cabinet -

- (a) approves the terms summarised in the Background and Current Position section of item B.1 of the Report of the Leader of the Council to dispose of unused land in Stourview Avenue, Mistley in order to facilitate access to a proposed adjoining development; and
- (b) authorises the Corporate Director (Operations & Delivery) to dispose of the land to the named developer on the terms set out and on such other terms that he considers appropriate, if at variance to the foregoing.

**143. CABINET MEMBERS' ITEMS - JOINT REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER AND THE HOUSING PORTFOLIO HOLDER - B.2 - TERMS FOR THE FREEHOLD SALE OF A RESIDENTIAL PROPERTY IN HARWICH**

**RESOLVED** that Cabinet -

- (a) approves the proposed terms for the freehold sale of 16 Angel Gate, Harwich; and
- (b) authorises the Corporate Director (Operations & Delivery) to enter into a contract and transfer deed to complete the purchase of the property on the terms set out and subject to such other terms that he considers necessary, or should the sale fall through, that he may continue to accept offers £10,000 above or below £277,500 or to go to auction via the recommended reserve price.

The Meeting was declared closed at 12.02 pm

**Chairman**



## CABINET

25 MARCH 2022

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

#### A.7 JOINT USE SPORTS FACILITIES UPDATE

(Report prepared by Ian Ford)

##### **BACKGROUND**

At its meeting held on 14 March 2022 (Minute 65 refers) the Resources and Services Overview & Scrutiny Committee (“the Committee”) had received an update 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.

As part of that update, the Committee was provided with a written report from the Council’s Portfolio Holder for Leisure and Tourism. The report referenced, inter alia, the following matters:-

- *“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 Joint Use Facilities Transition Period and 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 the Portfolio Holder’s 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 of the Council 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.”*

**RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE'S RECOMMENDATION(S) TO CABINET**

The Resources and Services Overview and Scrutiny Committee decided to **RECOMMEND** Cabinet:-

*“That Cabinet consider allocating a level of working capital to enable community access to resume in the evenings and at weekends, with a view to councils liaising with Sport England and Active Essex to establish a body to link between the community and the Sigma Trust in the longer term. In establishing this body/company it would take into account and integrate the new Sports Facilities Strategy into their development.”*

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

**Portfolio Holder's Comments**

*“I would like to thank the Committee for its views on the Joint Use Sports Facilities. As Members of the Committee will be aware, although at this stage under the Sigma Trust the two facilities will not be open during school holidays and weekends, the Trust has indicated that opening hours will increase if there is a demand and financial case to do so. As the Committee are also aware, at their meeting on 25 March 2022, Cabinet will consider whether to assign a budget to support existing/newly formed clubs and organisations to make the transition from the facilities under the Council's management to that under the Sigma Trust. I will continue to work with the Chairman of the Resources and Services O & S Committee on the development of the emerging Sports and Activity Strategy.”*

**Recommendations to Cabinet:**

**That the recommendation made by the Resources and Services Overview & Scrutiny Committee be noted and the response of the Portfolio Holder thereto be endorsed.**

## CABINET

25 MARCH 2022

### REPORT OF THE LEADER OF THE COUNCIL

#### A.8 FREEPORT EAST FULL BUSINESS CASE

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

To ask Cabinet to support the submission of the Freeport East Full Business Case, to approve the Council's participation in the governance of Freeport, the approach to business rate retention set out in the report, and to recommend to Full Council seeking approval that Freeport East is consistent with the Council's priorities and policy framework as set out in the Corporate Plan 2020-2024, in particular a growing and inclusive economy.

###### EXECUTIVE SUMMARY

East Suffolk Council as the Lead Authority, alongside Freeport East, is now required to submit a Full Business Case (FBC) on behalf of partners to Government by 15 April 2022. This Business Case will continue to be developed up to that point in consultation with local authority partners and land owners within Freeport East. Freeport East Shadow Board is due to consider the Full Business Case at its meeting on 6 April 2022 and is also a required approval body following the Full Business Case guidance.

###### Background

- Throughout 2020, the Council worked with public and private sector partners on a bid to present the case for developing Freeport East as one of the Government's nominated Freeports.
- In the March 2021 Budget, Government announced the intention to designate sites in Essex and Suffolk as 'Freeport East'.
- At their meeting on April 2021, Cabinet received the initial Freeport East report, which set out the purpose of Freeports and the process and roadmap the public / private sector partnership would follow to receive formal designation by Government.
- The Council's Freeport East Portfolio Holder Working Party took place on the 2 September 2021 and agreed to support the Leader of the Council in providing a letter of support in respect of the Freeport East Outline Business Case.
- That Working Party also recommended that the Council pursue steps that Hutchinson Ports Ltd could undertake as part of its commitment to Harwich International Port, the skills agenda so the local population could take on careers that would become available as a consequence of Freeport East, and the need to actively pursue the improvements to the A120 from the A12 through to Harwich.
- In September 2021 Cabinet endorsed the urgent decision taken by the Leader of the Council, on behalf of the Cabinet, to provide a letter of support for the principles in regard to retained business rates generated within the Freeport East Tax Site, to accompany the Freeport East Outline Business Case, which was submitted to

Government on 10 September 2021.

- On the 13 December 2021 the outline business case was formally approved by Government, the three tax sites in Felixstowe, Harwich and at Gateway 14 near Stowmarket were agreed, published on GOV.UK and Statutory Instruments laid to enshrine them in legislation.

## **Freeports**

Government aims for Freeports to attract businesses that import, process and add value, and then re-export goods. At a Freeport, imports can enter certain sites with simplified customs documentation and without paying tariffs. Businesses operating inside designated areas in and around the port can manufacture goods using the imports and add value, before exporting again without full tariffs or customs procedures. If the goods move out of the Freeport into another part of the UK, they must go through the full import process, including paying any tariffs.

It is proposed that Freeports will be part funded by retained business rates, which is the share of business rates retained by central government. Government propose that for Freeports the retained business rate scheme will offer the opportunity for billing authorities to retain more business rates than they otherwise would have. This is effectively extra funding for the area. Money will be available to be spent supporting the development and delivery of the Freeport sites themselves, and to deliver on the wider Freeport policy objectives of improving infrastructure, skills, innovation, investment, trade and net zero initiatives, benefiting residents in the area surrounding the Freeport, including almost all of Tendring District

## **Freeport East**

Freeport East is based around the Port of Felixstowe and Harwich International Port, and includes the Gateway 14 Site in Stowmarket, Suffolk. It comprises 275 hectares of space and facilities across three sites eligible for tax relief ("Tax Sites") at Felixstowe dock, Bathside Bay in Harwich, and Gateway 14 in Stowmarket. These sites are also eligible for customs duty relief, and there are four additional sites also eligible for customs reliefs ("Customs Sites").

The Harwich Tax Site is intended to be developed as a Clean Energy Hub and create 1,900 jobs. The tax site is largely comprised of areas to be reclaimed from the sea in order to provide a development platform. Significant third party funding in the region of £80m will be required for this site in addition to funding from the Port, potential future users of the site, and the £7m of seed capital funding by HM Government. Two additional Customs Sites are proposed in Essex including the site at Horsley Cross, which is not allocated in the Local Plan and requires planning permission. The sites in Suffolk, although of much smaller scale than Bathside Bay, are ready for development.

The Ports of Harwich and Felixstowe are both owned and operated by companies owned by the Hutchison Group Ltd. The Gateway 14 Site in Stowmarket is owned by Mid Suffolk District Council which is also the billing authority for that site. As part of the operation of the Freeport, the lead authority and the billing authorities have to work together to monitor the site. Responsibility for giving tax exemptions remains with HM Revenue and Customs.

## **Redistribution of retained business rates**

To accompany the Final Business Case all partners have been asked to support the high-

level arrangements for business rates retention, under which the retained business rate monies will be divided into three pots. The proposed pots are all funded from Retained Business Rates:

- **Pot A** is the existing rates funding calculated on the same basis as would currently apply to the distribution of rates. Pot A is distributed to local authorities to ensure they do not lose out from Freeport. Councils allocate this funding to their general fund and can spend it as they see fit.
- **Pot B** provides funding from retained business rates to support or accelerate development of a Tax Site if it is required. An application for funding from Pot B by Hutchinson Group Ltd could assist with the development of Bathside Bay. At present the detailed approach to distributing Pot B is yet to be determined.
- **Pot C** provides a fund for economic development within the sub-region, aligned to achieving the wider Freeport Policy objectives including investment in skills, innovation, levelling up, trade, investment, infrastructure, security and net zero carbon.
- The Pot C fund will be administered by the lead authority, East Suffolk Council, and decisions on its use would be determined by the Freeport East Supervisory Board, of which it is proposed Tendring District Council is a member. Projects would need to impact on the area within the Freeport boundary [map](#). The funding within pot C will be defined by the scale of funding required by Pot B to develop the Freeport sites, and the time taken for the Tax Sites to be delivered and occupied and so to begin to generate business rates.

#### **Funding requirement - capital**

The Council is not being asked to commit capital funding to the Freeport East programme. It is being asked to support a change to the redistribution of rates in a way which does not affect its current financial position but which reduces the amount of retained business rates which could in future be available under any rate retention scheme.

Work is ongoing with partners to address the identified funding gap for Bathside Bay, including the potential use of retained business rates, provided modelling continues to demonstrate sufficient future income to allow this, as well as wider 'Pot C' investment to deliver the economic development objectives of Freeport East.

As part of these ongoing discussions local authorities including Tendring District Council would **not be asked** to provide any direct funding or take on any financial / borrowing risk.

Retained rates modelling for the Freeport East tax sites has been revised for the Full Business Case. The modelling uses a methodology commissioned and approved for the Enterprise Zones in Norfolk and Suffolk, modified to estimate rates for the Freeport. This revised modelling indicates that there will be sufficient funding from retained rates to make development of the full Harwich tax site at Bathside Bay viable.

As a result, Freeport East will work with the Freeport Hub and other governmental agencies such as the Department for International Trade and the UK Infrastructure Bank to provide upfront funding on the basis that in principle, some, or all of the retained rates in Pot B generated from the Harwich tax site would be allocated to repay this upfront funding. The Council will be party to these negotiations as the rates billing authority for the Harwich tax site in control of rates. The Council will explore appropriate mechanisms to allow the

Pot B income to be transferred to another party over the lifetime of the Freeport to repay the upfront funding into the tax site.

In relation to any funding requirements for transport or other infrastructure, the detailed investment needs arising from the proposed green energy hub at Bathside Bay will become known as further details regarding the proposed uses are developed. Infrastructure requirements directly related to the green energy hub could be addressed through developer contributions as part of the planning process to gain or vary the necessary planning consents. Wider infrastructure provision could be funded through 'Pot C' retained business rates

### **Funding requirement - revenue**

The revenue costs of the Freeport East Delivery Team are being met from the £1m Government capacity funding until they can be supported by income from a top-slice of retained rates. However, **around £400,000 a year from 2022/23 will also be required over and above Government funding for revenue projects to meet the Freeport East policy objectives**, primarily skills, innovation, and net zero. These revenue projects are not set out in the Full Business Case and will be proposed and agreed by the Freeport East supervisory board once the Freeport East entity is formed.

In total the commitment may amount to £0.8m-£1m of revenue prior to rates income being received in 2024/25 to cover Freeport policy objectives. This funding is to be undertaken on a one-fifth share for each of the five authorities, **equating to £160,000 in total** each, £80,000 in the financial years 2022-23 and 2023-24. In the Financial Year 2024/2025 projected rates income would mean there would be no need for further forward funding for that year, with rates income increasing to the point where it is expected that forward funding would be repaid by 2026-27.

### **Governance**

The Outline Business Case proposed a Company Limited by Guarantee as the vehicle for decision making. However an options appraisal process is currently underway on the best future model so that the form of the entity that governs Freeport East can best follow its functions. The current draft Full Business Case refers to the governing entity rather than specifying a company.

A shadow board is currently established and includes a number of partners including:

- Tendring District Council
- Essex County Council
- Suffolk County Council
- East Suffolk Council
- Mid Suffolk District Council
- University of Essex
- Hutchison representative
- New Anglia LEP and South East LEP

Under current proposals for the governing entity, Tendring District Council would be a member, and appoint a Director to the board, along with East Suffolk and Mid Suffolk District Councils and Hutchison Port. Essex and Suffolk County Councils and the Local Enterprise Partnership (LEP) would be members but each County and LEP would rotate board members annually.

The Terms of Reference for the governing entity within the Full Business Case currently propose that decisions will be taken by unanimity, which seeks to overcome the larger number of Suffolk than Essex authorities, and the imbalance between public and private sector partners. Partner authorities will continue discussion of the proposed governance model. The Leader will consider the risks and issues before making a final decision on participation in the governing entity.

Recruitment to the position of Freeport East Chair and Chief Executive is currently underway. These roles will be paid for by the initial government funding to set up Freeport East, and in the longer term by retained rates flowing from the Freeport sites. The individuals, once appointed, will replace the Acting Chair and Chief Executive, who are in place on an interim basis. Tendring is engaging on this process through its place on the Supervisory Board.

### **Skills**

The Full Business Case will include a Skills Plan, currently in draft. This is expected to include innovation hubs at Bathside Bay focused on clean energy and at Gateway 14, more widely scoped. A focus for the skills work will be retraining people made redundant through the pandemic to work at tax and customs sites, and also careers aspirations for children in schools.

### **RECOMMENDATION(S)**

**It is recommended that Cabinet:**

- a) Gives its support to the Freeport East Full Business Case to be submitted by East Suffolk Council to Government;**
- b) Agrees to the approach to local business rate retention set out in the Full Business Case summarised in this report;**
- c) Agrees that the Leader and Officers participate in the governance proposals set out in the Full Business Case on the principle that Tendring District Council becomes a member of the body set up to govern Freeport;**
- d) Subject to (c) above, any decision to formally become part of the governing body will be taken by the Leader, in accordance with previous delegations, following consultation with his Portfolio Holder Working Party;**
- e) Approves the Leader of the Council appointing a Member representative to that governing body;**
- f) Assigns £160,000 to pay for projects in support of Freeport East to be agreed through Freeport governance structure and notes that the Full Business Case sets out the expectation that this sum should be repaid to the Council from future retained business rates; and**
- g) Recommends to Full Council that Freeport East is confirmed within the Council's Budget and Policy Framework, and included as part of the Corporate Plan 20-24, previously adopted by Full Council.**

### **REASON(S) FOR THE RECOMMENDATION(S)**

Support for the Full Business Case is recommended because it sets out a path to develop Bathside Bay through Freeport East as a clean energy hub, delivering economic growth

and jobs to Tendring District.

The Council's Economic Strategy 2020 to 2024 states that a key action should be to "Work with Essex County Council to facilitate senior level discussion with the owners of Harwich Port so secure an agreed long-term strategy for the Port. Based on these discussions, develop a clear plan for investment in quayside infrastructure." The Strategy also notes that the 2013 Strategy it supersedes had also sought to see the Port developed at Harwich.

In short, Freeport East is the best opportunity to see Bathside Bay developed in a generation.

The Council should support the retained rates model as the financial model for the development of Bathside Bay requires subsidy, given the level of initial infrastructure investment required. The retained rates model enables that investment.

The Council is the District authority for Harwich taking a community leadership role, it is the billing authority for business rates, and the planning authority for development at the Port. The Council has an interest in seeing the best investments come forward from the retained rates from the Freeport. As such, it is recommended that the Council participate as part of the governance of the Freeport, so that we can influence its development.

The Council should, alongside the other four authorities, provide cash flow to enable early investment in socially beneficial projects through the Freeport, given the long term benefits that will flow from it, and the likelihood of repayment of the sum, once firms on the new developments start to pay business rates. Subsidiary Control requirements must be kept under review through this process although, at this stage of the project there are no adverse implications.

## **ALTERNATIVE OPTIONS CONSIDERED**

### **Option A**

For the Council to not endorse the Full Business Case, not take part in the business rates policy or the governance of Freeport East. This option would make the development of the Bathside Bay and the Port at Harwich unviable in its current form, as the Council is the billing authority and is required to support the local retention of business rates that will in part fund the development of the Port. Developing Bathside Bay has been an aspiration in Harwich for generations and is a specified goal in the Council's adopted Economic Development Strategy. This Option is against the thrust of Council policy and is not recommended.

### **Option B**

To support the development of Freeport East and endorse the Full Business Case, but not to take part in its governance arrangements or fund any costs. This option would not automatically stop Freeport East or the developments at Bathside Bay coming forward. It would reduce the amount of Council resource required to support the project which comes with intensive partnership working.

However, it would reduce the Council's influence over Freeport East, most importantly once the business rates are paid by new firms moving into Freeport East with the potential to invest that funding into projects in Tendring District. It will also reduce our engagement with the Port on the development of Bathside Bay. In addition, not taking part in the governance could be seen by our partners and Government as a signal that the Council is not fully supportive of Freeport East, making further investment to develop from



Government to develop Bathside Bay harder to secure.

**Option C** – Recommended Option as set out in this report to support the Freeport East Full Business Case, endorse the locally retained Business Rates approach, take part in the Governance of Freeport East and financially support Freeport East projects alongside other local authority partners in the first two years, with the potential for re-imburement.

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

### **DELIVERING PRIORITIES**

As set out in the September 2021 report to Cabinet, the delivery of Freeport East will contribute to the Council's priority to 'A Growing and Inclusive Economy' including:

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

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

At its meeting in April 2021, Cabinet approved the inclusion of the Freeport East project within the Corporate Key Priority Actions for 2021/22 and at its meeting in February 2022 Cabinet agreed the inclusion of Freeport East as key action within its 2022/23 priorities (under D1, Develop and Attract new business)

The Council's Economic Strategy 2020 to 2024 states that a key action should be to "Work with Essex County Council to facilitate senior level discussion with the owners of Harwich Port so secure an agreed long-term strategy for the Port. Based on these discussions, develop a clear plan for investment in quayside infrastructure."

Improved public health is also a community leadership ambition, and it is clear that in the long term health outcomes improve when there is an increase in jobs and economic activity, which a thriving Freeport at Harwich could provide.

### **OUTCOME OF CONSULTATION AND ENGAGEMENT**

Cabinet members have discussed the Freeport, most recently at their meeting in September 2021. They have been briefed on the contents of this report and are supportive of the recommended approach.

All member were briefed on Freeport East on 23 February 2022, setting out the purpose and location of developments, and operation of the Freeport, including as a clean energy hub at Harwich.

A Member Working Party took place on 2 September 2021 and a second took place on 16 March 2022. At the first meeting the Working Party highlighted the importance of the delivery of Bathside Bay, improvements to the A120, support for skills development so residents can apply for the jobs that come forward once Bathside Bay is developed, and a focus on the careers service within local schools so pupils understand the opportunities coming forward through Freeport East. These points have been raised with the Port as they bring forward their economic strategy for as part of the planning application for

Bathside Bay and inform the Full Business Case. The A120 will be not be fully upgraded before commencement of the planning consent; the Clean Energy Hub has fewer vehicle movements than a container Port. The Council has highlighted the importance of A120 upgrades to Highways England as part of their route strategies consultations, and with Transport East.

The Freeport East Portfolio Holder Working Party on 16 March received an update on the progress with the Freeport East programme and the development of the Full Business Case, and discussed the issues within it. The Working Party noted that the Leader of the Council (as the Portfolio Holder with responsibility for Freeport East) intends to recommend to Cabinet that it should endorse the Freeport East Full Business Case and formally supported the Leader of the Council in making that recommendation to the Cabinet. The Working Party further agreed that the Chief Executive be requested to investigate the possibility of holding a 'Business Summit' to enable the Council to engage with local businesses on the opportunities arising from Freeport East and that, ideally, this summit meeting should be held at the Port of Harwich as part of a "Business Week" of activities.

**LEGAL REQUIREMENTS (including legislation & constitutional powers)**

<p><b>Is the recommendation a Key Decision (see the criteria stated here)</b></p>	<p><b>YES</b></p>	<p><b>If Yes, indicate by which criteria it is a Key Decision</b></p>	<p><b>X Significant effect on two or more wards</b>  <b>Involves £100,000 expenditure/income</b>  <b>X Is otherwise significant for the service budget</b></p>
		<p><b>And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)</b></p>	<p><b>16 February 2022</b></p>

**X The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

The Monitoring Officer is aware and supportive of the proposals set out in this report for the Council's engagement with Freeport East.

Government policy is still in a formative state and further legislation may be needed in order to fully implement Freeports. The designation under the Finance Act 2021 does not itself have any direct legal effect, but it is a clear statement of intent by the Government.

The current version of the Full Business Case does not specify a Company Limited by Guarantee as the governance model and refers to an entity. A governance options appraisal is under discussion by partners at a special Shadow Board meeting on 21 March. However, the options analysis by Freeport East currently recommends a Company

Limited by Guarantee, in line with the Outline Business Case. It remains Tendring District Council's position that form (i.e. the entity) follows function, and further consideration of the powers and the functions of the entity should be considered, hopefully the meeting on the 21 March will explore this detail.

Freeport East recommends that those partners who feel able to sign up progress with a Company Limited by Guarantee, leaving space for other partners to join later.

The key benefit to a company and the reason for the option appraisal recommendation is that this form of governance can bring together the private and public sector into a form of governance in which each participates on the same footing, and Government guidance requires that the public and private sectors take part in Freeport governance.

There are also delivery pressures to make progress with the governance model. The Government seed capital grant of £25m rests on Full Business Case approval, and making progress with governance is one of the criteria.

There are also risks with a Company Limited by Guarantee. Directors need to act in the interest of the company, not their nominating authority. There may be instances where these interests are in tension – for example in the location of the allocation of retained rates funding. There may also be instances where local authority neutrality on the location of investment acting in the interest of Freeport East could benefit Tendring, given business rates will first be generated outside the district on tax sites in Felixstowe and Gateway 14, but Harwich has strongest case for regeneration, and the tax site requiring most investment.

