

**MINUTES OF THE MEETING OF THE COUNCIL,
HELD ON TUESDAY, 15TH FEBRUARY, 2022 AT 7.30 PM
IN THE PRINCES THEATRE, TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

Present:	Councillors Bray (Chairman), Harris (Vice-Chairman), Alexander, Allen, Amos, Baker, Barry, Bush, Calver, Casey, Chapman BEM, Chittock, Clifton, Codling, Coley, Davidson, Davis, Fairley, Fowler, Griffiths, C Guglielmi, V Guglielmi, I Henderson, J Henderson, P Honeywood, S Honeywood, Land, McWilliams, Miles, Morrison, Nash, Newton, Placey, Porter, Scott, Skeels, Steady, G Stephenson, M Stephenson, Stock OBE, Talbot, Turner, White, Wiggins and Winfield
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), Keith Simmons (Head of Democratic Services and Elections), Ian Ford (Committee Services Manager), William Lodge (Communications Manager), Kai Aberdeen (Theatre General Manager (Technical)), Keith Durran (Committee Services Officer) and Matt Cattermole (Communications Assistant)

124. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors King and Knowles.

125. MINUTES OF THE LAST MEETING OF THE COUNCIL

RESOLVED that the minutes of the ordinary meeting of the Council held on 25 January 2022 be approved as a correct record and be signed by the Chairman.

126. DECLARATIONS OF INTEREST

In relation to Item A1 – the General Fund Budget and in particular any discussion on the provision of funding to the Joint Use Facilities in Harwich, Councillor I J Henderson declared a Personal Interest due to a family member working at the facility under paragraph 5.1(f) of the Members' Code of Conduct. The Monitoring Officer had, following the principles set out in Section 33 of the Localism Act 2011, agreed to grant a dispensation to allow him to take part in the debate and vote on the item:-

- *for the sole purposes of representing the residents living in the Harwich area as Ward Councillor relating to the loss of the facility to the community whilst adhering to the duties and responsibilities of the Members' Code of Conduct.*

Councillor J Henderson declared the same Personal Interest as Councillor I J Henderson in relation to Item A1 – the General Fund Budget and confirmed that the Monitoring Officer had agreed to grant a dispensation to allow her to take part in the debate and vote on the item for the sole purposes of representing the residents living in the Harwich area as Ward Councillor relating to the loss of the facility to the community.

The Monitoring Officer was aware that many Members of the Council were also members of Town/Parish Councils within the District and/or were County Councillors for electoral Divisions within the District. She reminded Members that they did not have to declare a Personal Interest solely for that reason on an agenda item unless they were intending to talk specifically about the parish for which they were an elected Parish/Town Councillor.

The Chairman of the Council also reminded Members that the Monitoring Officer and the Section 151 Officer had circulated their annual guidance and advice on a number of matters relating to interests and voting on the annual budget and setting of Council Tax and, especially, the requirements of section 106 of the Local Government Finance Act 1992.

127. ANNOUNCEMENTS BY THE CHAIRMAN OF THE COUNCIL

Pride of Tendring Awards

The Chairman thanked all those who had attended or who had been involved in the holding of the Pride of Tendring awards on Friday 11 February 2022. He felt that it had been a massively successful event. He was also pleased to announce that a significant amount of money had been raised on the night for local Armed Forces Veterans breakfast clubs.

Chairman's Charity Raffle

The Chairman reminded Members that the Raffle prizes would be drawn on Friday 25 February 2022. He urged that anyone who wanted to purchase Raffle tickets but had not yet done so to 'hurry up' and contact Lizzie Ridout, Leadership Support Manager or a member of her Team.

128. ANNOUNCEMENTS BY THE CHIEF EXECUTIVE

There were no announcements by the Chief Executive on this occasion.

129. STATEMENTS BY THE LEADER OF THE COUNCIL

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

130. STATEMENTS BY MEMBERS OF THE CABINET

Action on Climate Change Update

The Environment and Public Space Portfolio Holder (Councillor Talbot) made the following statement:-

"This Council meeting is the Budget meeting and it is only three weeks since I last gave a full report so just a couple of headlines tonight:-

Lee Heley held the second of his 'Climate Change Programme Board' meetings on the 8th of February and I will report further on that at our next ordinary meeting on 29th March.