There is also a risk of setting governance in stone too early. Experience from other major partnership projects suggests that many of the operational details of Freeport East are likely to take months of discussion amongst partners to resolve after the Full Business Case is submitted: for example, the detail of the operation of the funding Pots B and C. It is important that any decisions on governance (the form of Freeport East) do not constrain decisions on operations (the function) of Freeport East ahead of time.

Freeport East is a major programme of activity. The Council has included development of the Port at Harwich within our Economic Development Strategy, and we have included Freeport East within the corporate actions the Council monitors. It is however important to fully integrate Freeport East and its governance within the Council's Policy Framework as a programme with its financial consequences related to business rate retention: support for the Full Business Case, ultimately at Full Council, will achieve this.

The Leader committed to setting up a Portfolio Holder Working Party in relation to Freeport East and so far has received across party support in the way the project is progressing. The Council's Corporate Plan for 2020-24 was adopted in January 2021, prior to any decisions being made on Freeport status. A recommendation should be made therefore, to Full Council for confirmation that Freeport East does form part of the Council's Budget and Policy Framework and inclusion within the current Corporate Plan, whilst accepting that the decisions made in relation to the Freeport will remain executive functions (unless reserved to Full Council through legislation or Financial Procedure Rules).

The operation of subsidy control within Freeport East, including its governance, is yet to be determined, and will need to be considered in its decision making, for example through the operation of Pot B funding for infrastructure. At this stage the decisions relating to Business Rates are to provide support at a high level and the impact of future expectations will form part of future decision making.

## FINANCE AND OTHER RESOURCE IMPLICATIONS

### Business rates

Freeport finances operate by retaining rates by businesses which move into a Freeport or expand within it. This arrangements lasts for a 25 year period. The rates are retained for local investment in the three areas:

- To ensure local authorities do not lose out from the local tax reliefs available to businesses through Freeport (called '**Pot A**'). Councils allocate this funding to their general fund and can spend it as they see fit.
- To fund the **Freeport infrastructure** to develop the sites, for example to pay for land reclamation or other required infrastructure (called '**Pot B**').
- To **support public benefit in the sub region**, including economic development, skills and innovation (**Pot C**). This fund is administered by the lead authority, East Suffolk Council, and decisions on its use would be determined by the Freeport East Supervisory Board. Projects would need to impact on the area within the Freeport boundary [map](#), and be aligned to the Freeport's objectives. This funding could also be used to enable the timely delivery of the tax sites on a case by case basis (similar to Pot B above.). Proposals will be put forward by Freeport East's sub-boards, be agreed via the Management and Supervisory Boards of Freeport East, with decisions actioned by East Suffolk Council as the Lead authority.

In addition, some of the retained rates will be used to pay for the overhead costs of the body managing Freeport East (see below for more detail).

By supporting the Freeport East Full Business Case the Cabinet endorses this approach to business rates.

The Council as the billing authority will be responsible for determining the suitability of end occupiers of tax sites for business rate relief. The Council will engage with partners in Freeport East who will recommend a common approach across the Freeport area. Decisions on which firms occupy the Freeport tax sites rests with the land owners.

East Suffolk Council will as the lead authority will hold and transfer retained rates funding and Capital seed funding.

### Tax sites

This approach to retaining business rates, along with other tax benefits for firms, applies within specified areas known as the Freeport tax sites. The sites are designated and recognised in law as geographical areas where businesses can benefit from tax reliefs to bring investment, trade and jobs. Maps can be viewed on [www.gov.uk](http://www.gov.uk): [Maps of Freeport East tax sites - GOV.UK \(www.gov.uk\)](#). The tax sites for Freeport East have been designated with effect from 30 December 2021.

### Interim funding for 'Pot C' Freeport East

The revenue costs of the Freeport East Delivery Team are being met from the £1m Government capacity funding until they can be supported by income from a top-slice of retained rates.

However, around £400,000 a year from 2022/23 will also be required over and above the governmental funding for revenue projects to meet the Freeport East policy objectives, primarily skills, innovation, and net zero. These revenue projects are not set out in the Full Business Case and will be proposed and agreed by the Freeport East supervisory board once the Freeport East entity is formed.

In total the commitment may amount to £0.8m-£1m of revenue prior to rates income being received in 2024/25 to cover Freeport policy objectives. This funding is to be undertaken on a one-fifth share for each of the five authorities, **equating to £160,000 in total** each, £80,000 in the financial years 2022-23 and 2023-24. In the Financial Year 2024/2025 projected rates income would mean there would be no need for further forward funding for that year, with rates income increasing to the point where it is expected that forward funding would be repaid by 2026-27.

If, theoretically, one local authority does not agree to contribute their share of the forward funded revenue then the shortfall will need to be covered by the other partners.

**Forward funding infrastructure**

The Government’s Freeport Bidding Prospectus, the Setup Phase and Delivery Model Guidance, and the Final Full Business Case Guidance have all made reference to the possibility of local authorities borrowing against future retained business rate growth in a tax increment financing (TIF) model, under the Prudential Framework, including from the Public Works Loan Board and, for eligible capital spend, the UK Infrastructure Bank.

Local authorities have a duty to ensure that borrowing and investment is prudent, affordable, and sustainable and must be subject to their own assessment of risk. Local authority Section 151 officers have considered this issue and concluded that these criteria could not be met. As a result forward borrowing could not be undertaken by local authorities. The reasons for this include:

- the scale of investment required, particularly in respect of the Harwich Tax Site;
- risk regarding development of the sites and the realisation of rates income;
- timing of the investment compared with payback period through retained rates;
- location of the sites in three different billing authority areas and their differing investment requirements;
- private ownership of two of the three sites; and
- potential subsidy control issues.

As a result the Full Business Case Commercial Case includes **a firm statement that local authorities will not be undertaking any forward borrowing against retained rates income.**

**Capital seed funding**

The government will provide £25m of capital funding once they have approved the Full Business Case. The funding from government will be spent across the tax site as follows.

Site	Funded activities	Seed funding requirement	Strategic / economic benefit alignment
Felixstowe Tax Site	Site preparation works including provision for	£12.0m	Levelling up of service offering from (low value, low margin) simple

	the development of HV network		logistics to (high value) manufacturing / processing
	Additional information: we estimate peak job creation at 6,000 FTEs and private sector funding requirements of £89m (real, 2021 prices).		
Gateway 14	Site preparation works & supporting infrastructure to incentivise net zero & skills / innovation centre developments	£6.0m	Net zero agenda, innovation & skills development
	Additional information: we estimate peak job creation at 4,900 FTEs and private sector funding requirements of £27m (real, 2021 prices).		
Harwich Tax Site	Small scale site preparation works.	£7.0m	Enabling works in support of the wider development of Bathside Bay to address market failures in the offshore wind sector
Total		£25.0m	

### Financing of the Harwich Tax site at Bathside Bay

Previous financial modelling within the Outline Business Case for the Harwich tax site indicated total gross retained rates income in the region of £70m over 25 years. As a result the Harwich tax site would generate insufficient rates income for that Pot B allocation to cover the capital investment required for site development, in addition to private investment. So the full development of the site was not viable.

However, retained rates modelling for the Freeport East tax sites has been revised based upon live enquiries and industry demand for the site for the Full Business Case. The modelling uses the PWC model and methodology commissioned and approved for the Enterprise Zones in Norfolk and Suffolk, modified to estimate rates for the Freeport. This revised modelling indicates that there will be sufficient funding from retained rates to make development of the full Harwich tax site at Bathside Bay viable with income in the region of £125m over 25 years.

As a result, Freeport East will work with the Freeport Hub and other governmental agencies such as the Department for International Trade and the UK Infrastructure Bank to provide upfront funding on the basis that in principle, some, or all of the retained rates in Pot B generated from the Harwich tax site would be allocated to repay this upfront funding. The Council will be party to these negotiations as the rates billing authority for the Harwich tax site in control of rates. The Council will explore appropriate mechanisms to allow the Pot B income to be transferred to another party over the lifetime of the Freeport to repay the upfront funding into the tax site.

The Harwich tax site will be built out fully, also enabling the full benefit of jobs, with an estimate of peak job creation at 1,900 full time equivalent employees.

### Resource implications

The Freeport Programme has resource implications. The Freeport Team will manage the majority of the work. However, there will continue to be subgroup meetings, management

boards and Supervisory boards. This puts a resource requirement onto the nominated Cabinet Member and on staff. A new Essex County Council post hosted within the Council is starting for a year from March 2022 which will provide some additional capacity to support on projects with a common interest with the County Council, including Freeport East.

**X The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

The S151 Officers has contributed to and supports this report and endorses the approach to engagement with Freeport East as set out and the Business Rates proposals.

#### **USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The Council has, along with partners, taken a prudent decision to not forward fund tax sites ahead of business rate income. Rather we will provide an enabling approach to business rates that supports the development of the Port without risk to the Council's finances.
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B) Governance: how the body ensures that it makes informed decisions and properly manages its risks; and	The Council has worked intensively with partners in Freeport East to ensure that it has the necessary information and negotiations to make an informed decision on endorsing the Full Business case. There has been on going engagement on the Shadow Board, Freeport East Working Party, Monitoring Officers and S151 officers groups. The Council is taking the Freeport East Full Business Case decision to a working party, Cabinet, and Full Council to ensure full engagement.
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C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The financial modelling of the main site in Tendring, Bathside Bay, has demonstrated that it is possible to build out the full site if a third party can provide up front financing, enabling an increase in additional jobs from 400 (with just smaller enabling works) to 1,900 (for the full project). This demonstrates an understanding of the relationship between costs and performance leading to improved outcomes.
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#### **MILESTONES AND DELIVERY**

For the overall Freeport there are the following milestones:

- 15 April – Submit Full Business Case
- Summer 2022 - Government endorses Full Business Case
- Summer / Autumn 2022 - Designation of Freeport
- Summer / Autumn 2022 - Release of £25m seed capital funding to Freeport East
- The government intends to offer SDLT relief on land purchases within Freeport tax sites in England where that property is to be used for qualifying commercial activity. It is intended that this relief will apply from 1 April 2021 until 31 March 2026

For the Harwich Tax Site, Bathside Bay the forecast is for units to become live commencing 2024/25 and full build out in 15 years.

- Planning application Jul-21 Mar-22
  - Design & procurement Jul-21 Jun-22
  - Small scale preparation (£7m seed funding from Government) Apr-22 Dec-22
  - Phase 1 Large scale land reclamation & construction works Jan-23 Dec-24
  - Phase 2 Large scale land reclamation & construction works Dec-24 Dec-25
  - Phase 3 Large scale land reclamation & construction works Dec-25 Dec-26
- 2025-2026 Business rates flow into Pot's A, B and C for local investment.
  - 2027 onwards Proposals for regeneration developed and funded.
  - September 2046 – Business rates on sites flow to central government.

**ASSOCIATED RISKS AND MITIGATION**

There are a number of risks with the development of Freeport.

There is a risk that the Freeport requires significant staffing resources. This is a relatively small risk, as the burden of work is shared across five authorities, and the process of development of the Full Business Case has shown that it is possible for larger partners, such as Essex County Council, to put in more resource to support delivery. There is also a permanent staffing resource proposed within the Freeport.

Conflict of interest risk. There is a risk that the interests of the Freeport company come into conflict with Council, for example in the location of generation investment from 'Pot C'. The governance of the Freeport needs to be set up in a way that ensures that each authority has a strong voice, to ensure that the breadth of interests across the Freeport are balanced. (It is worth noting that with the Harwich Tax site likely contributing the least to Pot C, at least in early years, Tendring could benefit from project spend being determined by need not contribution.)

Financial risks. As the finance section sets out, the main potential financial risk of forward funding development of Bathside Bay site has been ruled out in the Full Business Case. However, the Council has been asked to contribute £160,000 to projects within the Freeport, and it is possible that the expected funding to repay this investment does not come forward. We need to assign budget to the programme that does not rely on the being repaid.

Delivery risks. There remains significant risk that Bathside Bay is not delivered through the programme. The site requires significant commercial and government investment, and there is no guarantee that commercial partners or government agencies will come forward. Hutchinson Ports has a good relationship with Government, and a strong public affairs function. And it has completed significant commercial work with the Clean Energy Sector to promote the site to new firms. However, it is not guaranteed that these discussions will turn into investments.

Benefit risk – There is a risk that even if Bathside Bay is delivered to its full capacity,



Tending residents do not benefit significantly because commuters from outside the district are employed on the site. The work on skills development as part of the Freeport has started with a skills working group to develop Skills plans that identify programmes to provide residents skills to enable them to take up opportunities, linked to the local enterprise partnership skills panels. The Freeport is working with the County Councils and Chambers of commerce in Essex and Suffolk, Colchester Institute, Suffolk New College, West Suffolk College, and training provider networks. Projects will come forward to be funded from 'Pot C'.

The environmental risks with the development of the Harwich Tax sites have been dealt with in detail through the recent planning process and there is environmental mitigation plans in place for Bathside Bay. More broadly, the development of a clean energy hub is a significant environmental opportunity for the district to support the shift from fossil fuels to renewable energy.

### **EQUALITY IMPLICATIONS**

An equality impact assessment has been completed the Council's involvement in this programme. It has two main findings. As a jobs programme, Freeport East will impact primarily on people of working age, or younger people who will become of working age. It is not targeted at older people. However, there is no need to change the operation of the programme, which legitimately primarily benefits people of working age.

Green energy sector jobs are predominantly taken up by men. The International Renewable Energy Agency states that "Wind energy sector is male dominated, with women representing just 21% of the workforce" in its 2020 Annual Review, page 13. As such, there will be a need to be a focus on supporting women's entry into the workforce.

The Full Business Case highlights that Freeport East aims to have a workforce that is representative of the local community. Freeport East will publish a diversity statement and an annual report to the Supervisory Board on progress in encouraging diversity and will nominate a diversity champion from the board to embed diversity across Freeport East to ensure objectives are met.

### **SOCIAL VALUE CONSIDERATIONS**

There is very significant social value potential with the Freeport programme. The development has the potential for 1,900 jobs at the Harwich Tax site, and a skills development programme that will help residents to learn the skills to access the jobs. The Freeports are able to spend business rates for a period of 25 years locally, on the development of the infrastructure to create the sites in the first place (Pot B) and on local regeneration schemes, including skills development so people can access the jobs (Pot C). The economic strategy submitted as part of the recent Planning process associated with Bathside Bay includes 10 day local advertising to give residents an opportunity to access jobs ahead of competitors from outside the District.

### **IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030**

The shift to the UK becoming Carbon neutral by 2050 - in part - relies on shifting energy use from petrol and gas to electricity, and shifting electricity production from carbon intensive means, like gas fired power stations, to renewables, like wind, solar and nuclear.

The development of off shore wind farms in the north sea is a crucial part of the government's strategy to reach net zero by 2050. In addition, some larger forms of

transport like shipping, aircraft and lorries, may find it difficult to move from petrol to electric power given the amount of energy needed to move them. As a result hydrogen may become a means to power larger transport.

The Clean Energy Hub at the Harwich Tax site is designed to support the expansion and management and operations of wind turbines in the north sea. As such it is part of the effort to shift the country's energy supply towards net zero. The development of hydrogen technology is another route to supporting the energy transition needed to deliver the UK's climate ambitions. The carbon that is used now to develop the Clean Energy Hub is supporting the move away from fossil fuels and towards renewable energy, which is a key part of the overall national climate change approach.

**OTHER RELEVANT CONSIDERATIONS OR 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.**

<p><b>Crime and Disorder</b></p>	<p>It is recognised that the customs arrangements related to Freeport East will create security risks, as is typical for all customs sites. A sub group will focus on security issues, and will operate based on a robust threat, vulnerability and risk assessment. This will consider both physical and cyber-security risks to remove the opportunity for crime, terrorism and illicit trading. The risk assessment will include all the relevant security stakeholders, including local and national Policing, Border Force, MHCLG, Home Office, HMRC and other relevant agencies. Appropriate measures will be established to ensure the physical site and the systems utilised within are kept secure.</p> <p>From the outcomes of the risk analysis, a Security Concept of Operations and a layered Protective and Criminal Activity Detection Plan will be developed, ensuring compliance with the OECD Code of Conduct for Clean Free Trade Zones. These plans will also ensure that all businesses operating within the Freeport East area will have mandatory minimum security and reporting requirements placed upon them.</p>
<p><b>Health Inequalities</b></p>	<p>The impact of the Freeport on jobs is expected to have a consequential positive impact on health inequalities. The former Director of Public Health at Essex County Council Dr Mike Gogarty has highlighted that in the long term the economic benefit that comes from work has a positive impact on people's health, and that bringing jobs into a location is one of the best public health measures that can be taken.</p>
<p><b>Area or Ward affected</b></p>	<p>All Wards.</p> <p>The policy will have particularly significant impact on Harwich and Kingsway, Dovercourt Bay and Dovercourt Vines and Parkston where the major Tax site is located at Bathside Bay.</p>

## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

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

A report in April 2021 set out to Cabinet the objectives of the Government's Freeport policy and an outline of the bid which Freeport East submitted.

#### **Purpose of Freeports**

The Government announced the formation of eight new Freeports to become innovative hubs, boost global trade, attract inward investment and increase prosperity in the surrounding area by generating employment opportunities. Freeports offer tax and customs benefits to boost economic growth.

#### **What Freeport's offer**

Freeports are secure customs zones located at ports where business can be carried out inside a country's land border, but where different customs rules apply. They can reduce administrative burdens and tariff controls, provide relief from duties and import taxes, and ease tax and planning regulations.

Customs: Typically, goods brought into a Freeport do not attract a requirement to pay duties until they leave the Freeport and enter the domestic market – and no duty at all is payable if they are re-exported. If raw materials are brought into a Freeport from overseas and processed into a final good before entering the domestic market, then duties will be paid on the final good. Freeports may also offer simplifications to the normal customs administrative processes on imported goods.

Tax benefits. Companies inside the sites pay lower property taxes on new buildings they buy (stamp duty land tax) and lower rates of national insurance for new staff they employ. In addition there is five years of Government funded rate relief to businesses that enter the tax site before 30 Sept 2026

Supply chain. Freeports also offer significant supply chain opportunities for businesses located in the wider geography outside the Freeport redline boundary.

#### **How Freeports work: retained rates**

The council area in which the Freeport tax sites are located will retain 100 percent of the business rates growth above an agreed baseline within those sites. This income will be guaranteed for 25 years, giving a long term stream of local finance.

To accompany the Full Business Case all partners have been asked to support the high-level arrangements for business rates retention, under which the retained business rate monies will be divided into three pots. The proposed pots are all funded from Retained Business Rates:

- Pot A is the existing rates funding calculated on the same basis as would currently apply to the distribution of rates. Pot A is distributed to local authorities to ensure they do not lose out from Freeport. Councils allocate this funding to their general fund and can spend it as they see fit.

- Pot B provides funding from retained business rates to support or accelerate development of a Tax Site if it is required. An application for funding from Pot B by Hutchinson Group Ltd could assist with the development of Bathside Bay. At present the detailed approach to distributing Pot B is yet to be determined.
- Pot C provides a fund for economic development within the sub-region, aligned to achieving the wider Freeport Policy objectives including investment in skills, innovation, levelling up, trade, investment, infrastructure, security and net zero carbon. This fund is administered by the lead authority, East Suffolk Council, and decisions on its use would be determined by the Freeport East Supervisory Board, of which Tendring District Council is a member. Projects would need to impact on the area within the Freeport boundary [map](#). The size of pot C will depend on the requirements of Pot B (development of Freeport sites) and the time taken for the Tax Sites to be delivered and occupied.

So the more development that takes within the Freeport sites, the more local rates are retained, the more local funding will become available.

### Economic impact

One of the concerns for central Government is that the Freeport's attract businesses onto sites from the local area, or other areas of the UK, which would have expanded anyway. As such the tax benefits do not generate economic growth, they just move it, and do so at a cost to the tax payer from the reliefs offered. This is less of a risk from the Tendring perspective, as it will benefit the District regardless of where firms have come from. However, The Full Business Case has sought to articulate clearly how Freeport East adds to the UK economy, and the Clean Energy Hub is servicing a clean energy industry that needs new space to grow. Bathside Bay in particular offers an opportunity to attract, potentially, international clean energy firms into Tendring, and the scale of the site next to a deep water port offers wind turbine manufacturers a type of site that does not exist elsewhere in this part of the UK.

### **Freeport East development process to date**

East Suffolk Council, as the Lead Authority for Freeport East, is now required to submit a Full Business Case (FBC) on behalf of partners to Government by 15 April 2022. This Business Case will continue to be developed up to that point in consultation with local authority partners and land owners within Freeport East. Freeport East Shadow Board is due to consider the Full Business Case at its meeting on 6 April 2022.

- Throughout 2020, the Council worked with public and private sector partners on a bid to present the case for developing Freeport East as one of the Government's nominated Freeports.
- In the March 2021 Budget, Government announced the intention to designate sites in Essex and Suffolk as 'Freeport East'.
- At their meeting on April 2021, Cabinet received the initial Freeport East report, which set out the purpose of Freeports and the process and roadmap the public / private sector partnership would follow to receive formal designation by Government.
- The Council's Freeport East Portfolio Holder Working Party took place on the 2 September 2021 and agreed to support the Leader of the Council in providing a

letter of support in respect of the Freeport East Outline Business Case.

- That Working Party also recommended that the Council pursue steps that Hutchinson Ports Ltd could undertake as part of its commitment to Harwich International Port, the skills agenda so the local population could take on careers that would become available as a consequence of Freeport East, and the need to actively pursue the improvements to the A120 from the A12 through to Harwich.
- In September 2021 Cabinet endorsed the urgent decision taken by the Leader of the Council, on behalf of the Cabinet, to provide a letter of support for the principles in regard to retained business rates generated within the Freeport East Tax Site, to accompany the Freeport East Outline Business Case, which was submitted to Government on 10 September 2021.
- On the 13 December 2021 the outline business case was formally approved by Government, the three tax sites in Felixstowe, Harwich and at Gateway 14 near Stowmarket were agreed, published on GOV.UK and Statutory Instruments laid to enshrine them in legislation.