I will be contacting all our 27 Town and Parish Councils requesting that they inform me, via Lee Heley, of any changes or new initiatives they have undertaken, however small they may be, so that a list can be compiled of Climate Change activity District wide, that can then be circulated to all Towns and Parishes, so that Members in our own town or parish area can 'Crib' the best of what others are doing.

I have been reminded by colleagues that what I am doing ignores those unparished areas of our District completely, so for information purposes I will be copying the above letter and the replies I receive to the District Council Members representing our unparished wards, and since I know many of these wards have meetings where such matter could be discussed, perhaps local actions could be initiated for the long-term benefit of our residents.

I do hope colleagues that this does not appear to be teaching any Member in an unparished ward to 'suck eggs' as that is not my intention and I apologise to them in advance if that appears that way to them."

131. REPORT OF THE CABINET - A.1 - EXECUTIVE'S PROPOSALS - GENERAL FUND BUDGET AND COUNCIL TAX 2022/2023

Further to Minute 118 of the meeting of the Cabinet held on 28 January 2022, the Council considered the Executive's General Fund budget proposals for 2022/23.

Council was informed that there had been no changes required to the forecast or budgets, so Appendices A to C to item A.1 of the Report of the Cabinet remained the same as those that had been considered by Cabinet on 28 January 2022.

It was reported that the 'technical' Appendices D to J, which were required to be presented to Full Council in order to enable it to consider and agree the level of Council Tax and Budget for 2022/23 had been agreed by the Portfolio Holder for Corporate Finance and Governance, in accordance with the authority delegated to him by Cabinet on 28 January 2022.

Members were reminded that, as reported to Cabinet on 28 January 2022, there remained a budget deficit of £0.431m in 2022/23, which would be funded by drawing money down from the Forecast Risk Fund in-line with the long-term forecast approach.

Council was made aware that the total net General Fund revenue budget for 2022/23 was £9.398m along with a General Fund capital programme totalling £0.839m.

As recommended by Cabinet on 28 January 2022, the Executive's budget proposals set out a Band D Council Tax of £182.64 in 2022/23, an increase of £5 (2.81%), with a Council Tax requirement of £9.112m.

Members were advised that the budget recommended by Cabinet included only the District and Parish elements of the Council Tax rather than those from the major precepting authorities. The formal approval of the 'full' Council Tax levy for the year, including the precepts from Essex County Council, Police and Fire, was delegated to the Human Resources and Council Tax Committee which was due to meet later on in February 2022.

The Leader of the Council (Councillor Stock OBE) made the following budget statement:-

“Mr Chairman, I suspect that probably everyone feels this to some extent, but due to the COVID 19 pandemic the last two years have sort of rolled into one with many of the activities that we so proudly discussed last year continuing throughout 2021/22. I spoke last year about how, almost instinctively, we all came together to ensure we were there for our residents and businesses, and this has been the case again over the past 12 months, and just like last year, we have continued to respond to COVID 19 issues but also seamlessly continued with the provision of our day-to-day services.

As the 48 members of this Council we all bring our individual perspectives and we have a wide range of backgrounds and experiences that form our opinions and views, so hence we often have different ideas on the best ways of delivering for our residents, which is the key marker of any robust democracy; it is not only OK that we don't always agree, it is good and healthy, although I do like to think it goes without saying that any disagreements should always be handled with the utmost respect and courtesy. I have known most of you here tonight for many years and I think it is fair to say that we are all on the same side in terms of genuinely having the interests of our residents, businesses and visitors at heart, so when we do sometimes have conflicting views on tackling the many issues that we face as a Council, it is also helpful that we bring those different viewpoints to how we respond – and at the end of the day that is the benefit of having 48 voices contributing to this Council's future and progress.

Which brings me to the budget. At the heart of an effective Council and its ability to provide quality services, deliver on its objectives, and respond to the challenges and the expectations of residents and businesses, is a strong financial position. This is what enables us to keep the Council evolving and moving forward progressively. This is usually in a planned and programmed way but sometimes it may be in a reactional way, as in Local Government the world around us is always shifting. You could say that is what makes our roles even more exciting, as I cannot think of such diverse organisations in the private sector.