### **The tax sites**

Freeport East has three main sites where tax benefits will accrue to companies expanding or moving in: Harwich, Felixstowe and Gateway 14.

### **Harwich Tax Site Green Energy Hub**

This will develop a cluster of organisations that are driving forward the future of clean energy generation, focusing on hydrogen and offshore wind.

The UK is the world's largest market for wind. Before 2030, £16bn of capital expenditure is anticipated in East Anglia ONE North, TWO and THREE, Norfolk Vanguard and Norfolk Boreas: 35 percent of total investment in offshore wind in the UK. Freeport East intends to develop a renewable energy supply chain that exploits Freeport East's unique position at the centre of this industry and helps to deliver 60 percent UK content for offshore wind.

This programme will be enhanced with innovation and skills initiatives that will support the local workforce to access these new roles and opportunities. The increase in employment land and high value jobs will aid justification for increased transport and housing developments and lead to a supporting service industry that will aid the wider regeneration of the local area.

### **Felixstowe Tax Site**

High value manufacturing, processing, and engineering hub to maximise the benefits being immediately adjacent to Felixstowe Port, the UK's gateway to Europe, Asia and the rest of the world. The investment into Felixstowe and its drive towards trialling innovative usages of hydrogen and new 'Internet of Things' technology will drive investment into Felixstowe and the wider area to support investment into housing, transport and skills facilities.

### **Gateway 14 Tax Site**

The focus will be on innovative clients that align to the Net Zero vision for the site. High value logistics, manufacturing, R&D and professional services are the primary sectoral focus for the site. This will be enhanced with innovation and skills initiatives that will support the local workforce to access these new roles and opportunities. The increase in employment land and high value jobs will aid justification for increased transport and

housing developments and lead to a supporting service industry that will aid the wider regeneration of the local area.

#### **Combined tax & customs sites**

- Felixstowe (**primary customs site** and also a tax site);
- Harwich (also a tax site)
- Gateway 14 (also a tax site), Stowmarket

#### **Customs sites**

- Parker Avenue, in close proximity to the Port of Felixstowe
- Clickett Hill Road, in close proximity to the Port of Felixstowe
- Port One, Great Blakenham
- Horsley Cross, Tendring.

#### **Inward Investment**

Freeport East will result in hundreds of millions of investment in new infrastructure, subject to securing revenues to deliver the business cases. This includes private investment in the three tax sites.

#### **Planning**

The Local Planning Authorities (LPAs) of East Suffolk, Mid Suffolk and Tendring commit to the creation of a collaboration network to ensure the provision of complementary and consistent advice to landowners as they progress development at the designated tax and customs sites.

The LPAs will also work together to explore the potential to prepare fast-track processes and will work together to liaise with Government and other agencies/statutory consultees to expedite whatever other consents/responses/licenses may be required to ensure delivery is not delayed. This will require an early focus on the issues relating to individual sites in discussion with statutory consultees and the potential to simplify the planning regime to achieve the desired ends, whilst delivering high quality, sustainable development.

Another consideration will be the proactive review of legislation including permitted developments and associated criteria under the Ports Act 1991 to understand other mechanisms for accelerating the granting of permissions for sites already within port boundaries.

#### **Governance of Freeport East**

The Outline Business Case proposed a Company Limited by Guarantee as the vehicle for decision making. However an options appraisal process is underway on the best future model so that the form of the entity that governs Freeport East can best follow its functions. The current draft Full Business Case refers to the governing entity rather than specify a company.

A shadow board is currently established and includes a number of partners including.

- Tendring District Council
- Essex County Council,
- Suffolk County Council,
- East Suffolk District Council,
- Mid Suffolk District Council,

- Essex University,
- Hutchison representative
- New Anglia LEP and South East LEP

Under current proposals for the governing entity, Tendring District Council would be a member, and appoint a Director to board, along with East Suffolk and Mid Suffolk District Councils and Hutchison Port. Essex and Suffolk County Councils and the Local Enterprise Partnership would be members but each County and LEP would rotate board members annually.

The Terms of Reference for the governing entity within the Full Business Case currently propose that decisions will be taken by unanimity, which seeks to overcome the larger number of Suffolk than Essex authorities, and the imbalance between public and private sector partners.

Whilst the benefits to Tendring that could flow from the delivery of Freeport East and use of retained business rates could be significant, there are also risks and issues that need to be considered in the setting up of governance. Partner authorities will continue discussion of the proposed governance model. The Leader will consider the risks and issues before making a final decision on participation in the governing entity.

### **Skills**

The Council welcomes the skills development and employment opportunities that Freeport East will bring. The Council will work with partners to maximise skills opportunities leading to employment for our residents. The Council is working with Essex and Suffolk County Councils on a skills and employment plan for the Full Business Case that sets out how our interventions will maximise new labour market opportunities for residents.

**Schools.** Working with the Tendring Education Strategic Board and Essex County Council, Freeport East will establish what resources schools and other providers need to support the preparation of students for future jobs in Tendring and surrounding areas, review existing delivery models, and agree expected outcomes, next steps, budget and resource needs.

Skills proposal in the Full Business Case currently include:

**Energy Skills Centre at Harwich** - Phase 2: Improved facilities to support low carbon hydrogen technologies, fuel cells, carbon capture, and distribution. It will also include training for nuclear developments at Bradwell and Sizewell, based on project progression, and Harwich International Port.

#### **Green Energy Skills Centre - Colchester Campus**

This development is for Further Education and Technical courses supporting training needs for zero emission vehicles, battery storage, low and zero carbon technologies, and green rapid mass transport systems, as cited by the Tendring Colchester Borders Garden Community Development Plan.

#### **Sustainable Construction Training Centre - Colchester Campus**

Scope to develop Further Education and Technical courses responding to high demand in skills shortage areas in modern methods of construction, retrofit, embodied carbon, renewable energies including solar panels and heat pumps and also the skills needed to support the large regional infrastructure and transport projects including two potential nuclear developments.

**PREVIOUS RELEVANT DECISIONS**

April 2021 Freeport East Cabinet Paper

September 2021 Freeport East Update and Business Rates Retention Cabinet Paper

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

**APPENDICES**

None

**REPORT CONTACT OFFICER(S)**

<b>Name</b>	<b>Lee Heley</b>
<b>Job Title</b>	<b>Interim Corporate Director (Project Delivery)</b>
<b>Email/Telephone</b>	<b><u><a href="mailto:lheley@tendringdc.gov.uk">lheley@tendringdc.gov.uk</a></u> <b>(01255) 686006</b></b>



## CABINET

25 MARCH 2022

### REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER

#### A.1 PROGRAMME OF MEETINGS: 2022/2023 MUNICIPAL YEAR

##### PART 1 – KEY INFORMATION

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

To enable Cabinet to give consideration to the programme of meetings for the 2022/2023 Municipal Year.

###### **EXECUTIVE SUMMARY**

This report will enable Cabinet, as required by the Constitution, to submit for formal approval to the Annual Meeting of the Council a programme of meetings for the 2022/2023 Municipal Year.

###### **RECOMMENDATIONS**

- (a) That the programme of meetings for the Council and Committees, as set out in the Appendix to this report, be agreed, in principle, and be submitted to the Annual Meeting of the Council for formal approval; and
- (b) that the proposed dates for All Members Briefings and Councillor Development Sessions be noted.

###### **REASON(S) FOR THE RECOMMENDATION(S)**

Having considered the programme of meetings proposed by the Corporate Finance & Governance Portfolio Holder and in order to enable the programme of meetings to be submitted to the Annual Meeting of the Council for approval and adoption, in accordance with the Council's Constitution.

###### **ALTERNATIVE OPTIONS CONSIDERED**

- (1) Not to approve the Programme of Meetings;
- (2) To amend or substitute some or all of the proposed dates.

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

###### **DELIVERING PRIORITIES**

Agreeing the proposed changes will ensure that the Council demonstrates good governance and operates efficiently in pursuit of its priorities.

The Council has adopted a Climate Change Action Plan and the encouragement of Members to opt out of the default position of receiving printed copies of the summons of a meeting (with agendas and reports) and reverting to solely receiving summons via electronic notifications from May 2023 is consistent with the Council's Policy of its operations becoming carbon neutral by 2030.

<b>OUTCOME OF CONSULTATION AND ENGAGEMENT</b>			
The Committee Services Manager, in preparing an initial programme of meetings for the Portfolio Holder to consider, consulted with senior officer colleagues within the Council.			
<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>			
Is the recommendation a Key Decision (see the criteria stated here)	YES/NO	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	Not Applicable in this instance
<p><b>X</b> The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</p> <p>Schedule 1 to the Local Authorities (Functions and Responsibilities) Regulations 2000, as amended, sets out functions which must not be the responsibility of the Executive and therefore rests with Council or its committees. The power to agree a programme of ordinary meetings of the Full Council and its Committees rests with the Full Council at its Annual Meeting. This is set down in the Council's Constitution in Council Procedure Rule 1 (Annual Meeting of the Council), specifically Rule 1.1(xii) (Timing and Business). This is confirmed in Council Procedure Rule 3 (Ordinary Meetings) and in Council Procedure Rule 35 (Meetings of Committees), specifically Rule 35.1 (Ordinary Meetings).</p> <p>Schedule 3 (Responsibility for Executive Functions) in Part 3 (Scheme of Delegation) of the Council's Constitution and specifically section 4.2.1 (Overall Responsibilities of the Leader and the Portfolio Holders), sets out that the Portfolio Holder for Corporate Finance &amp; Governance has the overall strategic responsibility for the Council's Democratic Services which, in turn, undertakes corporate administration in relation to programming and servicing meetings of the Council, Cabinet and Committees.</p> <p>Article 7 (The Executive) of the Council's Constitution and, specifically, Article 7.08 (Cabinet Procedure Rules) – section 1.1 (Cabinet Meetings), states that the Cabinet will meet at times and at locations to be agreed by the Leader of the Council.</p>			
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>			
<p><b>Risk</b></p> <p>Providing clarity through a clearly defined programme of prevents confusion and enhances the Council's overall governance arrangements thereby helping to ensure that the Authority makes informed decisions and properly manages its risks.</p>			

<b>X</b>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	N/A
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	N/A
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	N/A
<b>MILESTONES AND DELIVERY</b>	
Preparation of a programme of meetings for the forthcoming municipal year by the Committee Services Manager, including consultation with senior officer colleagues – December 2021 to January 2022.	
Submission of draft programme of meetings to the Corporate Finance & Governance Portfolio Holder for their review – February 2022.	
Submission of Corporate Finance & Governance Portfolio Holder’s recommendations to formal Cabinet meeting – 25 March 2022.	
Submission of Cabinet’s recommendations to the Annual Meeting of the Council for approval and adoption – 26 April 2022.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
Not approving and implementing an agreed programme of meetings will negatively impact the Council’s governance arrangements.	
<b>EQUALITY IMPLICATIONS</b>	
Under Article 3 (Citizens and the Council) in the Council’s Constitution, the public have a right to attend meetings of the Council and its Committees and Sub-Committees except where confidential or exempt information is likely to be disclosed and attend meetings of the Cabinet when key decisions are being considered. The public also have a right to participate by submitting written questions to Full Council meetings and contribute to investigations by the Overview and Scrutiny Committees. The public can also participate at meetings of the Planning Policy & Local Plan Committee, the Planning Committee and the Tendring Colchester Garden Border Community Joint Committee in accordance with the relevant Public Speaking Schemes. At meetings of the Council, its Committees or Cabinet, members of the public must treat Councillors and Officers with respect and courtesy and must not wilfully harm the property of the Council, Councillors or Officers.	
Article 2 (Members of the Council) states, inter alia, that Councillors attending meetings will represent their communities and bring their views into the Council’s decision-making process, i.e. become an advocate for their communities; effectively represent the interests of their ward	

and of individual residents; be involved in decision-making for the people of the District as a whole; and contribute to the governance and effective management of the Council's business at meetings of the Council, Cabinet and other Committees and Sub-Committees, maintaining the highest standards of conduct and ethics.

Article 5 (Chairing the Council and Committees) states, inter alia, that Chairmen will preside over meetings so that its business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community; and ensure that the meeting is a forum for debate of matters of concern to the local community.

**SOCIAL VALUE CONSIDERATIONS**

None

**IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030**

The encouragement of Members to opt out of the default position of receiving printed copies of the summons of a meeting (with agendas and reports) and reverting to solely receiving summons via electronic notifications from May 2023 is consistent with the Council's Policy of its operations becoming carbon neutral by 2030.

**OTHER RELEVANT CONSIDERATIONS OR 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.**

<b>Crime and Disorder</b>	None
<b>Health Inequalities</b>	None
<b>Area or Ward affected</b>	None directly.

**PART 3 – SUPPORTING INFORMATION**

**BACKGROUND**

In accordance with the Constitution a draft programme of meetings has been prepared and approved and is set out as an Appendix to this report.

The meetings of the Full Council, the Community Leadership Overview and Scrutiny Committee, the Human Resources and Council Tax Committee, the Licensing and Registration Committee and the Resources and Services Overview and Scrutiny Committee will normally commence at 7.30 p.m.

Meetings of the Planning Committee, the Planning Policy and Local Plan Committee and the Tendring Colchester Border Garden Community Joint Committee will normally commence at 6.00 p.m.

Meetings of the Planning Policy and Local Plan Committee, the Licensing & Registration Committee and the Tendring Colchester Border Garden Community Joint Committee will be arranged as and when required.

Meetings of the Standards Committee will normally commence at 10.00 a.m.

Meetings of the Audit Committee will normally commence at 10.30 a.m.

Cabinet meetings are fixed by the Leader of the Council in accordance with Article 7.08

Cabinet Procedures Rule sub-section 1.1 of the Council's Constitution and therefore the scheduling et cetera may change. The public meetings of the Cabinet listed will normally commence at 10.30 a.m.

The programme does not show meetings of the Sub-Committees, which are arranged either at meetings of the relevant Sub-Committee or from time to time when required.

Dates for All Members Briefings and Councillor Development Sessions have been included in order to assist Members in keeping their diaries up-to-date. These will normally be held online via Microsoft Teams.

Wednesday evenings have been avoided for meetings of Committees et cetera as the Princes Theatre is used in term time for the Princes Theatre Youth Group and it is felt that to have a publicly accessible meeting on the same night will raise significant safeguarding issues. In addition, Monday evenings have been avoided to avoid clashing with meetings of the Arts & Literature Society in the Princes Theatre for similar reasons.

#### Venues for Meetings of the Council, Cabinet and Committees Etc.

Meetings of the full Council will normally be held in the Princes Theatre in the Town Hall, Clacton-on-Sea.

Meetings of the Cabinet and Committees will normally be held in the Committee Room in the Town Hall.

Cabinet will be aware that, as part of the "Transforming Tendring" project, the Council Offices at Weeley have been closed with the site to be disposed of. The departments based at Weeley have been moved to Clacton-on-Sea. This means that the Council Chamber at Weeley is no longer available for Committee etc. meetings.

In preparation for this disposal a phased programme of office accommodation works has been undertaken and now completed at the Town Hall, Clacton-on-Sea. Included within those works was the provision of a new Committee Room within the Town Hall in Clacton which has been operationally available and used since late December 2021.

#### **PREVIOUS RELEVANT DECISIONS**

None

#### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

#### **APPENDICES**

Proposed Programme of Council and Committee Meetings for the 2022/23 Municipal Year.

#### **REPORT CONTACT OFFICER(S)**

<b>Name</b>	<b>Ian Ford</b>
<b>Job Title</b>	<b>Committee Services Manager</b>
<b>Email/Telephone</b>	<a href="mailto:iford@tendringdc.gov.uk">iford@tendringdc.gov.uk</a> <b>(01255) 686 584</b>

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## A.1 APPENDIX

### PROGRAMME OF MEETINGS – 2022/2023 MUNICIPAL YEAR (& BEYOND)

2022

Body	Time	Day	Date	Notes
<b>ANNUAL COUNCIL (Already agreed)</b>	7.30 p.m.	Tuesday	26 April	
Cabinet	10.30 a.m.	Friday	29 April	
Planning Committee	6.00 p.m.	Tuesday	10 May	
ALL MEMBERS' BRIEFING	6.00 p.m.	Thursday	12 May	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	17 May	
Cabinet	10.30 a.m.	Friday	20 May	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	24 May	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	25 May	
Planning Committee	6.00 p.m.	Tuesday	7 June	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	15 June	
Cabinet	10.30 a.m.	Friday	17 June	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	28 June	
Audit Committee	10.30 a.m.	Thursday	30 June	
Planning Committee	6.00 p.m.	Tuesday	5 July	
Human Resources & Council Tax Committee	7.30 p.m.	Thursday	7 July	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	12 July	
Cabinet	10.30 a.m.	Friday	15 July	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	20 July	
Standards Committee	10.00 a.m.	Wednesday	27 July	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	27 July	
Planning Committee	6.00 p.m.	Tuesday	2 August	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	17 August	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	23 August	
Planning Committee	6.00 p.m.	Thursday	1 September	Note 1
ALL MEMBERS' BRIEFING	6.00 p.m.	Thursday	8 September	
Cabinet	10.30 a.m.	Friday	16 September	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	20 September	
Planning Committee	6.00 p.m.	Tuesday	27 September	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	28 September	
Audit Committee	10.30 a.m.	Thursday	29 September	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	4 October	
Cabinet	10.30 a.m.	Friday	7 October	
Human Resources & Council Tax Committee	7.30 p.m.	Tuesday	11 October	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	19 October	
Planning Committee	6.00 p.m.	Tuesday	25 October	
Standards Committee	10.00 a.m.	Wednesday	26 October	
Cabinet	10.30 a.m.	Friday	4 November	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	15 November	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	16 November	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	22 November	
Planning Committee	6.00 p.m.	Thursday	24 November	Note 2

COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	30 November	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	13 December	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	14 December	
Cabinet	10.30 a.m.	Friday	16 December	
Planning Committee	6.00 p.m.	Tuesday	20 December	

### 2023

Resources and Services Overview & Scrutiny Committee (INFORMAL)	9.30 a.m.	Wednesday	4 January	Note 11
Resources and Services Overview & Scrutiny Committee	9.30 a.m.	Wednesday	11 January	Note 3
Planning Committee	6.00 p.m.	Tuesday	17 January	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	18 January	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	24 January	

COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	25 January	
Audit Committee	10.30 a.m.	Thursday	26 January	
Cabinet	10.30 a.m.	Friday	27 January	Note 4
Standards Committee	10.00 a.m.	Wednesday	1 February	
Overview & Scrutiny Committee	7.30 p.m.	Tuesday	7 February	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	14 February	Note 5

Planning Committee	6.00 p.m.	Thursday	16 February	Note 2
Cabinet	10.30 a.m.	Friday	17 February	
Resources and Services Overview & Scrutiny Committee	9.30 a.m.	Wednesday	21 February	Note 3
Cabinet (PROVISIONAL)	10.30 a.m.	Wednesday	22 February	Note 6
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	22 February	
Human Resources & Council Tax Committee	7.30 p.m.	Thursday	23 February	Note 7
<b>COUNCIL (PROVISIONAL)</b>	7.30 p.m.	Thursday	2 March	Note 8

Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	7 March	
Planning Committee	6.00 p.m.	Tuesday	14 March	
Standards Committee	10.00 a.m.	Wednesday	15 March	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	15 March	
Cabinet	10.30 a.m.	Friday	17 March	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	22 March	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	28 March	

Audit Committee	10.30 a.m.	Thursday	30 March	
Planning Committee	6.00 p.m.	Thursday	13 April	Note 9
<b>ANNUAL MEETING OF THE COUNCIL</b>	7.30 p.m.	Tuesday	23 May	Note 10

### 2023/2024 MUNICIPAL YEAR

(Provisional dates for early cycles of meetings in 2023/2024 – for information only, subject to change)

ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	24 May	
Planning Committee	6.00 p.m.	Tuesday	6 June	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	13 June	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	21 June	
Cabinet	10.30 a.m.	Friday	23 June	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	28 June	
Audit Committee	10.30 a.m.	Thursday	29 June	



Planning Committee	6.00 p.m.	Tuesday	4 July	
Human Resources & Council Tax Committee	7.30 p.m.	Thursday	6 July	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	11 July	

Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	18 July	
Standards Committee	10.00 a.m.	Wednesday	19 July	
Cabinet	10.30 a.m.	Friday	21 July	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	26 July	
Planning Committee	6.00 p.m.	Tuesday	1 August	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	23 August	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	30 August	
Planning Committee	6.00 p.m.	Thursday	31 August	Note 1
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	12 September	
Cabinet	10.30 a.m.	Friday	15 September	
<b>COUNCIL</b>	7.30 p.m.	Tuesday	26 September	

ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	27 September	
Audit Committee	10.30 a.m.	Thursday	28 September	
Planning Committee	6.00 p.m.	Thursday	28 September	Note 2
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	17 October	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	25 October	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	22 November	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	12 December	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	13 December	

### **Notes**

1. Meeting scheduled to be held on the Thursday as the Monday of that week is a Bank Holiday.
2. Meeting scheduled to be held on the Thursday due to the Full Council meeting on the Tuesday.
3. Extra Meeting arranged to allow the Overview & Scrutiny Committee to consider and then formally comment on the Cabinet's Financial Forecast and initial budget and special expenses proposals. Also, to allow the Committee to discuss those proposals with Portfolio Holders. Portfolio Holders are requested to reserve this date in their diaries in the likelihood that the meeting will take place.
4. At this meeting Cabinet will approve its final proposals in relation to the Council's Budget and Council Tax precept for 2023/24 for submission to Full Council.
5. Meeting of the Council to approve the Cabinet's budget proposals and set the Council Tax for Tendring but excluding County, Fire and Police Council Tax calculations.
6. Provisional extra meeting of the Cabinet arranged in order to allow the Cabinet to meet and consider the Council's objections/amendments to the Budget (which may arise following the Council meeting referred to in note 5 above.)
7. Meeting to formally confirm the County, Fire and Police precepts on the Council's Collection Fund and for each Council Tax band in the parished and unparished areas of the District.
8. Provisional extra meeting of the Council arranged in order to allow the Council to meet and consider the Cabinet's revised budget proposals or the Cabinet's disagreement with the Council's budget objections (which may arise following the meetings referred to in notes 5 and 6 above.)

9. Meeting scheduled to be held on the Thursday due to the Easter Bank Holidays (Good Friday on 7 April and Easter Monday on 10 April).
10. Annual Meeting of the Council later than usual due to the Tendring District Council Elections on 4 May 2023 (Council Procedure Rule 1.1).
11. Informal Meeting arranged to allow the Overview & Scrutiny Committee to conduct pre-scrutiny on the Cabinet's Financial Forecast and initial budget and special expenses proposals.

## CABINET

25 MARCH 2022

### REPORT OF PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

#### A.2 DIGITAL TRANSFORMATION PHASE TWO COMPLETION PERFORMANCE ANALYSIS AND EXPLORATION OF FURTHER DIGITAL INVESTMENT OPPORTUNITIES

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

This report covers the following two key strands:

1. A review of the digital transformation phase two programme and report the deliverables, outturn and analysis.
2. To set out potential further investment opportunities for consideration via the Corporate Investment Plan.

###### EXECUTIVE SUMMARY

On 16 February 2018 Cabinet approved a Digital Transformation programme of works with estimated capital one-off costs of £865,200 and ongoing revenue costs of £220,500 per annum. The programme comprised three key strands of investment, as follows;

- 1) A new *MyTendring* council self-service web portal providing services 24/7.
- 2) A Cloud Migration Strategy, migrating our IT systems and data storage from Council-owned/ maintained hardware to rented pay-as-you-go Microsoft Azure platform resources.
- 3) A new council smartphone *LoveTendring* 'Tourism and Events' App to promote tourism events. This was a new technology opportunity trial for the council.

A summary of the digital transformation programme is provided later in the report with further performance details given in an **Appendix A**. A summary of key programme performance and deliverables are as follows;

- **From a programme time perspective** the deliverables were severely delayed by the COVID-19 pandemic and the need to divert limited resources to support higher council priorities e.g. IT enabled council business continuity and local economy supporting business grants enablement.
- **From a cost perspective** the original / scoped programme was delivered within budget.
- **From a deliverable quality perspective** 19,382 registered subscribers use the *MyTendring* service - more than one in four Tendring households. Growth forecasts suggest 24,000 subscribers by June 2022 - one in three Tendring households. Promotional marketing is planned throughout 2022.

- *MyTendring* service users rate their service satisfaction at 4.6 stars out of 5 stars average or 92% very satisfied and raised 19,400 customer self-service requests raised during the last 12 months.
- 19,400 self-service requests equates to a council average resource saving of £59,173 per annum or 10.5% ROI per annum based upon the capital investment.
- *MyTendring* self-service is a key local economy COVID business grant supporting access channel - 4,686 *MyTendring* self-service grant applications processed, and growing.
- The adopted Cloud migration strategy enabled seamless council business continuity during the COVID pandemic – our aging on-premise infrastructure simply could not have supported the necessary overnight switch to remote working and self-service. Our disaster recovery response position is also greatly strengthened.
- The council's cybersecurity has been significantly strengthened through Microsoft's £5 billion investments in cloud-only cybersecurity protective services. Working with DLUHC, further cyber security work is scheduled to be undertaken with further details set out later on in this report.
- The re-engineered/ re-launched LoveTendring App achieved 1,351 downloads between July and Aug 2021 - promoting leisure and tourism events and real-time district-wide beach crowding (social-distancing) information. Rated third overall in the Google Appstore 'events App category' ratings (Sept'21) further enhancements are planned for 2022.
- The programme has facilitated the development of an in-house digital developer skills resource delivering ongoing and new: service efficiencies, cost savings, cost avoidances, innovative support applications, partner - working opportunities.

In addition to the above, a number of essential cyber security initiatives are now underway following a collaborative approach taken with the Department for Levelling Up Housing and Communities (DLUHC) who have also provided associated funding of £150,000. Although further details are set out later on in this report, the threat from cyber security is steadily growing and if an attack on the Council was successful, recovery / remedial actions can cost several millions of pounds, as unfortunately experienced by other Local Authorities elsewhere in the country.

It also important to highlight that the delivery of a digital transformation project that spans several years will introduce a number of risks that have required additional / unavoidable costs to be recognised that are to a large extent outside of the direct / estimated initial project costs e.g. Microsoft licensing costs and other changes to the wider digital environment.

The impact of strong digital transformation approach is essential in any modern forward thinking organisation, which also provides a significant level of resilience. A good example being how this underpinned the various successful activities that were undertaken at the start of and throughout the pandemic, to ensure that the Council could function and provide its essential services as seamless as possible. This ethos has therefore had a major impact looking back but will equally have a major impact looking ahead to 2022/23 and beyond.

With the above in mind, and against the context of the need to continue to reflect the ever-changing digital environment, further investment opportunities have been explored, which are set out within **Appendix B**. These will be considered further as part of the new Corporate Investment Plan approach.

## RECOMMENDATION(S)

That Cabinet:

(a) notes the outcomes of the digital transformation (phase two) programme within the context of timescales, costs and outcomes; and

(b) requests Officers, in consultation with the Portfolio Holder for Corporate Finance and Governance, to develop the projects set out within Appendix B, for further consideration as part of the Corporate Investment Plan.

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

As outlined in the 2018 Cabinet report the digital transformation investment proposals are primarily focused on delivering our stated Corporate Plan priority of “Delivery of high quality, affordable services” and specifically addressed:

- ✓ Transforming the way we work.
- ✓ Our financial strategy and a balanced budget.
- ✓ IT improvement programme.
- ✓ Engagement with the community
- ✓ Workforce planning.
- ✓ Maximising tourist opportunities through events.
- ✓ Improving customer access to services.

Our *MyTendring* self-service ‘customer portal’ further supports the vulnerable and rural communities to engage directly with the Council. Other digital channels remain available as is mediated access through telephony and face to face services.

Throughout its inception and the adoption of the council’s Customer Service Strategy it was always envisaged that the Council’s IT team would play a key development and delivery role. This digital transformation investment represents an additional key supporting element in enabling and practically delivering the customer service strategy.

Looking ahead, the on-going digital transformation approach cuts across a number of key existing priorities that includes:

- Delivering high quality facilities for customers and staff
- Providing 24 hour a day digital services
- Using assets to support priorities
- Effective and positive governance
- Joined up public services for the benefit of our residents and businesses

### FINANCE, OTHER RESOURCES AND RISK

Key financial information is set out further on in this report along with other key project milestones / outcomes such as time and quality.

### LEGAL

All programme investments were undertaken in accordance with the Council’s Budget and Policy framework.

The programme procurement route was via the UK government digital marketplace GCloud-9 framework, which was fully compliant with the Official Journal of the European Union (OJEU) procurement regulations of the time and used in accordance with the Council’s Procurement Procedure Rules.

Good governance, encompassing assurance and learning, includes reviewing major projects in terms of outcomes, costs and benefits whilst exploring future opportunities etc. This report seeks to address these aims as part of the underlying discipline of reviewing and learning from undertaking major projects and initiatives.

## OTHER IMPLICATIONS

Consideration was given to the implications of the decisions 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.**

Digital services promote inclusion for all those with digital capabilities in terms of equality/ diversity/ health.

From a public consultation/ engagement perspective the growth in *MyTendring* subscriptions to over one in four households, the service satisfaction customer rating is strong with 92% giving a 4 or 5 star rating. The satisfaction ratings speak for themselves but the council should not be complacent in its improvement strategies.

Likewise, the *LoveTendring* App rapid achievement of 1,351 downloads (July-August 2021) or 353% growth over the original App is evidential of a sustainable service that requires ongoing development and additional in-house resource commitment.

## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

Members will recall that the Digital Transformation Phase 2 report was adopted by Cabinet on 16 February 2018 with an estimated two year delivery timeframe. The programme of works began in earnest on 1 July 2018 following the additional product market research requested, completion of the government framework (G-Cloud) procurement, contract finalisation and resource mobilisation etc.

The 2018 Digital Transformation Phase 2 comprised three key sub-projects, namely;

1. **A MyTendring Self-Service Web Portal** (Firmstep product subsequently re-branded Granicus). Investment in 'front office' IT products and specialist consultant resources to integrate these systems with our existing 'back office' databases and systems. The project will enable 'step change' improvements in our customer service delivery, and officers working in a mobile fashion out in our communities.
2. **Cloud Migration Strategy** Investment to migrate our IT systems data storage from Council-owned/ maintained hardware that will soon require investment or replacement to that of rented Microsoft Azure platform resources – 'The Public Cloud'. However, this project represents a shift from periodic, increasingly large capital investment and ownership of IT hardware, to that of monthly 'pay as you go' hardware rental costs. There are additional operational benefits in terms of flexibility and business continuity/ resilience.
3. **Council Smartphone 'Tourism and Events App'**. Investment to develop a smartphone App to promote tourism events and to enhance Air Show crowd funding income. The project also represents a new communications media for the council to utilise.

The projects and investment set out formed a key building block in several of the Council's key strategies and plans to transform and modernise the way we work, deliver our services and interact with our residents.

The Digital Transformation phase 2 programme was about using technology to improve performance and efficiency (doing more for less), provide our residents and customers with a digital self-service '*single portal access to services*' council-wide and introducing new Mobile Phone App communications media channel.

The report noted that our residents' and customers' capabilities, expectations and desire to engage with the Council digitally increases year on year. However, whilst the digital gap between the 'haves' and the 'have nots' is constantly reducing, it recognised the need to maintain service inclusivity through other channels e.g. telephone services.

The programme required robust monitoring and reporting arrangements with risks and issues requiring active management throughout. With this in mind a programme delivery board, comprising key officers (IT, Customer Services, Audit, Communications) and consultants met fortnightly to monitor issues/ risks, efficiencies and performance against timescales and budget.

A further report was considered by Cabinet on 13 September 2019 where an interim project update was presented. This report specifically provided a timely update on significant events/ changes, which affected the programme along with a number of cost pressures relating to digital working, partly arising from the changes experienced since the project commenced in 2018.

As part of the Council's project management / investment processes, departments are expected to report the outcome from major investments undertaken, which not only completes the investment 'circle' but it also provides an opportunity to provide a basis to inform future investment decisions. This report therefore addresses this key governance issue.

## DIGITAL TRANSFORMATION PERFORMANCE SUMMARY

Although further details are set out in **Appendix A**, a summary of project performance is set out separately below against the two key strands of cost and timescales / quality:

### Project Budget / Costs

The following updated digital financial programme financial forecast was set out in the report considered by Cabinet on 13 September 2019 referred to earlier:

Programme Strand	Feb 2018	Sept 2019 Revised	Forecast Change
<b>Project One-off Costs</b>			
My Tendring Portal: One-off project cost	519,200	519,200	0
Cloud Migration: One-off project cost	226,000	226,000	0
NEW: Cloud Migration: 2019/20 migration hosting costs	N/a	91,161	91,161
Leisure & Tourism App: One-off project cost	120,000	114,000	6,000
NEW: Northgate Electronic Doc Records Mngmt (EDRM)	n/a	23,900	23,900
NEW: Microsoft Licencing Increase 2019/20	n/a	66,693	66,693
<b>Project One-off Costs (2019/20) Sub Total</b>	865,200	1,040,954	<b>£181,754 2019/20 One-off Cost Pressure</b>
<b>Project Ongoing Costs:</b>			
My Tendring Portal: Ongoing project cost (licensing)	71,500	67,600	(3,900)
My Tendring Portal: Savings Forecast	(106,766)	(15,504)	91,262

<b>My Tending Portal Ongoing Sub Total Forecast</b>	<b>(35,266)</b>	<b>52,096</b>	<b>87,362</b>
Cloud Migration: Ongoing project cost	149,000	187,701	38,701
Cloud Migration: Savings Forecast	(140,663)	(160,224)	(19,561)
<b>Cloud Migration Ongoing Sub Total Forecast</b>	<b>8,337</b>	<b>27,477</b>	<b>19,140</b>
Leisure & Tourism App: Ongoing project cost	n/a	6,000	6,000
Leisure & Tourism App: Savings Forecast (revenue)	(33,405)	(17,575)	15,830
<b>Leisure &amp; Tourism App Ongoing Sub Total Forecast</b>	<b>(33,405)</b>	<b>(11,575)</b>	<b>21,830</b>
NEW: Microsoft Licensing 2020/21	n/a	34,446	34,466
NEW: Contact Centre Renewal: Ongoing project costs	n/a	11,498	11,498
<b>NEW Ongoing Sub Total Forecast</b>	<b>0</b>	<b>45,944</b>	<b>45,944</b>
<b>Project Ongoing Costs Sub Total</b>	<b>(60,334)</b>	<b>£113,942</b>	<b>174,276</b>
		<b>2020/21 Ongoing Cost Pressure</b>	

In reflecting the above, Cabinet agreed the following changes to the Council's base budget:

2019/20 Budget (One-off)	£181,754 cost pressure included
2020/21 Budget (Ongoing)	£113,942 cost pressure included

It was also highlighted at the time that the figures were representative of a strategic and fundamental shift from large unbudgeted digital capital cost pressures to ongoing digital revenue pressures, which was outlined as a strategic goal in the February 2018 report. It is also important to highlight that the delivery of a digital transformation project that spans several years will also introduce a number of risks and may require additional / unavoidable costs to be recognised that are to a large extent outside of the direct / estimated initial project costs e.g. Microsoft licensing costs and changes within the wider digital environment

As part of the on-going review process, the above risks also required a further budget adjustment in 2022/23. As part of developing the 2022/23 forecast / budget, additional unavoidable costs of £120,000 (on-going) were identified. These were therefore included within the 2022/23 budget recently approved by Full Council on 15 February 2022. As set out within the associated budget reports, the increase in costs reflected the 'natural' growth in the provision of digital services and included licences, data costs and the hardware replacement programme.

As highlighted earlier, it is very difficult to isolate additional costs directly to the original scope of the project, as the digital world is ever changing and evolving with the increase in costs set out above therefore reflecting this position. However, within this context it is important to highlight that the digital transformation programme has delivered resilience to the previous approach of maintaining significant in-house digital equipment, which in itself would have also presented significant costs pressures over time through upgrading and replacing. It is also relevant to consider and acknowledge the 'step change' business continuity that the council has achieved and demonstrated during the past two years where other councils have failed to maintain uninterrupted service delivery. Our strategic digital transformation programme has been a key enabling factor in this regard.

In terms of the ever-changing digital environment, the Council continues to be faced with increases in cyber-attacks. These present significant risks to the Council. If an attack was successful the remedial works required would inevitably be very time consuming and costly (Redcar and Cleveland council report cyberattack recovery costs exceeding £10 million).

With this in mind, the service are looking at potential restructuring opportunities to provide more dedicated resources to respond to the ever increasing risk from cyber-attacks along with working with DLUHC to identify opportunities to build in extra resilience across the Council.



In terms of the latter point, a number of projects have been identified which include the following:

- Microsoft Office 365 Cybersecurity & Conditional Access Improvements
- Cybersecurity Review and 'immutable' Backup Data Protection
- Cybersecurity Threat Dashboard
- Cybersecurity vulnerability scanning tools
- Replacement of a soon to be unsupported key applications
- Internet & Intranet re-design, hosting & support

The total cost of the above projects is estimated to be £190,000, which DLUHC are supporting with a one-off grant of £150,000. The balance of £40,000 is being met by a further external grant contribution, which was set out in the Q3 Financial Performance report presented to Cabinet on 25 February 2022.

### Project Timescales / Quality

Programme deliverables against time and quality are summarised in the following table along with other financial considerations, with further details provided in **Appendix A**:

Programme Element	Time	Other Financial Considerations	Quality
<i>MyTendring</i> Self-service portal	<ul style="list-style-type: none"> <li>* Programmed works completed 15 months late due to diverting IT resources to support council operations during COVID-19.</li> <li>* Alternative self-service deliverables became higher priorities e.g. local economy COVID grants self-service enablement.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Estimated staff efficiency savings exceeded.</li> <li>✓ Estimated non-staff ROI savings exceeded.</li> </ul>	<ul style="list-style-type: none"> <li>✓ 19,382 registered subscribers use the service (Jan'22) with growth forecast to 24,000 MyTendring accounts by June'22 - one in three Tendring households.</li> <li>✓ 19,400 customer self-service requests raised during the last 12 months.</li> <li>✓ <i>MyTendring</i> service users rated their service satisfaction at 4.6 stars out of 5 stars average or 92% very satisfied.</li> <li>✓ Significant COVID-19 council service business continuity enabler.</li> <li>✓ Key local economy business grant supporting access channel – over 4,500 <i>MyTendring</i> self-service grant applications processed.</li> <li>* Online Council Tax balances not accurately achievable without additional investment.</li> </ul>
Cloud Migration	<ul style="list-style-type: none"> <li>* Completed 12 months late for reasons as outlined above.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Estimated savings achieved.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Enhanced business continuity demonstrated during the COVID-19 pandemic supporting overnight migration to home working for 600+ employees and Tendring services delivered near seamlessly.</li> <li>✓ Evolving Microsoft <u>Cloud-only</u> cybersecurity enhancements proven.</li> <li>✓ Ongoing data storage growth achieved seamlessly.</li> </ul>
<i>LoveTendring</i> App	<ul style="list-style-type: none"> <li>* Completed 3 months later than initially planned following further investigations requested by Cabinet as part of the decision making progress.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Cost savings have resulted from in-house App re-engineering and new council day-to-day support.</li> </ul>	<ul style="list-style-type: none"> <li>✓ New council in-house skills with proven efficiency, cost savings and business support application developer skills.</li> <li>✓ Re-engineered and re-launched <i>LoveTendring</i> App achieved 1,351 downloads between July – Aug 2021.</li> <li>✓ Re-engineered functionality far exceeds the 2018 scope.</li> <li>✓ App promotes beaches district-wide</li> <li>✓ Further information/ reporting developments are planned in 2022 to enhance the App and promote tourism yet further.</li> </ul>

## POTENTIAL FURTHER INVESTMENT OPPORTUNITIES

As part of reviewing the existing digital transformation project and any outstanding issues highlighted within the table above, a number of potential options for further investment are being explored.

Further details are set out in **Appendix B**, which will be considered for progressing via the Corporate Investment Plan.

As part of developing new projects and initiatives, these will be considered against the IT Strategy, which is planned to be reviewed during 2022/23, but will continue to reflect the following high level objectives:

- Simplified Digital Access for all
- 'Cloud First' approach
- 24/7 Access via *My Tending* Portal & Website
- In-house App Development
- Digital Transformation through modernisation / innovation
- Delivery Value for Money
- Collaborating and Sharing
- Cyber Security and Governance

## BACKGROUND PAPERS FOR THE DECISION

Report of the Portfolio Holder for Resources and Corporate Services Digital Transformation – Cabinet 16 February 2018.

Report of the Portfolio Holder for Resources and Corporate Services Digital Transformation – Cabinet 13 September 2019.

## APPENDICES

**Appendix A:** Digital Transformation Programme Phase 2 Performance Details

**Appendix B:** Digital Transformation programme - Potential Further Investment Opportunities

## REPORT CONTACT OFFICER(S)

Name(s)	(1) John Higgins (2) Mark Westall
Job Title	(1) Head of IT & Corporate Resilience (2) Head of Customer & Commercial Services
Email/Telephone	(1) <a href="mailto:jhiggins@tendingdc.gov.uk">jhiggins@tendingdc.gov.uk</a> (2) <a href="mailto:mwestall@tendingdc.gov.uk">mwestall@tendingdc.gov.uk</a>  (1) (01255) 686 339 (2) (01255) 686 484

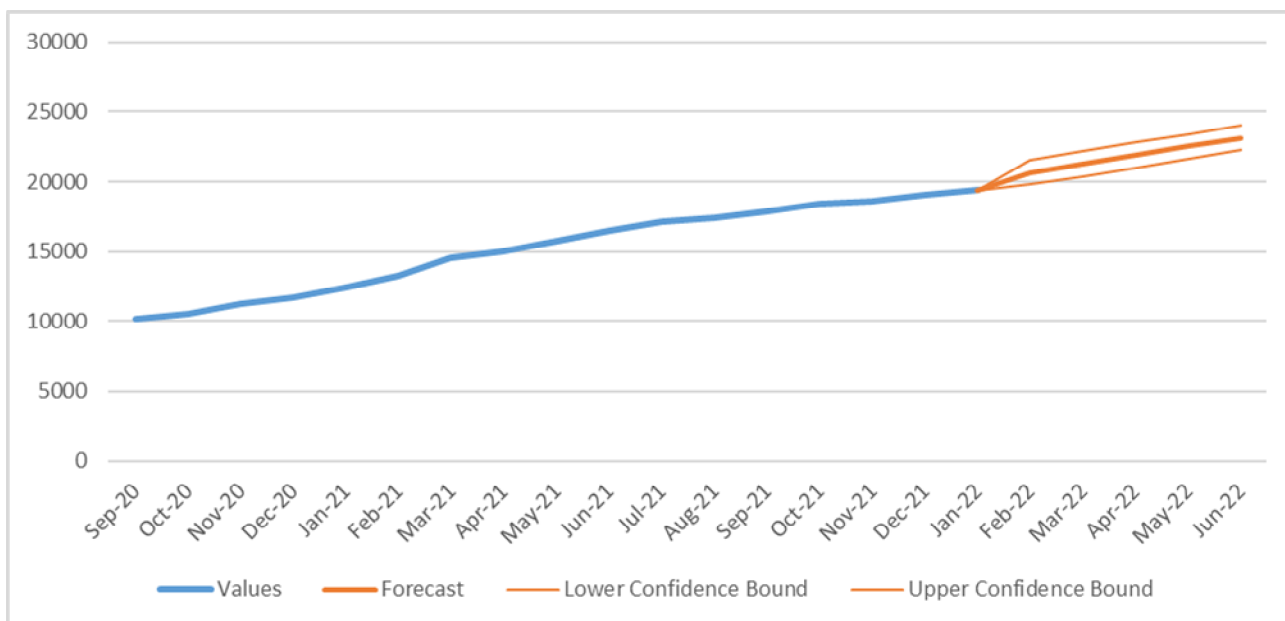
## A.2 APPENDIX A: Digital Transformation Programme Phase 2 Performance Details

### MYTENDRING PROGRAMME PERFORMANCE DETAILS:

#### Deliverables/ Quality Outturn:

The council's *MyTending* self-service portal currently has over 19,382 registered account subscribers - more than one in four (27%) of Tending 72,497 households have registered and use the service.