One minute we may be talking about regeneration in Jaywick, the next minute on major projects such as Freeports. We may then find ourselves discussing the local plan, constitution reviews and waste and recycling. With only a cup of tea in between, we may then be asked to turn our minds to the demolition of a multi-storey car park and its replacement with quality new houses, the creation of a Garden Village or incineration issues at the crematorium, and then perhaps on to more operational matters such as Careline and seafront activities.

When you stop and think, we are effectively running a significant number of individual businesses, each of which are wildly diverse and varied, which would be a huge challenge for any private sector organisation.

These not only require us to think about issues such as social value, health and inequality, climate change and social inclusion, which highlights only a few examples, but all of this has to be built on and captured in the budget and financial forecast - a complex jigsaw puzzle I think it is fair to say.

When making such lists of the disparate range of activities we undertake and provide, it brings you back round to the same point that we touch on most years and that is we do

all of this for just £182.64 a year – the level of council tax we are considering tonight. I think that is pretty impressive and we should remind ourselves of this more regularly. It is also worth remembering that despite Council Tax bills being issued in the name of Tendring District Council, only about 8% of those bills is actually down to us.

In delivering services and responding to our priorities we also have to remain fiercely ambitious; but I think it is fair to say that with great ambition comes great financial responsibility.

What I mean by this is that all of us here tonight want to do the right things and spend our limited financial resources in the right places, but this has to be done in a balanced and proportionate way. As I think I say most years, we are just the current stewards here at Tendring District Council and that includes managing our finances well for the benefit of those that come after us.

Recent years have seen some Councils getting this balance wrong. Some have embarked on quite risky investments or not taken a prudent approach to using their resources wisely and at the right scale and speed – a form of reckless financial vandalism it could be said.

As you have heard me say before, digging yourself out of such a mess does not serve your residents and businesses well, as it usually takes a number of years to recover the lost ground.

Notwithstanding this, delivery is important against our existing ‘cash backed’ promises and the following list details some examples of key projects that we will be able to get underway very soon, obviously dependent upon this budget being agreed tonight, as well as some that have commenced and should be able to complete very shortly. Chairman, that list includes:

*The provision of a covered market and managed workspaces in Jaywick;
The development of the former Starlings site in Harwich;
Various projects set out within the Back to Business action plan;
Supporting the development of the major Freeport project, centred on Harwich;
Replacing the all-weather pitch at Clacton Leisure Centre along with wider investment in the centre;
Supporting celebratory events such as Clacton 150th and Mayflower 400 in Harwich;
The replacement of our cremators at Weeley;
Supporting our heritage assets such as the Treadwheel Crane in Harwich;
Undertaking cliff stabilisation work along Clacton and Holland seafronts;
Demolition of a multi-storey car park in Harwich, to be replaced with housing; and
Disposal of the former Weeley Council office site, which will not only provide us with additional housing, but will also enable us to secure the full savings from disposing of the site.*

As I said to the Resources and Services Overview & Scrutiny Committee just last month, it is essential that the Council has a clear set of priorities, and that those priorities are properly budgeted for. It should be printed in bold on page one of the “How to be a good Councillor handbook” that there is absolutely no point in a Council having a clear and specific priority, if there is no money in the budget to make it happen. And equally as important, there is also no point in having an amount identified in the budget

for a specific idea or project, if that scheme is not also identified as a priority for the Council.

So, looking ahead, we are aiming to implement a Corporate Investment Plan, a framework in which we can consider all the things we have to do, or would like to do, to support our ambitions and to further our priorities. This will be a key element in strengthening how we prioritise where we want to spend our money, which I am sure most economists would describe as a scarce resource – especially for us in the public sector! This approach will also start to see our existing Back to Business Plan merge with this new plan as we head into 2022/23.

We have already seen a change in the timing and reporting of our corporate priorities. This year we have brought them together to strengthen that all important link to the budget. The Corporate Investment Plan therefore aims to build on this approach.

During the course of the year, we often see ideas, projects and schemes come forward, and long may that continue, as this is a much better way of thinking than promoting a culture where people are hesitant to put things forward by self-editing their hopes and aspirations or where raising expectations are feared. There is nothing wrong with raising expectations and confidently promoting what we would like to do, as long as we balance that with the long-term financial sustainability of the Council, and I am sure that is an approach we can all embrace.