Forecasted growth estimates 24,000 *MyTending* accounts by June 2022 - one in three Tending household penetration.



The *MyTending* service has a strong customer rating with latest January 2022 satisfaction index 4.6 out of 5 stars. 92% gave it 4 or 5 stars. Face to face reception visitors are currently down by over 87%.

19,400 self-service *MyTending* requests for service have been made in the past 12 months. If each self-service saves just 10 minutes of officer time on average then this equates to 1.8 fte resource. At officer grade 3 level this 1.8 fte self-service equates to a resource saving of £47,016 p.a.

Alternatively, if each *MyTending* self-service saves 15 minutes of officer time on average then this equates to 3.38 fte resource. At officer grade 3 level this 2.73 fte self-service equates to a resource saving of £71,330 per annum.

✓ The mean *MyTending* resource saving is £59,173 per annum

Note: Calculations based upon 37hr/week x 48 working weeks per annum = 1,776hrs. Grade 3 officer salary £20,092 plus 30% on-costs = £26,120 per annum cost.

With *MyTending* services growing month on month, following services are live;

Service	Live Date
Additional Restrictions Grant	26/11/2020
Business Adaptations Grant	27/01/2021
Discretionary Business Grant Application	N/A
Local Restrictions Support Grant Application	02/06/2020
Local Restrictions Support Grant Application Version2	22/12/2020
Local Restrictions Support Grant Closed Application	07/01/2021
Local Restrictions Support Grant Open Version 2	N/A
NNDR Information Request for Business Support Grant Fund	31/03/2020
WL Pubs Christmas Support	21/12/2020
My Tendring Profile	13/06/2019
Rubbish and recycling collection days	08/08/2019
Street Name Sign Faults	17/09/2019
MyTendring project request	26/09/2019
Report a missed waste collection	22/10/2019
New Garden Waste Subscription	20/11/2019
Covid19 Community Volunteer groups	31/03/2020
HR Character Reference	19/06/2020
HR Employment Reference	19/06/2020
Pavement Licence	23/07/2020
GardenSub UCRN Correction	11/08/2020
Garden Waste Subscription Renewal	28/08/2020
Garden Waste Subscription Admin Override	28/08/2020
Private Landlords and Letting Agents Contact Form Homes Wanted	04/09/2020
Private Water Supply Questionnaire	04/09/2020
Beach Hut Transfer Form & Payment	02/12/2020
Temporary Event Notice	15/12/2020
Boathouse Halt, Lotus Way Discounted Homes For Sale	17/03/2021
Change of Designated Premises Supervisor	19/03/2021
Garden Waste Transfer of Subscription	30/04/2021
Leasehold Property Inspection	22/06/2021
Internal_ Adding addresses from CSAs	05/11/2021
Omicron Hospitality and Leisure Grant	21/01/2022
Capita Pay360 Test Process	N/A
Report It Stray Dogs	N/A
Stray Dogs Kennels	N/A

With an ever increasing range of services now fully self-serve accessible via MyTendring, the council has reached a point where it can undertake a range of sustained community engagement and marketing initiatives to promote and grow our self-service offering. The March 2022 council-tax bills includes a *MyTendring* promotional flyer. The council's communications team are pulling together plans for further promotional marketing during 2022.

Additional self-services are being added each month but realistically the programme will continue for 3-4 years before all council services are self-service accessible 24/7. However, joint efforts by both consultants and in-house resources have been unable to deliver an

effective *MyTendring* self-service Council Tax balance accounts service. In essence, this is because the NEC (Northgate) application interface data mapping records have not been made available to the council.

To remedy this and improve *MyTendring* services further the phase 3 transformation proposes purchasing the NEC Citizens Access Portal which will facilitate self-services including; Housing Benefit statements, fully automated and officer verified change of circumstance reporting, C/Tax and NNDR balance statements, self-service direct-debit payment setup etc.

Throughout the programme key delivery period a significant number of short 'task & finish' *MyTendring* Services were designed/ completed that were outside of the original design and scope but requested by services as urgent to assist their operational effectiveness during the pandemic and ongoing.

For example, *MyTendring* self-service has played a key local economy business grant supporting role with 4,686 self-service grant forms submitted by local businesses, as follows;

Economic Support Grant Name	Status	Live Date	Closed Date	Total Forms submitted
Additional Restrictions Grant	Retired	26/11/2020	01/07/2021	785
Business Adaptations Grant	Live	27/01/2021	N/A	146
Local Restrictions Support Grant Application	Retired	02/06/2020	30/06/2021	1,289
Local Restrictions Support Grant Application Version2	Retired	22/12/2020	17/01/2021	49
Local Restrictions Support Grant Closed Application	Retired	07/01/2021	04/06/2021	663
Local Restrictions Support Grant Open Version 2	Retired	05/01/2021	01/07/2021	300
NNDR Information Request for Business Support Grant Fund	Retired	31/03/2020	21/04/2021	1,353
Restart Grant Application	Retired	04/06/2021	03/09/2020	31
WL Pubs Christmas Support	Retired	21/12/2020	26/02/2021	70
			<b>TOTAL</b>	<b>4,686</b>

Assuming each grant application self-service form saved ¼ hour staff resource time then *MyTendring* contributed 0.7 fte in this specific regard. At officer grade 3 level this 0.7 fte self-service form completion equates to a resource saving of £18,284 per annum for just for this one additional legislative function.

It is also worth noting that whilst some *MyTendring* self-service processes are reports/ service requests and payments that require an officer to undertake associated service delivery work, some service requests are now fully automated straight to the third party contractor eliminating any officer intervention. For example: missed bins and ordering green-waste collection services go directly to Veolia to service with officers only becoming engaged with more complex case-related issues.

### **MyTendring Financial Outturn;**

2018 outlined *MyTendring* core programme deliverables were achieved within the £519,200 programme capital costs agreed. In the interests of transparency, a further £42,721 IT Service budgets were utilised to deliver a range of *MyTendring* services not originally scoped. This

further enhanced our self-service offering and assisted services operationally during the Corona Virus pandemic with online services playing a key role in seamless council service delivery/ business continuity.

Programme ongoing revenue costs have been reduced by 19% from £71,500 to £57,600 for 2021/22.

The 2018 Cabinet report estimated return-on-investment (ROI) staff resource savings of 6.8% based upon the original capital investment. Including the additional £42,721 capital investment, staff resource savings are conservatively estimated at £59,173 or 10.5% ROI per annum.

In 2018 programme printing and postage savings were estimated at £29,996 per annum. Combined 2021 council printing and postage savings total £66,484 per annum. However, the range of causal factors responsible for these savings are complex and cannot all be attributed to MyTendring services. They include: new digital media contact channels, customer self-service, electronic documentation, councillor and officer digital remote/ virtual working changes, delayed renewal of our office-based printer/ scanners.

These behavioural changes have clearly been highly influenced and accelerated by the COVID-19 pandemic but have been arguably facilitated through the council's digital investments.

#### **Project Timescales Outturn;**

The works were originally envisaged to be completed in July 2020. COVID-19 and the urgent then prolonged need to divert IT resources away from the programme has led to the scoped delivery ultimately being achieved some 15 months behind schedule. It should however be noted that the efficacy of the council's *MyTendring* self-service has been enhanced with previously un-scoped services during the COVID pandemic period.

### **CLOUD MIGRATION PROGRAMME PERFORMANCE DETAILS**

#### **Deliverables/ Quality Outturn;**

The 2018 report discussed Microsoft Azure platform cloud migration moving the council from a capital ownership IT hardware model to one of ongoing Azure platform pay-as-you-go hardware rental costs. Further benefits include the flexibility to mitigate risks associated with: our aging storage infrastructure, the fast pace of technology change, the council's relentless growth in data storage. The project has benefited the council in regards to each of the above stated benefits.

Our cybersecurity has been significantly strengthened over the past three years through accessing a number of new-to-market Microsoft Cloud-only security applications. These additional security applications have already proven their effectiveness against cyberattack.

- ✓ **Cloud Enhanced Business Continuity.** From an enhanced business continuity perspective the Microsoft Cloud's 'flex-up' and 'flex down' capabilities have been a key factor in generating COVID-19 response services. In turn, keeping the council operational through remote and virtual working changes and without any significant issues throughout the global pandemic.

Had our on-premises hardware strategy continued it can be stated with a large degree of confidence that our systems would not have provided the levels of business continuity the COVID-19 pandemic demanded without significant additional investment. The Microsoft Cloud's 'flex-up' and 'flex down' capabilities have been a key factor in generating COVID-19 response services keeping the council operational virtually and without any significant issues.

It is noteworthy that unlike a number of Essex local authorities, Tendring District Council services continued without pause during the pandemic lock-down and managed an overnight shift to remote / virtual working for over six hundred employees. All enabled through forward-thinking investments in digital architecture, customer self-service, telephony (contact centre) and business continuity enabling services.

- ✓ **Data Growth.** The previous data growth comments and business continuity should also be noted. In addition, greatly enhanced.
- ✓ **Simplified Infrastructure.** The programme set out to migrate 80% of our systems and applications to the public Cloud. We ultimately migrated 89% of all of our on-site systems and will continue this process further over time. We have retired thirteen applications completely and have just a few legacy systems remaining on premise. The overall effect has been to simplify our infrastructure and support and significantly strengthened our operational effectiveness and our routine cybersecurity threat protection.
- ✓ **Evolving/ strengthening Cybersecurity.** Microsoft is now investing one billion dollars per year in cloud security developments. Our cybersecurity has been significantly strengthened over the past three years through accessing a number of new-to-market Microsoft Cloud security applications that are not available to on-premise solutions.

These additional security applications have already proven their effectiveness, for example, when protecting our council from ever increasingly sophisticated and often state-sponsored public sector cyberattacks during 2021.

However, it should be noted that every cybersecurity industry expert echoes the stark warning that it is not "If a cyberattack is successful" it is regrettably "When a cyberattack is successful" and that the success of the cyber incident managed response is key to recovery and business continuity. With this in mind;

- ✓ **Disaster Recovery.** Our Cloud data back-up arrangements have strengthened our business continuity and disaster response position and are held in reserve against a successful cyberattack.

#### **Financial Outturn;**

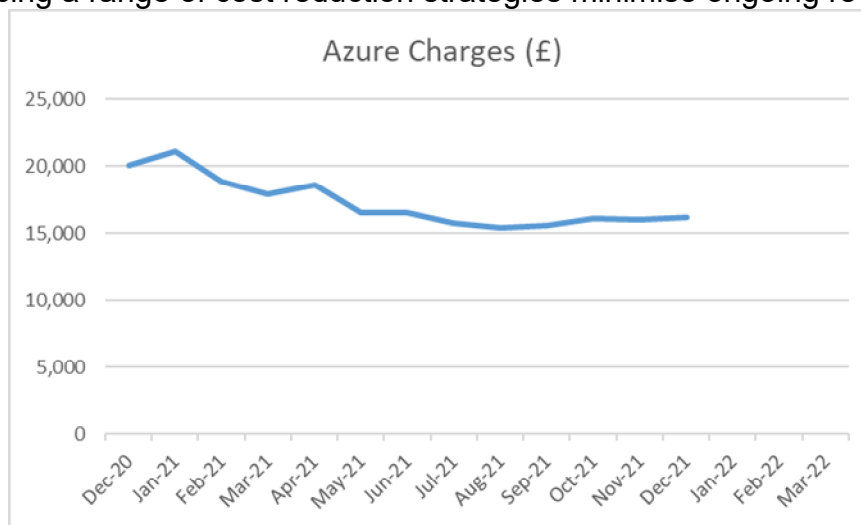
Taking the migration to the Microsoft Azure platform strategy as a whole, the financial business case was incredibly complex and mixed capital costs, (budgeted and un-budgeted) with estimated data usage growth analysis that would ultimately equate to monthly revenue charges. Each component being difficult to accurately predict over a four year period.

The 2018 report identified a small ongoing revenue increase of £8,337 per year with Microsoft Azure platform hardware rental costs estimated at that time of £149,000 per annum.

The extended migration programme achieved these costs within the original project scope parameters. However, the extended timeframe and changing council business needs have led to an overall revenue cost increase of £41,513 per annum. This increase is more than off-set against two key operational additional business costs decisions outlined below.

1. To additionally migrate the corporate IDOX application delivering a revenue ongoing cost avoidance of £26,260 p.a. and capital cost savings of £34,200.
2. To adopt additional protective cybersecurity data backup/restore enhancements costing £23,112 p.a. to mitigate against the growing ransomware attack risk.

The graph below outlines Microsoft Azure monthly charges. It highlights the Team's ongoing work in introducing a range of cost reduction strategies minimise ongoing revenue costs.



In addition, data storage requirements continue to grow relentlessly (a growth cost pressure of £52,749 by 2023 was predicted in the 2018 report to be included in the 10 year financial forecast). During the migration period data storage has grown from 30 terabytes to 43 terabytes - an increase of 34%. The Azure platforms 'flex up' storage capabilities have facilitated this additional storage simply and transparent to users.

Performance and efficiency cost savings have been achieved in line with estimated 2018 reductions, including: 1 fte IT saving transferred to support increasing user needs, a £45,000 p.a. reduction in annual IT hardware purchase budgets, a £15,000 p.a. decrease in computer suite power costs and a reduced carbon footprint, a £17,000 p.a. reduction in IT computer suite maintenance budgets.

### **Project Timescales Outturn;**

The Cloud migration project was completed some twelve months later than anticipated due to the need to divert resources to ensure the council's business continuity was maintained and services continued to operate with staff working remotely from March 2020, and ongoing, due to the global pandemic. The need to digitally enable councillors to facilitate remote working and virtual meetings was a further unforeseen resourcing requirement.



## LOVE TENDRING 'TOURISM & EVENTS' APP PROGRAMME PERFORMANCE DETAILS:

The *LoveTendring* App development was primarily to promote tourism generally and to market specific tourism and leisure events throughout the year. Secondary to this, it was estimated that the App should increase increased leisure income streams. It was also a speculative investment for the future as the Council's first ever application of this digital communications media stream.

### Deliverables/ Quality Outturn;

Immediately following the App's launch in July 2019, we began advertising leisure events including the Air Show and the Christmas pantomime. The council's Theatre Manager reported the start of a noticeable growth in theatre income culminating in the 2019 Christmas pantomime being the biggest grossing Prince's Theatre pantomime on record. Likewise, the App began to be used as an 'attractant' negotiation tool in discussions with event promoters to secure bigger and better events for Tendring.

Regrettably the Corona Virus COVID-19 global pandemic hit the UK and by March 2020 all leisure and tourism activity stopped/closed and the UK lock-down commenced.

During the COVID-19 period, new and evolving in-house IT developer capabilities grew further and the new *LoveTendring* App was completely re-engineered using these skills to deliver a leisure and information service appropriate to new and evolving Tendring visitor needs.

- ✓ **App tourism social-distancing functionality.** Following major tourism COVID-19 health and safety concerns - relating to the Bournemouth 2020 beach social-distancing and town gridlock' situation - for the 2021 Tendring summer season and using map-integrated functionality our *LoveTendring* App included real-time beach crowding advice for visitors and residents covering each of the district's beach areas.
- ✓ **Re-launched in July 2021** and promoting a reduced range of leisure events, but with additional tourist/ visitor informative services, the *LoveTendring* App rapidly achieved 1,351 downloads (just between July-August 2021) - or 353% growth over the original App.

The new *LoveTendring* App includes: real-time crowding advice for visitors and residents covering each of Tendring's beach areas, car park/ toilet/ Tourist Information Centre/ Beach Patrol locations, hospitals, GP's websites/ contact details, Leisure Centre links, beach dog ban information, cinemas and theatres, green spaces (parks and gardens), piers, 'Click-it-local'.

- ✓ **App Store Rating.** With downloads rising the *LoveTendring* App was rated third overall in the Google Appstore 'events App category' ratings (Sept'21).
- ✓ **Current Promotions & Future in-house App developments/ enhancements.** Moving forwards and with a view to making the *LoveTendring* App even more beneficial to tourism and visitors. Current and future promotions and developments include: Womens' Tour, Santathon, Pantomime, new heritage trail information, Clacton 150 events, income generation, 'push' notifications including emergency planning alerts etc.

### **Financial Outturn;**

The original App was delivered within budget and with modest savings.

The February 2018 report was explicit in identifying the risks associated with over-estimating any income, citing reliance upon economic confidence and the willingness of business (local and national) to provide sponsorship. Consultants suggested that the new App could conservatively generate new income streams of between £33,405 and £54,196 per year.

Whilst the council has benefited from some income increases no financial benefits are claimed in this report. This reflects the extremely difficult period that the leisure and tourism industry has faced for the past two years.

That said, with the re-launched App achieving 1,351 downloads (between July-August 2021) it was arguably a tourism enabling and contributing factor during the 2021 summer season. It also gave visibility in promoting beach locations district-wide so may have opened up additional tourism opportunities to Tendring's lesser-known areas.

The council's leisure management team have just completed analysis of theatre-related channel shift performance. This identifies 2017-18 online booking figures of 49% rising steadily to 79% in 2021/22 (and 92% currently). In fully acknowledging the range of online improvement activities undertaken by the service, again, the *LoveTendring* App has been a contributing factor in this channel shift/ growth.

### **Project Timescales Outturn;**

The first *LoveTendring* App was launch in July 2019 in time for the 2019 summer season. It was launched three months later than initially anticipated due to a delay in project commencement following further financial review work undertaken before project approval through delegated powers.

Following the COVID pandemic, and in response to the new and evolving tourism needs the in-house re-engineered *LoveTendring* App was re-launched in July 2021.

### **IT in-house Developer Team Evolution (Resulting From MyTendring Project)**

From a historical perspective the 2018 report revisited Cabinet's earlier decision to bring the Council's IT support back 'in house' commencing 1st April 2016 subsequently generating an ongoing operational saving of £200,000 per year based upon 2016 figures.

From this time the council's IT support has been undertaken on a hybrid-based arrangement with the Council's IT team providing 'in house' support where resourced to do so, but with the need for some specialist resource procurement externally. With each of the 2018 Digital Transformation Phase 2 key deliverables requiring specialist consultant resources this was reflected in £865,000 cost.

Of fundamental importance to the evolution and future modern delivery of the council's in-house IT support capabilities has been the re-skilling of five of the IT team together with one member of the Customer Services team during the programme. Their skills have evolved from that of supporting corporate systems to providing in-house applications (Apps) design through development and delivery skills using Agile project management working methodologies.

This re-skilling was brought about partly through the Transformation Programme ethos of having council IT staff working alongside contractors, and partly through joined-up working with the Human Resources (HR) team in facilitating four of these officers in undertaking undergraduate IT degree qualifications through the government modern apprenticeship scheme.

Our new in-house IT Developer Team resource proved a key asset in supporting the council's community leadership COVID-19 response and 'Shielding' support throughout 2020/21 with developments including: staff health status and redeployment management HR databases, shielding and volunteer contact Apps, numerous government business grant self-service apps.

Moving forwards the Developer Team has just built and deployed a replacement document management solution for our Revenues and Benefits service. In not purchasing this Northgate document management system the council has avoided a Northgate quoted cost pressure comprising £76,150 capital setup cost with a further revenue recurring charge £34,500 p.a. This new in-house developed document management solution will be rolled out council-wide replacing the current IDOX-based solution and generating further savings.

The Developer Team has an estimated 18 months workload of service requested efficiencies in programme, indicatively estimated to generate a mix of cost pressure avoidance and some cashable savings.

The reader should also note the IT Developer Team re-engineering of the *LoveTendring* smartphone App discussed elsewhere in this report.

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## A.2 APPENDIX B: Digital Transformation Programme – Potential Further Investment Opportunities

The following Digital Transformation projects can be considered and prioritised / adopted through the council’s project appraisal and investment strategy process. It should be noted that a number of the projects have the potential to generate savings, cost avoidance and/or create opportunities for commercialisation and the potential to generate new income streams for the council.

Council Priorities	Project Title	Description	Key Benefits	Capital Cost	On-going Revenue Cost	Delivery Timescales
<p><b>A Growing and Inclusive Economy: (in terms of some Economic benefit to small business in payment speed improvements.</b></p> <p><b>Delivering High Quality Services &amp; Strong Finances and Governance.</b></p> <p><b>Customer Service Strategy.</b></p>	<p><b>Electronic end to end processing of orders and invoices</b></p>	<p>Orders will continue to be raised electronically (but not necessarily within the existing ‘Marketplace’ system). From that point on, our current processes will be completely revised. Invoices are sent by suppliers to an external portal which match the invoice to the original order and compares to the goods receipt. If the invoice matches the order and the goods receipt, it is automatically approved for payment. Those invoices that do not match are routed electronically to the relevant department for approval or rejection.</p> <p>Tendering to adopt a best practice “No Purchase Order, No Pay” approach</p> <p><i>Notes: The costs include software and technical consultancy with internal resource to support the implementation. There are various scoping phase options phases. A key decision is whether we keep Marketplace.</i></p>	<ul style="list-style-type: none"> <li>▪ Automated procurement and invoice processing procedural rules.</li> <li>▪ Digital matching of orders to invoices which will: Detect fraud, prevent payment duplication.</li> <li>▪ Significant efficiency improvements across all departments.</li> <li>▪ Improved budgeting: (automatic commitment management. against budget).</li> <li>▪ Alerting when raising an order against a code with insufficient budget</li> <li>▪ Keying data to monitoring, training and resolving queries e.g. Failure to comply with proper processes will be visible.</li> <li>▪ Improved compliance and governance.</li> <li>▪ The automated process will ensure timely payment of invoices supporting small businesses.</li> </ul>	<p>Up to £60,000</p> <p>Depending on project design/ delivery decisions.</p>		6 months

Council Priorities	Project Title	Description	Key Benefits	Capital Cost	On-going Revenue Cost	Delivery Timescales
<p><b>A Growing and Inclusive Economy: Promote tourism, cultural and heritage offers.</b></p> <p><b>Community Leadership Through Partnerships: Education for improved outcomes &amp; Law and Order for a safer community.</b></p> <p><b>Delivering High Quality Services &amp; Strong Finances and Governance.</b></p> <p><b>Financial Action Plan.</b></p> <p><b>Customer Service Strategy.</b></p>	<p><b>Credit/ Debit Card Payments System Update in compliance with Payment Card Industry Data Security Standards (PCIDSS).</b></p>	<p>To identify options to accept card payments over the telephone to ensure ensure on-going compliance with PCIDS Standards</p> <p>Risks of non-compliance can extend to financial penalties / censured.</p>	<ul style="list-style-type: none"> <li>▪ PCIDSS compliance.</li> <li>▪ Improved governance.</li> <li>▪ Provides a 'governance gap' between the council and being given card payment details.</li> <li>▪ Mitigates against the risk of card payment fraud and any resultant council reputational loss.</li> </ul>	<p>Up to £26,000 subject to final solution adopted.</p>	<p>TBC</p>	<p>12 weeks</p>
<p><b>A Growing and Inclusive Economy: Promote tourism, cultural and heritage offers.</b></p> <p><b>Community Leadership Through Partnerships: Education for improved outcomes &amp; Law and Order for a safer community.</b></p> <p><b>Delivering High Quality Services &amp; Strong Finances and Governance.</b></p> <p><b>Financial Action Plan.</b></p> <p><b>Leisure &amp; Tourism Strategy</b></p> <p><b>Customer Service Strategy.</b></p>	<p><b>Grannicus MyTendring govDelivery</b></p>	<p>My Tendring (Grannicus govService) customer commercialisation provides integrated communications/ marketing solution that delivers new communication channels and extends the existing communications delivery to residents, providing a richer and more engaging communication channel - Email distribution (secure and only within gov network). Marketed promotions can be generated based on defined criteria with tracked delivery including: opened, click links, etc. The product also identifies disengaged customers with re-engagement campaigns.</p> <p>GovService can also be used to engage and communicate with staff and councillors internally.</p>	<ul style="list-style-type: none"> <li>▪ Caerphilly council reported a 12% increase in leisure promoted events income.</li> <li>▪ Bournemouth council reports Reduced customer demand, improved citizen satisfaction, and increased awareness of council's work.</li> <li>▪ South Staffordshire Council have used the product to promote and support local businesses and generate new income streams totalling £300,000 per annum.</li> <li>▪ Essex County Council have generated "warm service leads" ready for follow-up by sales team e.g. targeted &amp; integrated marketing campaign for School Activity Days led to £4,500 income in first 4 weeks &amp; £23,000 in pipeline.</li> </ul>	<p>£18,700</p>	<p>£10,800</p>	<p>3 months</p>

Council Priorities	Project Title	Description	Key Benefits	Capital Cost	On-going Revenue Cost	Delivery Timescales
<p><b>A Growing and Inclusive Economy:</b> Promote tourism, cultural and heritage offers.</p> <p><b>Community Leadership Through Partnerships:</b> Education for improved outcomes &amp; Law and Order for a safer community.</p> <p><b>Delivering High Quality Services &amp; Strong Finances and Governance</b></p> <p><b>Financial Strategy -</b> Commercialisation &amp; income generation.</p> <p><b>Leisure &amp; Tourism Strategy</b></p>	<p><b>Public Free WiFi Seafront(s) and Town Centre(s)</b></p>	<p><b>A public free Wifi service to enhance and promote our tourism offering</b> that can additionally be utilised as a communications and coordination network during council-events and civil emergencies.</p> <p>From a public safety perspective, the free Wifi could be used to 'push' council messages/ advice during a civil emergency and be used by officers and 'blue light' responders to communicate during council-events or civil emergency situations where the mobile network quickly becomes congested.</p> <p>The service could also promote the <i>LoveTendring</i> App, the council Website and even the <i>MyTendring</i> Service.</p> <p>Local business advertising is a possible future additional income stream.</p>	<ul style="list-style-type: none"> <li>▪ Enhanced Tendring tourism offering.</li> <li>▪ Resident offerings.</li> <li>▪ EduRoam for children, teachers &amp; students.</li> <li>▪ Public Safety &amp; council event management.</li> <li>▪ Officer communications &amp; data-services access.</li> </ul> <p><i>Note: Subject to the final technical solution chosen and available budget the Clacton seafront WiFi offering could be extended to cover a wider coastline area(s) and potentially a number of Tendring town centre and other leisure areas (parks and gardens).</i></p>	<p>£85,000</p>	<p>£12,000</p>	<p>3 months for initial seafront installations then subject to agreed roll-out plan.</p>
<p><b>A Growing and Inclusive Economy:</b> Promote tourism, cultural and heritage offers.</p> <p><b>Delivering High Quality Services &amp; Strong Finances and Governance</b></p> <p><b>Financial Strategy -</b> Commercialisation &amp; income generation.</p> <p><b>Customer Service Strategy</b></p> <p><b>Leisure &amp; Tourism Strategy</b></p>	<p><b>Internet of Things (IoT) Car Parking Information Reported Through the LoveTendring App</b></p>	<p>Utilising real-time IoT car parking use monitoring and parking space availability linked to our <i>LoveTendring</i> App.</p> <p>Practical implementation of useful IoT technology is starting to grow exponentially world-wide.</p> <p>This parking and App integration deployment is an Essex and possibly a local government first.</p> <p>Car Parks that could be included within the project:</p> <ol style="list-style-type: none"> <li>1) High Street, car park (soon to be Carnarvon Rd) Clacton.</li> <li>2) Martello Clacton.</li> <li>3) Walton High Street, car park.</li> <li>4) Starlings High Street Dovercourt.</li> <li>5) Western Prom Brightlingsea.</li> </ol>	<ul style="list-style-type: none"> <li>▪ Further Enhanced Tourism Offering.</li> <li>▪ Increases the LoveTendring App usefulness &amp; should increase take-up which in turn increases our market presence.</li> <li>▪ May increase car parking pay &amp; display income (ANPR on entry/ exit).</li> <li>▪ Statistics dashboard on daily/ weekly usage &amp; analytics on revenues being generated, payment fines, with predictive analytics.</li> </ul> <p><i>Note: Costs are calculated using a Service-as-a-Solution pricing model, meaning that the hardware stays in ownership of Intergence partner, who remain responsible for any repair and maintenance.</i></p>	<p>£40,000</p>	<p>£30,000</p>	<p>3 months</p>

Council Priorities	Project Title	Description	Key Benefits	Capital Cost	On-going Revenue Cost	Delivery Timescales
<p><b>Delivering High Quality Services &amp; Strong Finances and Governance</b></p> <p><b>Financial Strategy</b></p> <p><b>Customer Access Strategy</b></p>	<p><b>Artificial Intelligence (AI) Chatbot technology across contact centre, website and Social Media.</b></p>	<p>Chatbot Artificial Intelligence (AI) service through which broader community can get automated answers to questions through webchat, SMS, WhatsApp, Facebook etc. For example a "How Do I ....?" with an AI generated response from our website or pre-scripted FAQs by the Customer Service Assistants (CSAs).</p> <p>This technology is proven and in use across every sector with typical service improvements of between 10-40%</p>	<ul style="list-style-type: none"> <li>Using Artificial Intelligence (AI) to automate customer enquiries and improve customer service and response times.</li> <li>The council's Electoral returns service have identified benefits in utilising this system.</li> <li>Provides a new communications channel of choice for customers to benefit from if they wish.</li> <li>Meets customers' growing expectations to further self-serve.</li> </ul>	£19,800	£15,000	<p>2-3 weeks</p>
<p><b>Delivering High Quality Services &amp; Strong Finances and Governance.</b></p> <p><b>Financial Strategy</b></p> <p><b>Customer Access Strategy</b></p>	<p><b>MyTendring Customer Records Management (CRM) Integration With Five9S Contact Centre</b></p>	<p>Integrate the Contact Centre with TDC's CRM system MyTendring to facilitate better Customer Service and reduce CSA time per call.</p> <p>Provides CSA's with the relevant <i>MyTendring</i> customer record to be "popped" when recognising the incoming caller's number ahead of answering the call.</p>	<ul style="list-style-type: none"> <li>ROI &amp; Customer Service Improvements.</li> <li>Gives CSA's seamless access to resident details including open cases at the point of contact without having to go search for it. Reduces the total time/cost per call for CSA's</li> </ul>	£10,700	TBC	2-3 weeks
<p><b>Delivering High Quality Services &amp; Strong Finances and Governance.</b></p> <p><b>Financial Strategy.</b></p> <p><b>Customer Service Strategy.</b></p>	<p><b>NEC (Northgate) Citizens Access Portal linking to MyTendring self-service portal</b></p>	<p>Purchasing the Northgate Citizen access portal 'front-ended' by <i>MyTendring</i> self-service channel to provide; Housing Benefit (claims/ changes/ enquiries/ online documentation).</p> <p>Council Tax online services will include balance statements, online documentation, Direct Debit self-setup, change of circumstance etc.</p> <p>NNDR self-services as per Council Tax.</p> <p><i>Note: The system is configurable so that claimant changes can be either pre-authorized to update accounts without officer intervention or with officers checking then releasing a change for the system to process.</i></p>	<ul style="list-style-type: none"> <li>ROI &amp; Customer Service Improvements through channel-shifting a percentage of the Housing Benefits and Business Rates and Council tax enquiries and services to an online self-service model using our <i>MyTendring</i> portal.</li> <li>This in turn will reduce the number of calls to contact centre CSA's and the back-office service experts thereby saving resource time/cost.</li> <li>Further MyTendring accelerated growth and market penetration.</li> </ul>	£16,000	£48,500	3-4 months



Council Priorities	Project Title	Description	Key Benefits	Capital Cost	On-going Revenue Cost	Delivery Timescales
<p><b>Delivering High Quality Services &amp; Strong Finances and Governance</b></p> <p><b>Financial Strategy</b></p> <p><b>Customer Service Strategy</b></p>	<p><b>Phase 3 MyTendring Specialist Developer &amp; Microsoft Resource</b></p>	<p>A pool of up to 80 specialist resource days to draw down to provide new and enhance existing <i>MyTendring</i> Services including: Agile project management, technical consultancy, specialist developer &amp; database admin resources, management statistics/ customer analytics, performance optimisation, data governance &amp; retention compliance.</p>	<ul style="list-style-type: none"> <li>▪ ROI &amp; Customer Service Improvements through further channel-shift to our online self-service model using our <i>MyTendring</i> portal.</li> <li>▪ This in turn will reduce the number of calls to contact centre CSA's and the back-office service experts thereby saving resource time/cost.</li> <li>▪ Further <i>MyTendring</i> accelerated growth and market penetration.</li> </ul>	£88,000	-	12 months
<p><b>Delivering High Quality Services &amp; Strong Finances and Governance.</b></p> <p><b>Financial Strategy</b></p> <p><b>Customer Service Strategy</b></p>	<p><b>OneServe Integration Investigation</b></p>	<p>Investigate &amp; scope the work required to integrate the Housing repairs department's solution "OneServe" with the councils <i>MyTendring</i> self-service portal for repairs reporting and end-to-end case management.</p>	<ul style="list-style-type: none"> <li>▪ Potential future ROI &amp; service efficiency improvements.</li> <li>▪ Council House tenants customer service and repairs service Improvements through self-service reporting and repair tracking.</li> <li>▪ Further <i>MyTendring</i> accelerated growth and market penetration.</li> </ul>	£18,700	-	4 months
<p><b>Delivering High Quality Services &amp; Strong Finances and Governance.</b></p> <p><b>Customer Service Strategy</b></p> <p><b>Digital Strategy (Principles 1,2,3,4,5,6,8)</b></p>	<p><b>'Tell us once' service</b></p>	<p>Provide a "Tell us once" service that uses AI and a structured knowledge engine to distribute customer advised change of circumstances across the council, either as notifications to departments, or where possible via direct integration.</p>	<ul style="list-style-type: none"> <li>▪ Efficiency/ Effectiveness &amp; Customer Service Improvements giving back-office functions access to relevant information to deliver services with residents only needing to report a change in circumstances once.</li> <li>▪ Significantly reduces the possibility of the council corresponding with/ asking about a deceased partner.</li> </ul>	£55,000	-	4-6 months
			<b>TOTAL</b>	<b>£437,900</b>	<b>£116,300</b>	

The costs set out above are estimates, which would be revisited as part of developing the projects further via the Corporate Investment Plan approach.

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## CABINET

25 MARCH 2022

### REPORT OF PORTFOLIO HOLDER FOR CORPORATE FINANCE & GOVERNANCE

#### A.3 CORPORATE INVESTMENT PLAN

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

To update Cabinet on the progress with the Corporate Investment Plan and to recommend investment in four projects along with the acceptance of grant funding to support the development of further projects.

To also note that Freeport East investment is covered in detail a separate Cabinet Report on this agenda.

###### EXECUTIVE SUMMARY

At its meeting on 25 February 2022, Cabinet agreed to implement a Corporate Investment Plan approach to investment and to establish a Corporate Investment Board. Cabinet asked Portfolio Holders to explore with Officers further items for consideration by the proposed first meeting of the Corporate Investment Board in March.

The new Corporate Investment Plan approach includes a pipeline of projects, a Corporate Investment Board that will regularly consider the pipeline of projects and give their view on those that should progress towards a formal decision. Priority drivers will help decision makers to prioritise and choose between competing proposals, and funding will be allocated or reallocated to a Corporate Investment Fund to enable the Council to put resources to the recommended projects from the pipeline.

The Corporate Investment Plan does not impact on the current decision making framework within the Council, with the same level of transparency via Officer, Portfolio Holder and Cabinet decisions and the associated scrutiny and call in processes.

The Corporate Investment Board met for the first time on 12 -2pm on 15 March 2022 in the Town Hall. The agenda covered:

- the Terms of Reference for the Board, including the priority drivers from the February 2022 Cabinet Report;
- a pipeline of projects - the current pipeline is set out at Appendix A below; and
- from the pipeline, the projects proposed to move forward for decision.

The meeting was attended by the Leader and Deputy Leader of the Council, with the Chief Executive, S151 Officer and Interim Corporate Director, Projects Delivery.

The Corporate Investment Board expressed a view that the following projects should be funded and progressed to the formal decision stage.

- **Freeport East - £160,000 Skills and regeneration contribution**

This contribution covers two years' revenue funding from 2022-2024. It is proposed to enable the partner organisations to implement important regeneration

activities alongside the infrastructure work on the Freeport sites to demonstrate progress on issues such as skills, innovation and net zero before the Freeport generates business rates income to re-invest. Further details are set out in a separate report elsewhere on the agenda.

- **Joint Use Sports Centres Transition – £25,000 contribution to support continued community use.**

It is proposed to provide financial support directly to local clubs and organisations to enable them to continue to undertake and provide sports and leisure activities to their local communities.

- **Elite Cycling Tour Series**

**£80,000** to support the cost of hosting a ‘leg’ of the national elite cycling tour series within the Clacton Town Centre during the month of May. The event will attract visitors to the town centre and allow shops to remain open later and benefit from additional trade. Significant publicity is expected, including national and international media coverage and TV broadcasting.

- **Health Inequalities Programme**

This seeks to maintain existing capacity within the service along with taking forward a number of important projects across the district. This is to be fully funded by external contributions from our health partners of **£400,000**.

In respect of funding from our health partners, the Council has been offered a further grant of **£1.65m**. This will enable a number of projects to be developed further for consideration as part of future iterations of the Corporate Investment Plan. In the interim period, a recommendation is included above to formally accept the funding being offered to the Council.

## **RECOMMENDATION(S)**

**It is recommended that Cabinet:**

- a) **Considers the latest Corporate Investment Plan set out within Appendix A;**
- b) **notes the Review of Existing Earmarked Budgets set out within Appendix C and agrees that Category C budgets highlighted within that Appendix be brought together to establish a Corporate Investment ‘Reserve’ totalling £2,557,680;**
- c) **that subject to a) and b) above, agrees that £265,000 from the Corporate Investment ‘Reserve’, along with £400,000 of external funding be used to fund the following four items as set out later on in this report and Appendix A:**
  - i) **Contribution to Freeport East - £160,000**
  - ii) **Support the Joint Use Sports Centre Transition - £25,000**
  - iii) **To host a ‘leg’ of the Elite Cycling Tour Series - £80,000**
  - iv) **Health inequalities capacity and projects - £400,000**
- d) **that subject to c) above, approves a delegation to Officers in consultation with the relevant Portfolio Holders, acting in accordance with the Council’s Scheme of Delegation, to agree the necessary arrangements to implement the**

above four items; and

- e) agrees to the acceptance of a grant from our Local Health Partner of £1.65m, and requests officers to continue to develop schemes and projects that can be supported by this funding for consideration within the Corporate Investment Plan process.

#### **REASON(S) FOR THE RECOMMENDATION(S)**

As noted in the February 2022 report to Cabinet, the Corporate Investment Plan makes the process of funding Council projects transparent and so helps decision makers to choose between the options for investment open to them. The recommendations respond to previous peer reviews and the Annual Governance Statement action plan to develop a strong approach to allocate the limited funding available to the Council, outside of the money required to run its key front line services and other day to day operations.

The four projects for delivery progress the Councils corporate objectives in a timely fashion, including investment in skills linked to Freeport East as part of the Full Business Case; an event of national significance in Clacton Town centre, linked to our Tourism Strategy; funding to support community sports and leisure groups, and a health inequalities programme. These projects deliver benefits across a wide range of Council objectives.

#### **ALTERNATIVE OPTIONS CONSIDERED**

When considering the establishment of the Corporate Investment Plan, a number of options were set out which were included in the associated report considered by Cabinet on 25 February 2022. The Council will include option analyse on the individual projects as part of the associated decision making.

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

#### **DELIVERING PRIORITIES**

The Corporate Investment Plan is designed to strengthen the alignment of the Council's investments to its priorities. Council's priorities are Delivering High Quality Services; Community Leadership Through Partnerships; Building Sustainable Communities for the Future; Strong Finances and Governance; and a Growing and Inclusive Economy.

The Pipeline will align projects against the corporate priorities, enabling decision makers to see which investments will best deliver each priority. Delivering the corporate priorities is one of the key criteria for making a recommendation on which projects to progress. This alignment will strengthen the delivery of the Council's objectives, rather than just grouping investments by Council service.

The Council will set out how the individual projects align to priorities as part of the associated decision making.

#### **OUTCOME OF CONSULTATION AND ENGAGEMENT**

As set out the February 2025 Cabinet report, the Corporate Investment Plan is a response to comments from the external Auditor who has pointed to the opportunity for the Council to further develop the way it allocates resources to activity outside the day to day running of services. The Resource and Services Overview and Scrutiny Committee has highlighted

when scrutinising the Budget the importance of accelerating delivery of the Council's projects, and ensuring that funding allocated to activity is translated to visible change on the ground and Cabinet Members are supportive of the Corporate Investment Plan proposals.

**LEGAL REQUIREMENTS (including legislation & constitutional powers)**

Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate by which criteria it is a Key Decision	X Significant effect on two or more wards X Involves £100,000 expenditure/income X Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	22 February 2022

The recommendations to Cabinet are within the Council's Budget and Policy Framework and if approved, the projects will proceed in accordance with the Council's Scheme of Delegation. Contractual documentation will be required and further details are necessary for the schemes anticipated within the Health Inequalities capacity funding and other projects for the additional funding opportunity. Each of these projects may require consideration of more specific powers through delivery however, at this stage the Cabinet can rely on the General Power of Competence under the Localism Act 2011, in determining whether to allocate financial investment in corporate priorities.

X **The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

The Monitoring Officer is aware and supportive of the proposals set out in this report for a Corporate Investment Plan and is content for the proposals for four projects recommended to Cabinet for approval.

The Corporate Investment Plan approach is not inconsistent with the Council's Scheme of Delegation as set out in Part 3 of the Council's Constitution, as demonstrated from this report the Board are proposing recommendations for Cabinet to consider. This consultation process will look at projects and investments across the Council rather than solely within services and portfolios.

As highlighted in the report to Cabinet in February and repeated herein, implementation of the Corporate Investment Plan has been an outstanding action within the Council's Annual Governance Statement.

## FINANCE AND OTHER RESOURCE IMPLICATIONS

### Finance

**Appendix C** sets out a number of budgets which have previously been identified / earmarked for specific schemes and projects. These have been reviewed as part of the development of the Corporate Investment Plan approach and have been presented across the following three categories within the appendix:

**Category A** – These budgets primarily reflect projects that remain in development in collaboration with external partners or reflect projects that are being taken forward based on previous decisions. There are currently no plans to redeploy / refocus these budgets, so they remain committed to the projects identified.

**Category B** - These budgets are similar to those within Category A, but more specific actions are currently being explored for consideration as part of the Corporate Investment Plan. There are no plans to redeploy / refocus these budgets, which remain committed to the projects identified albeit via the Corporate Investment Plan in future.

**Category C** – Apart from the new homes bonus item, these budgets reflect previous / historic activities where the budget is no longer required or where it can be redeployed / refocused.

With the above in mind, it is proposed to merge all of the budgets identified within **Category C** to form a new Corporate Investment 'Reserve'. The total of these items is **£2,557,680**, which therefore becomes available to support investment via the Corporate Investment Plan. The budgets currently included within **Category C** are not necessary exhaustive and as part of further reviews, additional budgets may be considered for moving to the Corporate Investment 'Reserve' as necessary.

**Appendix B** includes the latest iteration of the Corporate Investment Plan. As set out later on in this report, following a review by the Corporate Investment Board on 15 March 2022, four projects have been recommended for funding in 2022/23.

The health inequalities item of **£400,000** is to be funded under an existing arrangement with our external health partners. The other three items total **£265,000**, which are proposed to be funded by utilising the money from the proposed Corporate Investment 'Reserve' highlighted above.

If agreed, the total remaining funding within the Corporate Investment 'Reserve' would be **£2,292,680**. This would therefore remain available to support projects as part of further development of the Corporate Investment Plan.

As part of the report to Cabinet on 25 February 2022, an update against the various Back to Business projects and initiatives was presented. These remain under review as part of the transition to the new Corporate Investment Plan. Actions will either be delivered as previously agreed or will be developed further as part of the Corporate Investment Plan where necessary.

An initial sum of **£862,000** was set aside to support the delivery of the Back to Business plan and the review mentioned above will explore opportunities to transfer any available funding from this existing budget to the Corporate Investment 'Reserve'.

X	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
<p>The S151 Officers has contributed to and supports this report and endorses the Corporate Investment Plan as set out here. The management of the Corporate Investment Plan will develop in the coming months and the role of S151 Officer will be important as part of the Corporate Investment Board to support decision makers in prioritising projects and programmes.</p>	
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
<p>The following are submitted in respect of the indicated use of resources and value for money indicators:</p>	
<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>The Corporate Investment approach will strengthen the way the Council manages its new investment in projects and programmes to enable it to focus on priorities.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>The Corporate Investment Plan will strengthen governance, by giving decision makers greater visibility of the range of options for investment at the point investments are made. This is demonstrated by the emerging pipeline at Annex A.</p>
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p>The approach will strengthen the links the Council makes between its investments and priorities, so the money we spend is focused on the performance against key priorities. This is demonstrated by the projects for investment progressing the priorities of the council for economic growth, tourism, health inequalities and community leadership.</p>
<b>MILESTONES AND DELIVERY</b>	
<p>The first milestone from the February Cabinet report has been met, with the first Corporate Investment Board held in March 2022. Further milestones include:</p> <p>By end May 2022 - Second Meeting of the Corporate Investment Board.</p> <p>By end July 2022 - Third Meeting of the Corporate Investment Board.</p> <p>September 2022 – Update to Cabinet on implementation of the Corporate Investment Plan.</p>	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
<p>As noted in the February Cabinet report on the Corporate Investment Plan, there is a resource risk – that the additional time required to manage the process of developing the Pipeline, developing project initiation documents for work which may not then be funded reduces the time available to the organisation to deliver projects. However, the approach should enable stronger decision making and more effective delivery. It is likely that stronger upfront planning and management of the project Pipeline will highlight where additional resources are required within individual projects, and where additional corporate resources are required. These resource requirements will then be factored into project investment plans.</p>	



There is a risk that the process becomes cumbersome, and the Council finds it harder to respond flexibly to emerging opportunities and risks. The Council should monitor the implementation of the Corporate Investment Plan, and adjust it as necessary to ensure that the benefits of a more structured approach also enable quick decision making when that is required. The first set of projects show the Council's ability to respond at pace, including the proposal for an elite cycling event in May, demonstrating that the Council can respond flexibly through this process to opportunities in line with its priorities.

**EQUALITY IMPLICATIONS**

Equality impacts for the projects will form part of their associated decision making process in taking these projects forward.

**SOCIAL VALUE CONSIDERATIONS**

Social value impacts for the projects will form part of their associated decision making process in taking these projects forward.

**IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030**

Net zero impacts for the projects will form part of their associated decision making process in taking these projects forward.

**OTHER RELEVANT CONSIDERATIONS OR 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.**

<b>Crime and Disorder</b>	No significant implications.
<b>Health Inequalities</b>	The projects proposed for funding include actions which will reduce health inequalities through a package of measures funded through health partners including family solutions, fuel poverty, environmental health, mental health and housing.
<b>Area or Ward affected</b>	All Wards

**PART 3 – SUPPORTING INFORMATION**

**BACKGROUND AND CURRENT POSITION**

**Corporate Investment Plan**

The aim of the Corporate Investment Plan is to establish a corporate framework to prioritise how, when and where the Council spends / deploys its available resources. The Corporate Investment Plan will strengthen the Council's capacity to focus on delivery, and will enable the Council to make balanced judgements on investment against the corporate priorities.

**Appendix B** sets out the proposed Corporate Investment Plan process taking a flowchart style approach.

Some key points from the flowchart are summarised as follows:

- The Corporate Investment Plan will be maintained on a 'live' basis to ensure the Council can react to opportunities and issues as they arise during the year.
- Agreement from Cabinet and/or Portfolio Holder will be required for a project to be included within the 'pipeline' of projects
- The Corporate Investment Board only considers the prioritisation of projects along with potential funding. For a project to move from the 'pipeline' into a delivery

phase, it will be subject to the existing decision making processes set out within the Constitution e.g. Cabinet / Portfolio Holder or Officers.

- A number of priority 'drivers' will be considered as part of the prioritisation of projects as set out in **Appendix B**.

The first meeting of the Corporate Investment Board took place on 15 March 2022, where the latest iteration of the Corporate Investment Plan was considered. The outcome from the Board's review is set out within **Appendix A**, which highlights the four following projects that are being put forward for funding (further details are set out within Appendix A within the section Titled 'Proposals Recommended to be Progressed to Decision Stage'):

- **Freeport East - £160,000 Skills and regeneration contribution**

This contribution covers two years' revenue funding from 2022-2024. It is proposed to enable the partner organisations to implement important regeneration activities alongside the infrastructure work on the Freeport sites to demonstrate progress on issues such as skills, innovation and net zero before the Freeport generates business rates income to re-invest. Further details are set out in a separate report elsewhere on the agenda.

- **Joint Use Sports Centres Transition – £25,000 contribution to support continued community use.**

It is proposed to provide financial support directly to local clubs and organisations to enable them to continue to undertake and provide sports and leisure activities to their local communities.

- **Elite Cycling Tour Series**

**£80,000** to supports the cost of hosting a 'leg' of the national elite cycling tour series within the Clacton Town Centre during the month of May.

- **Health Inequalities Programme**

This seeks to maintain existing capacity within the service along with taking forward a number of important projects across the district. This is to be fully funded by external contributions from our health partners of **£400,000**.

In respect of funding from our health partners, the Council has been offered a further grant of up to **£1.65m**. This will enable a number of projects to be developed further for consideration as part of future iterations of the Corporate Investment Plan. In the interim period, a recommendation is included above to formal accept the funding being offered to the Council.

Due to the items above being relatively urgent, they have been prioritised for consideration by Cabinet in March. The other items within the **Appendix A** remain unchanged from those considered by Cabinet on 25 February 2022. However, Officers and Portfolio Holders will continue to work on developing existing items within **Appendix A**, as necessary, along with exploring further items that can be considered for inclusion as the plan develops over the coming weeks and months.

## **PREVIOUS RELEVANT DECISIONS**

**February 2022 cabinet report: Back to Business and Corporate Investment Plan**

**March 2022: Freeport East Full Business Case Cabinet report**

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

Project Initiation Documents for Tour Series and the Joint Use Sports Centres Transition.

**APPENDICES**

**Appendix A** Corporate Investment Plan Proposals

**Appendix B** Corporate Investment Plan Process Flowchart

**Appendix C** Review of Current Earmarked Budgets to Support Corporate Investment Plan

**REPORT CONTACT OFFICER(S)**

<b>Name</b>	(1) Lee Heley (2) Richard Barrett
<b>Job Title</b>	(1) Interim Corporate Director (Project Delivery) (2) Assistant Director (Finance and IT)
<b>Email/Telephone</b>	<a href="mailto:lheley@tendringdc.gov.uk">lheley@tendringdc.gov.uk</a> (01255) 686006  <a href="mailto:rbarrett@tendringdc.gov.uk">rbarrett@tendringdc.gov.uk</a> (01255) 686521

## Appendix A - Corporate investment Plan Pipeline March 2022

Green: Projects in delivery.

Amber: Funded projects in development.

Grey: Project proposals under consideration.

Light Grey: Proposals for discussion at the March Corporate Investment Board.

Project	Start	End	Corporate Budget or Estimated Cost if Currently Unfunded	Notes
<b>Projects in Delivery</b>				
Starlings Project	2019	2022	£1,867,383	<ul style="list-style-type: none"> <li>To create a new events space / carpark including EV charging points, regenerating Dovercourt town centre.</li> <li>Project agreed and funded by Cabinet January 2022</li> </ul>
Cremators	2021	2022	£1.539m	<ul style="list-style-type: none"> <li>To replace the Council's two cremators.</li> <li>Project agreed and funded by Cabinet</li> </ul>
Jaywick Sands Market and Managed Workspace	2020	2022	£430,000	<ul style="list-style-type: none"> <li>To develop a covered market, community garden, and managed workspace in Jaywick Sands.</li> <li>£4.4m total project cost. Funded by ECC and SELEP.</li> <li>Awaiting approval of additional ECC contribution.</li> </ul>
Jaywick Sands Place Plan	2018	2023	£150,000	<ul style="list-style-type: none"> <li>A spatial plan for Jaywick Sands that sets the framework for future development.</li> <li>HAT projects contracted to complete the Plan.</li> <li>£80,000 spent by 2020 and a further £70,000 allocated.</li> </ul>

<b>Jubilee Grants</b>	2022	2022	£48,000	<ul style="list-style-type: none"> <li>To provide £1,000 for each Councillor to fund jubilee events in their ward. Cabinet agreed Feb 2022.</li> </ul>
<b>Projects Where Decisions Made but Subject to Further Development / Funding Decisions</b>				
<b>Honeycroft redevelopment</b>	2020	Date	£4m	<ul style="list-style-type: none"> <li>To build new council homes in Lawford.</li> <li>Funding is allocated within Housing Revenue Account borrowing, with options to explore external funding</li> </ul>
<b>Garden Community</b>	2020	2026	£1.3m	<ul style="list-style-type: none"> <li>Cabinet agreed to set aside £1.3m to invest in future development in the Garden Community, outside the statutory plan making process. Council continues to work with partners to deliver this scheme.</li> </ul>
<b>Jubilee Scholarships</b>	2022	2023	£200,000	<ul style="list-style-type: none"> <li>To support young people from Tendring to pursue technical, artistic or academic qualifications who might not otherwise be able to do so.</li> <li>Proposed at Council 15/02/22.</li> <li>As agreed by Cabinet on 25 February 2022, a cross-party working group is being set up to explore the establishment of a local scholarship scheme.</li> <li>Currently unfunded.</li> </ul>
<b>Town Centre Levelling Up</b>	2020	2026	£2.295m	<ul style="list-style-type: none"> <li>Cabinet agreed to set aside funding towards Town Centre improvements in Clacton.</li> <li>Matched to Essex County Council's £5.87m funding and the potential for £20m from Levelling Up Fund.</li> </ul>

<b>Proposals Recommended to be Funded and Progressed to Decision Stage</b>				
<b>*Freeport East</b>	2022	2024	£160,000	<ul style="list-style-type: none"> <li>Funding to support skills and regeneration projects across the Freeport area.</li> <li>Retained rates from 2024/5 expected to repay cost</li> <li>Paper for decision at Cabinet 25 March 2022</li> </ul>
<b>*Transition of Joint Use Centres</b>	2022	2023	£25,000	<ul style="list-style-type: none"> <li>Supporting the transition of the joint use centres to community use. Funding to support community sports / leisure groups.</li> </ul>
<b>*Elite Cycling Tour Series</b>	2022	2022	£80,000	<ul style="list-style-type: none"> <li>Elite cycling event in Clacton Town Centre</li> <li>Part of 10 point plan within the Tourism Strategy</li> <li>Wider events series to come forward during 2022</li> </ul>
<b>*Health inequalities programme</b>	2022	2024	£400,000	<ul style="list-style-type: none"> <li>Extension of existing health inequality posts for one year.</li> <li>Focused delivery on project co-ordination, family solutions, fuel poverty, environmental health and mental health and housing.</li> </ul>
<b>Proposals In Development / Subject to Further Consideration</b>				
<b>Milton Road Carpark Demolition</b>	2022	2023	£140,000	<ul style="list-style-type: none"> <li>To demolish the Milton Road Carpark in Dovercourt once the Starlings Project is complete in preparation for future development.</li> </ul>
<b>Milton Road Development</b>	2023	2025	TBC	<ul style="list-style-type: none"> <li>To develop housing on the Milton Road site.</li> </ul>
<b>Capital support scheme</b>	2022	2023	£150,000	<ul style="list-style-type: none"> <li>To support capital projects across the District</li> <li>Proposed at Council 15/02/22.</li> <li>Member Group with Town, Parish / unparished councillors to develop the proposal, to be set up within 3 months</li> </ul>

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<b>Member Small Grants Scheme</b>	2022	2023	£144,000	<ul style="list-style-type: none"> <li>• Members to award grants of £3,000 to Tendring organisations supporting residents with the cost of living.</li> <li>• Extension of existing member small grants scheme.</li> </ul>
<b>Jaywick Housing Conditions Survey</b>	2022	2024	£500,000	<ul style="list-style-type: none"> <li>• The Council has undertaken a house condition survey in Jaywick and work remains to identify the response.</li> </ul>
<b>Homelessness Early Intervention Officer</b>	2023	2026	£150,000	<ul style="list-style-type: none"> <li>• To consider the extension of the current fixed term contract of this role.</li> </ul>
<b>Seafront Enhancements</b>	2022	2024	TBC	<ul style="list-style-type: none"> <li>• To consider opportunities in conjunction with seaside communities (including Town / Parish Council's)</li> <li>• To develop funding options e.g. expansion of beach hut provision.</li> </ul>
<b>Public Convenience Improvements</b>	2022	2023	TBC	<ul style="list-style-type: none"> <li>• To develop options via the Public Convenience Strategy.</li> </ul>
<b>Extend Pedal Power</b>	2022	2025	£400,000	<ul style="list-style-type: none"> <li>• To explore options to extend the Jaywick cycling pedal power scheme within the District.</li> <li>• To seek external funding from the Local Delivery Pilot.</li> </ul>
<b>Disabled Bike Scheme</b>	2022	2025	£300,000	<ul style="list-style-type: none"> <li>• To help disabled people to start cycling by running a specialist bike scheme.</li> <li>• To seek external funding from the Local Delivery Pilot.</li> </ul>

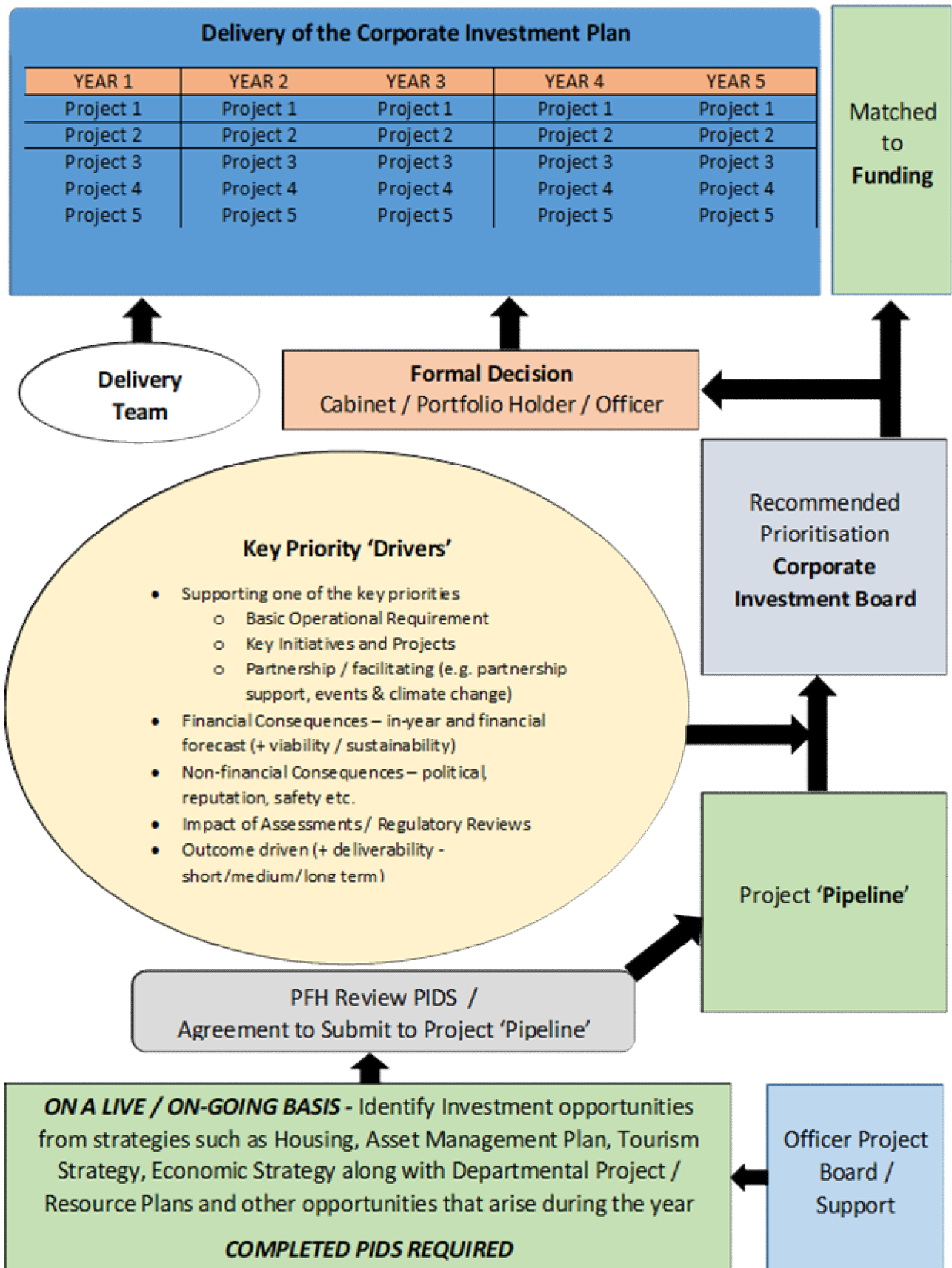
**Further Projects being developed in consultation with Portfolio Holders for potential inclusion in 'project pipeline' include:**

- Exploring options relating to the future of Mistley Park
- On-going asset review to identify where essential repairs and maintenance may be required
- Improvements to Town Centres
- Events Programme including year of creativity and culture

- *Beach Hut Strategy actions*
- *Heritage Strategy actions including Clacton seafront lights and Dovercourt Leading Lights*
- *Sport and Leisure Strategy actions*
- *Energy improvements to Council buildings*



CORPORATE INVESTMENT PLAN PROCESS



## REVIEW OF EXISTING EARMARKED BUDGETS

Cat	Revenue / Capital	Service	Description	Original Budget	Comments
A	REVENUE	Finance - Other Corporate Costs	Garden Communities Project	1,300,000	To support the on-going development of this major project with our Partners
	REVENUE	Finance - Other Corporate Costs	Levelling Up Project	2,295,000	To support the on-going development of this major project with our Partners
	REVENUE	Corporate Director and Administration Operational Services	Community Housing Trust Grant	627,010	To support the on-going development of this project. However as potential schemes are developed, opportunities to link in with the Corporate Investment Plan will be explored.
	REVENUE	People, Performance and Projects	CCG Wellbeing Hub and other Health Partner Schemes	541,400	To support the on-going development of this project
	REVENUE	Planning and Development	Future High Streets Fund	186,600	To support the on-going development of this major project associated with Levelling up
	REVENUE	Regeneration	Tendring Community Fund	356,000	To support the on-going development of this project via the associated Member Working Group

	REVENUE	Finance - Other Corporate Costs	Accelerated delivery of key projects, priorities and initiatives.	157,000	To support the capacity to deliver the Corporate Investment Plan
	CAPITAL	Leisure & Tourism	New Beach Huts	64,600	To support the development of this project
B	REVENUE	Regeneration	Rural and Urban Infrastructure Fund	1,184,310	Associated projects to be taken forward as part of previous B2B plan (where relevant) or brought forward for inclusion within the Corporate Investment Plan
	REVENUE	Finance - Other Corporate Costs	Climate Emergency Initiatives	195,820	
	REVENUE	Finance - Other Corporate Costs	Energy Efficiency Schemes	100,000	
	REVENUE	Regeneration	Creative and Cultural Strategy	100,000	
	REVENUE	Regeneration	Economic Strategy	100,000	
	REVENUE	Finance - Other Corporate Costs	Enforcement Activities	234,000	
C	REVENUE	Finance - Other Corporate Costs	Fit for Purpose	336,980	To be merged into new Corporate Investment Plan 'Reserve' - <b>(Total £2,557,680)</b>
	REVENUE	Finance - Other Corporate Costs	EU Exit Preparation	272,620	

	<b>REVENUE</b>	<b>Finance, Revenues and Benefits</b>	Health & Safety Programme of works	165,000	
	<b>REVENUE</b>	<b>Finance - Other Corporate Costs</b>	New Homes Bonus 2022/23	1,595,000	
	<b>CAPITAL</b>	<b>Housing</b>	Replacement of High Volume Printers	29,000	
	<b>CAPITAL</b>	<b>Leisure &amp; Tourism</b>	Town Centre Fountain	159,080	

## CABINET

25 MARCH 2022

### REPORT OF PORTFOLIO HOLDER FOR PARTNESHIPS

#### A.4 ESSEX FAMILY FRIENDLY EMPLOYERS CHARTER

##### PART 1 – KEY INFORMATION

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

To raise awareness of, and provide an update on, Essex County Council's (ECC) new Essex Family Friendly Employers Charter.

###### **EXECUTIVE SUMMARY**

The Essex Family Friendly Employers Charter is a set of principles that the employer must meet in order to demonstrate they are a family friendly employer.

These principles focus on the following areas:-

- 1) Family Friendly Strategy and Culture
- 2) Flexible Working
- 3) Annual Leave and Supporting Parents outside of term time

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

It is recommended:

**That the contents of this report be NOTED.**

###### **REASON(S) FOR THE RECOMMENDATION(S)**

The Council has been accredited as an Essex Family Friendly Employer which supports the Council being an employer of choice and also demonstrates best practice as a local Anchor organisation.

###### **ALTERNATIVE OPTIONS CONSIDERED**

To not apply for accreditation. However, as the Council would like to demonstrate best practice as an employer, support recruitment and the levelling up and skills agenda across Essex an application was submitted. The process involved an assessment of Human Resources procedures and individual case studies to establish that Family Friendly processes were in place across the organisation.

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

###### **DELIVERING PRIORITIES**

The accreditation supports the organisation as an Anchor organisation and employer of choice within Essex.

###### **OUTCOME OF CONSULTATION AND ENGAGEMENT**

N/A

<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>			
Is the recommendation a Key Decision (see the criteria stated here)	NO	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	
<input type="checkbox"/> <b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>			
The accreditation supports best practice in relation to the Council's Human Resources procedures and processes.			
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>			
N/A, the accreditation was submitted within existing budget resources.			
<input type="checkbox"/> <b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>			
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>			
The following are submitted in respect of the indicated use of resources and value for money indicators:			
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	N/A		
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	N/A		
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The accreditation supports best practice.		

<b>MILESTONES AND DELIVERY</b>	
N/A	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
N/A	
<b>EQUALITY IMPLICATIONS</b>	
The accreditation supports equality as the human resources 'family friendly' policies and procedures apply to all employees of the Council. They support both potential job applicants and existing employees.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The accreditation sets a benchmark for the Council as a local Anchor organisation.	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
N/A	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
<b>Crime and Disorder</b>	N/A
<b>Health Inequalities</b>	N/A
<b>Area or Ward affected</b>	N/A

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

<b>BACKGROUND</b>
<p>The Charter was developed following consultation with local employers across Essex through two "on line" round table discussions. It is acknowledged that not all employers can offer flexible working. However, family-friendly policies are about more than being able to work from home. The Charter sets out how employers can help parents and carers manage their work and caring commitments.</p> <p><b>For further information</b> on the Charter please refer to Appendix A - Essex Family Friendly Employers Charter</p> <p>Following the recent submission of the Charter application to ECC, the Council was informed on 2<sup>nd</sup> March 2022 that it has been awarded Charter status. This demonstrates the Council's commitment to supporting working families. TDC has joined a growing network of employers which includes:-</p> <p style="padding-left: 40px;">Anglia Ruskin University Essex Partnership University Trust Braintree District Council Colchester Borough Council and</p>

HSBC Holdings plc

This Charter also provides the Council with the opportunity to support local organisations in working towards and signing up to the Charter, as well as sharing good practice. For a full list of organisations that have signed up to the Essex Family Friendly Employer Charter to date: Ref ECC Website: <https://www.essex.gov.uk/family-friendly-charter/employers-that-have-signed-up-to-the-family-friendly-charter>

In addition, this type of accreditation very much supports the reputation of the Council as an Employer, as well as supporting the Anchors movement within the District.

#### **PREVIOUS RELEVANT DECISIONS**

N/A

#### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

N/A

#### **APPENDICES**

**Appendix A – Essex Family Friendly Employers Charter**

#### **REPORT CONTACT OFFICER(S)**

<b>Name</b>	<b>Anastasia Simpson</b>
<b>Job Title</b>	<b>Assistant Director (Partnerships)</b>
<b>Email/Telephone</b>	<a href="mailto:asimpson@tendringdc.gov.uk">asimpson@tendringdc.gov.uk</a> <b>Telephone: (01255) 686 324</b>





# CHARTER

**The Essex Employers Family-Friendly Charter is a set of minimum principles that employers in Essex should meet to be deemed family-friendly.**

Not all employers can offer flexible working. However, family-friendly policies are about more than being able to work from home.

The charter sets out how employers can help parents and carers manage their work and caring commitments.

Sign up to the Charter Join a network of organisations to share good practices and lead the way in supporting people in Essex. To sign up to the Essex Employers Family-Friendly Charter, contact [Essex.Partners@essex.gov.uk](mailto:Essex.Partners@essex.gov.uk)

**By signing up to the charter, employers agree to adopt family-friendly policies.**



## Family-friendly strategy and culture

To foster a family-friendly strategy and culture, employers should:

- promote a positive culture and attitude to different ways of working
- support managers and employees to talk about different working arrangements
- during induction, provide information about the opportunities and process to make a flexible working request
- make information around family-friendly practices and workplace benefits for families easy to access
- make roles open to part-time and flexi-time where possible, including senior positions
- where possible, provide support for employees such as mentoring, resilience and aspiration building and peer support networks
- provide part-time staff with equal access to training, development and opportunities to progress



## Flexible working

In line with the employers' needs, employers should aim to:

- offer a range of flexible working options such as flexible working hours, working from outside the main office, condensed hours, extended lunch breaks and acceptable breaks for family commitments
- advertise jobs as flexible (where flexible working options are possible)
- start from a position of “yes” when it comes to flexible working requests
- provide advance notice of shift patterns



## Annual Leave and supporting parents outside of term time

To help employees manage work and caring commitments, employers should:

- provide a range of leave options to support parents such as dependent leave, unpaid leave, emergency care leave and options to buy extra leave
- ensure information about leave options to meet family commitments is easy to access
- consider who may need leave, flexible hours or flexible workplaces during holidays for childcare purposes

## CABINET

25 MARCH 2022

### REPORT OF THE PORTFOLIO HOLDER FOR PARTNERSHIPS

#### A.5 TENDRING COMMUNITY FUND WORKING PARTY

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

The purpose of this report is to provide Cabinet with an update on the work of the Tendring Community Fund Portfolio Holder Working Party and to seek Cabinet's approval for its ongoing work to enable the distribution of grants from the fund.

###### EXECUTIVE SUMMARY

The Tendring Community Fund has been established for the benefit of the community across Tendring. The Tendring Community Fund Working Party has met on two occasions to discuss and agree the proposed Terms of Reference. The Terms of Reference have been drawn up to facilitate the means through which the monies held within the Tendring Community Fund can be allocated as fairly and effectively as possible with effective due diligence and means of governance in place. In addition, the Working Party has agreed a preliminary application process and guidance notes for prospective applicants.

The Chair of the Working Party (the Portfolio Holder for Partnerships) is seeking Cabinet's agreement for the recommendations below. This will enable the Working Party to move forward so that grants from the fund can be awarded in the coming months.

###### RECOMMENDATION(S)

That Cabinet:

- (a) delegates authority to the Portfolio Holder for Partnerships, in their role as Chair of the Tendring Community Fund PH Working Party, to both receive funds and to oversee the distribution of funds relating to the Tendring Community Fund;
- (b) approves the Terms of Reference for the Tendring Community Fund Working Party; and
- (c) receives an update report from the Chair of the Tendring Community Fund Working Party within twelve months.

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

###### DELIVERING PRIORITIES

Tendring Community Fund seeks to support community groups and organisations that in turn support the residents and local communities across our District. In February 2020 the Leader of Council, Neil Stock, OBE announced the introduction of the "Tendring Community Fund that seeks to support community groups and organisations that in turn support the residents and local communities across our District. I will be allocating £500k to this new fund from the Council's New Homes Bonus allocation for 2020/21".

The Leader also stated at Council (11 February 2020) *"In respect of the Tendring Community Fund, I see this as a successor to the hugely successful Big Society Fund, with a lead Portfolio Holder and*

*cross-party representation on the panel that reviews and approves applications for grant funding. A key condition of awarding grant funding would be the generation of match funding. I will be asking officers to get going on these two initiatives and bring something back to Members as soon as possible to ensure we can make this money available to organisations as quickly as we can in 2020/21.”*

The aim of the fund is to put investment into the District where it is most needed and assist with drawing in match funding where possible to achieve maximum impact and value.

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

**Finance and other resources:** The initial finance for the fund has been allocated from within the Council's New Homes Bonus. Additional funding to 'top up' the fund may be added at the discretion of the Leader and Cabinet.

Following the Leader's announcement £500,000 was allocated to the fund in Q3 of 2019/20. Three allocations of £48,000 have subsequently been made for the Members' Small Grant Scheme which was part of the Covid response and a further allocation for Jubilee Celebrations. This leaves a balance of £356,000 in the fund.

The Working Party has agreed that grants will usually be limited to no more than £35,000 although larger bids may be considered if they can demonstrate significant impact.

**Risk:** With any grant awarding process there is an element of risk as delivery of the project is dependent upon the recipient of the award. A careful process of due diligence by means of an application process, and an interview will be put in place prior to any grant making decisions. The expertise of the Working Party membership and the advice of CVST will also be utilised in the process. Ongoing monitoring of projects including receipt of progress reports and updates to the Working Party along with an evaluation programme will further mitigate against risk.

## **LEGAL**

The initial budget was agreed by Cabinet on 21 February 2020. The New Homes Bonus is a grant announced alongside the wider annual Local Government Finance Settlement and there are no restrictions on how it can be used.

## **OTHER IMPLICATIONS**

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

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

The Tendring Community Fund aims to provide targeted help to those areas and communities facing the greatest challenges. Recognising that local people are best placed to decide the right approach for their communities, it is designed to respond to the needs which are identified and to support the resourcing of activities.

Funding will be allocated for the benefit of those within the District by working closely with groups and organisations to meet the needs of communities throughout the District. Prioritisation will be given to those projects which clearly show how they will support the achievement of the Council's Corporate Plan and published priorities.

As part of the application and awarding process a record of the Wards which will benefit will be maintained. Equity across the Wards will be taken into account.

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

In February 2020 the Leader of Council, Neil Stock, OBE announced that he would be allocating £500,000 to this new fund from the Council's New Homes Bonus allocation for 2020/21. The aim of the fund is to put investment into the District where it is most needed and assist with drawing in match funding where possible to achieve maximum impact and value.

Following his announcement, the Leader established a cross-party working group to look at how the fund could be established and run, with a brief to report its recommendations back to Cabinet. The implementation of the working party was delayed due to the impact of Covid from March 2020 and it began its work in the autumn of 2021.

### **CURRENT POSITION**

The group has developed and agreed a Terms of Reference document (see Appendix) to outline the key principles to enable the effective administration of the fund through the use of the Working Party under the Chairmanship of the Portfolio Holder, Partnerships.

The proposed Terms of Reference aim to provide a clear and transparent means of governance for the administration of the fund and Working Party. The first eight points establish the purpose, delegated authority and membership of the Working Party. Points 8 to 11 address the proposed administrative routine for the group regarding circulation and distribution of papers and notes of meetings. Points 12 to 15 affirm the process for the confirmation of decisions for the awarding of grants to ensure transparency and compliance with the Council's decision making procedures. Point 15 makes clear that the responsibility of the Working Party will include ongoing monitoring of projects in receipt of grants. Finally, points 17 to 19 aim to ensure transparency and avoid any potential conflicts of interest.

A preliminary application form and guidance note for applicants has been developed and will be further developed to enable additional due diligence regarding revenue funding requests.

All applications need to demonstrate that they support and will enable the Council to meet the priorities of the Corporate Plan.

Subject to Cabinet's agreement to the recommendations supplied in this report, the Working Party will meet every 3 months (the next meeting is scheduled for 20<sup>th</sup> April 2022). The immediate priority will be to finalise the application form, guidance notes and approve a communications and publicity plan so that applications can be made to the fund. The first applications received will be considered at the following meeting prior to going on to formal assessment with a decision making panel.

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

None

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

None

### **APPENDICES**

Terms of Reference of the Working Party

<b>REPORT CONTACT OFFICER(S)</b>	
<b>Name</b>	<b>Carol Magnus</b>
<b>Job Title</b>	<b>Organisational Development Manager</b>
<b>Email/Telephone</b>	<a href="mailto:cmagnus@tendringdc.gov.uk"><u>cmagnus@tendringdc.gov.uk</u></a> <b>(01255) 686 308</b>

## **A.5 APPENDIX**

### **Tendring Community Fund Portfolio Holder Working Party**

#### **Terms of Reference**

1. The Tendring Community Fund has been established by the Council for the benefit of the residents across Tendring.
2. These Terms of Reference have been drawn up to facilitate the means through which the monies held within the Tendring Community Fund can be allocated as fairly and effectively as possible with effective due diligence and means of governance in place.
3. The aim of the fund is to put investment into the District where it is most needed and assist with drawing in match funding where possible to achieve maximum impact and value.
4. Tendring Community Fund seeks to support community groups and organisations that in turn support the residents and local communities across the district. Its overriding purpose is to benefit the district of Tendring.
5. The Portfolio Holder working party has been created to oversee the distribution of the funds from the Tendring Community Fund and to monitor the effectiveness and impact of grants awarded.
6. The Chair of the Working Group has received full delegation from Cabinet to both receive funds and to oversee the distribution of funds relating to the Tendring Community Fund.
7. The Working Party will be chaired by the Portfolio Holder for Partnerships
8. The membership of the Working Party will be made up of nominated representatives from the Group leaders.
9. Quarterly meetings will be scheduled in advance, however if there are no applications or funding available, meetings will be cancelled by the Portfolio Holder for Partnerships.
10. Papers will be distributed to members of the Working Party no less than five working days before the meeting.
11. Notes from the meetings will be circulated within five working days.
12. A careful process of due diligence by means of an application process, and an interview will be put in place prior to any grant making decisions. The expertise of the Working Party membership and the advice of CVST

will also be utilised in the process. All applications need to demonstrate that they support and that they will enable the Council to meet its priorities as detailed in the Corporate Plan.

13. The determination of applications that result in a financial award will be confirmed by a formal Portfolio Holder Executive Decision and details will be circulated to Cabinet. Any decisions will be subject to the Council's governance processes.
14. Once call-in has expired the formal Portfolio Holder decisions will be published on the Tendring District Council web site as soon as possible after each meeting of the Working Party.
15. Grants will usually be limited to no more than £35,000 although larger bids may be considered if they can demonstrate significant impact.
16. The Working Party will receive reports and updates from those groups in receipt of an award in order to learn about the activity delivered and its impact and effectiveness. This will enable monitoring and evaluation to be built in to all projects and programmes.
17. All members of the Working Party are asked to make Declarations of Interest in accordance with the Members' Code of Conduct.
18. Members of the Working Party representing outside bodies should highlight conflicts of interest for the purposes of openness and transparency in the Council's decision making process.
19. Members who have any personal association with any person or person's making an application should declare this as an interest and recuse themselves from any discussion or debate on that particular application or subsequent reporting.



## CABINET

25 MARCH 2022

### JOINT REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE AND THE PORTFOLIO HOLDER FOR HOUSING

#### A.6 FREEHOLD PURCHASE OF A RESIDENTIAL PROPERTY IN CLACTON-ON-SEA

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

To seek approval, in principle, from Cabinet for the freehold purchase of a two bedroom residential property in Clacton-on-Sea to meet local housing needs.

###### EXECUTIVE SUMMARY

- This proposal is in respect of an opportunity to purchase a two bedroom ex-Council house that is currently offered under the Right of First Refusal buy back period in Clacton on Sea.
- For a number of years the Council has had a strong demand for two bedroom houses and this property meets the criteria set out in the Housing Acquisitions and Development Strategy.
- In January 2022 Portfolio Holder approval was obtained to initiate the Council's Property Dealing Procedure, to obtain an independent valuation of the property and to negotiate a price with the owners.
- An independent market valuation has now been obtained and negotiations with the owner have been completed satisfactorily, to enable the purchase to be progressed to a conclusion. Purchasing this property will add an additional property to the Councils housing stock in the Housing Revenue Account in an area of high demand.

Part B refers to the detail of negotiations.

###### RECOMMENDATION(S)

**It is recommended that:**

**Cabinet authorises, in principle, the freehold purchase of the property.**

###### REASON(S) FOR THE RECOMMENDATION(S)

Officers believe that whilst the purchase of the property carries a financial cost it will bring an additional dwelling into the housing stock that will meet a local housing need and would immediately generating rental income.

**ALTERNATIVE OPTIONS CONSIDERED**

To not purchase the property. Given the nature of the property and the conditions under which it has been offered to the Council this option has not been considered any further.

**PART 2 – IMPLICATIONS OF THE DECISION****DELIVERING PRIORITIES**

The Corporate Plan priorities include building sustainable communities for the future - Building and managing our own homes and also to use assets to support priorities.

The Council's Housing Strategy adopted in October 2020 has delivering homes to meet the needs of local people as one of its key strategic priorities. Since the Housing Strategy was adopted, an additional 17 dwellings have been added to the Council's housing stock through acquisitions on the open market or through S106 agreements.

Supporting the supply of affordable housing and to add additional properties to the Council's own housing stock.

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

**OUTCOME OF CONSULTATION AND ENGAGEMENT**

Consultation has been undertaken with:

The Building Services Manager and Housing Solutions Manager, who both support the purchase of this property.

The Chair of the Tenants' Panel who agreed to the principle of purchasing properties that meet the acquisition priorities.

**LEGAL REQUIREMENTS (including legislation & constitutional powers)**

Is the recommendation a Key Decision (see the criteria stated here)	YES/NO	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	10 February 2022

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

Section 17 of the Housing Act 1985 provides the principal power for the acquisition of land for housing purposes, including land as a site for the erection of houses; this includes the power to acquire land for the purposes of disposing of the land to a person who intends to provide housing accommodation on it.

Pursuant to Section 9 of the Housing Act 1985 (“the 85 Act”), a local housing authority may provide housing accommodation by acquiring houses. Section 24 of the 85 Act provides that the Council acting as a housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses.

**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

**FINANCE AND OTHER RESOURCE IMPLICATIONS**

**Finance and other resources**

The purchase of properties carry a financial cost but would bring an additional dwelling into the Housing Revenue Account that, once let, will immediately begin generating a return once.

The purchase is to be wholly funded by section 106 agreements for affordable housing. Details of the proposed transaction are in Part B.

**Risk**

Officers have not identified any significant risk associated with the proposals other than the risk associated with the Right to Buy – a financial risk that is inherent to almost all Council owned housing. Since the adoption of the Housing Strategy, 12 homes have been sold to tenants exercising their right to buy.

**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

There are no additional comments over and above the financial information / commentary already set out elsewhere in this report.

**USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Refer to finance and other resource implications
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Refer to legal requirements
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Refer to finance and other resource implications

<b>MILESTONES AND DELIVERY</b>	
Subject to Cabinet approval, anticipated completion in April / May 2022. Subject to resources the transaction is to be completed by TDC's Legal Services or an external firm of solicitors.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
Officers have not identified any significant risk associated with the proposals other than the risk associated with the Right to Buy – a financial risk that is inherent to almost all Council owned housing. Since the adoption of the Housing Strategy, 12 homes have been sold to tenants exercising their right to buy.	
<b>EQUALITY IMPLICATIONS</b>	
The proposal does not impact on the protected characteristics of any individuals	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
None identified	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
The purchase of this property does not present a direct impact on the Council's target for net zero greenhouse gas emissions from its business operations by 2030. It does however present an opportunity to improve the energy efficiency of the property as part of the refurbishment process and thereby reduce the greenhouse gas emissions generated by the eventual tenants. The aim will be to improve the energy performance of the property as much as reasonably possible.	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
<b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b>	
<b>Crime and Disorder</b>	<b>None noted</b>
<b>Health Inequalities</b>	<b>None noted</b>
<b>Area or Ward affected</b>	<b>Bluehouse Ward, Clacton-on-Sea</b>

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

<b>BACKGROUND</b>
<p>The Council has a target to bring additional homes into the council housing stock in order to meet rising demands for high quality, affordable housing in the district. These homes will be acquired or built via a range of approaches.</p> <p>For a number of years the Council has had a very strong demand for two bedroom houses in Clacton on Sea. However our stock has dwindled and turnover of tenancies is very slow.</p> <p>Officers have an opportunity to purchase a two bedroom ex-Council house that is currently offered under the Right of First Refusal buy back period in a fair condition. Under the Right to Buy there is a covenant in the conveyance to have to offer the Council the opportunity to buy back the property within 10 years of the sale, should they wish to sell the property on.</p>

The property has been viewed by the Development & Building Manager and Senior Tenancy Management Officer and have been identified as a property of high demand and the construction is known to the Building Services Team. It is located within a road where the Council owns most of the properties.

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

#### **PREVIOUS RELEVANT DECISIONS**

Initiation report published 25 January 2022

#### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

#### **APPENDICES**

None

#### **REPORT CONTACT OFFICER(S)**

<b>Name</b>	<b>Heidi Foster</b>
<b>Job Title</b>	<b>Senior Tenancy Management Officer</b>
<b>Email/Telephone</b>	<a href="mailto:hfoster@tendringdc.gov.uk">hfoster@tendringdc.gov.uk</a> <b>01255 686485</b>

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