It is also worth highlighting that when ideas come forward, they can sometimes be viewed in isolation. When you view things in isolation, they can often appear to be good ideas that have strong links to our priorities, which they may well be. However, we need to place them next to other potential schemes and projects as only that way can we judge them consistently and squeeze as much value from every pound of investment we make. Taking a bank manager's approach, each idea put forward is competing with every other idea put forward and we clearly cannot fund them all. Therefore, what we need to do is see where the investment gives the biggest 'bang for our buck' in terms of delivering high quality services and delivering against our priorities.

With the above sound logic in mind, which seems a prudent and sensible approach to me, I would be happy to consider any new items and budget amendments that have been put forward by Members this evening. However, this will not be on the basis of their inclusion in the budget we will be considering tonight, but alternatively for inclusion in the Corporate Investment Plan. This will be maintained on a 'live' basis with the first iteration planned to be considered by Cabinet on 25 February 2022. This will also be a good place to consider how we effectively use the New Homes Bonus we will be receiving from the Government in the next financial year.

In terms of the New Homes Bonus, this is included in the budget before us tonight, which enables me to confirm the funding previously identified to support the Jaywick Workspaces scheme to enable it to now be progressed, as well as the demolition of the Milton Road car park and its replacement with high quality new housing as part of the Starlings re-development project in Harwich.

In terms of putting things forward for inclusion in the Corporate Investment Plan, I would like to make my own suggestion. Given the success of the Member's Small Grant Scheme as a strictly targeted resource, and which I extended last year, I would like to extend it again – however, this will be for much more positive reasons. I would like to

make an additional £1,000 available to each member of the Council in 2022/23 to enable them to support Her Majesty the Queen's Platinum Jubilee celebrations within their wards. I know that we will all wish to play a part in congratulating Her Majesty for her lifetime of dedication and devotion to our nation and to join in the celebrations within our local communities. We will also be making 'celebration packs' available to all those wishing to arrange street parties, but this funding goes above that by directly supporting the various celebrations I am sure people will be looking forward to later in the year – especially after the difficult two years we have all endured.

This is also a good point to revisit a couple of points made by the Resources and Services Overview and Scrutiny Committee when they reviewed the budget a few weeks ago. It is a terrific piece of work that they do on that committee, going through the budgets with a fine-tooth comb and I want to thank them for their efforts, it really is an essential part of the process. And to prove I was listening, they suggested the inclusion of potential seafront enhancements and improvements in public conveniences within the Corporate Investment Plan, so again I will ask Officers to bring those initiatives forward as part of the associated strategies.

As I mentioned earlier, we have to place all the things we want to do side by side, so we can take a properly informed decision of where we spend our limited resources. The Corporate Investment Plan will remain as a 'live' document so nothing that gets added will necessarily be removed, so it can be considered for funding in the future on a prioritised basis.

We now also have the Government's 'levelling up' agenda to consider going forward. Although the devil will be in the detail, it is likely that we will need to have some funding headroom within the Corporate Investment Plan as there will hopefully be opportunities to lever in Government funding on the back of us also committing money to schemes and projects that support this major Government agenda.

In terms of prioritisation of the Corporate Investment Plan, further details will be set out within the report to Cabinet in February, but it needs to take into account a number of key priority 'drivers' such as financial viability and sustainability, non-financial consequences such as reputation or health and safety, the outcome from external assessment and regulatory reviews along with being outcome-driven. This approach, therefore, aims to form the basis of a consensus of what we can fund.

It also needs to be done in a holistic way looking across the whole of the District. Let us not forget, supporting one area of the District often has a knock-on impact elsewhere in the District, such as the local economy, so we must remain alert to this as part of our decision making.

The Corporate Investment Plan approach will also guide us in terms of chasing external funding, as we will have a ready-made, properly thought through list that we can use to go out and make a coherent case to our partners and potential funders.

It is also worth highlighting that the Corporate Investment Plan approach will also be supported by the Accelerated Delivery 'fund' that we set up last year to ensure the right capacity in the right places at the right time across the Council.

I hope you are happy Chairman to indulge me for a few minutes as I change the tone by taking a quick look at our financial governance arrangements which I am sure will

please Richard and Lisa. Good financial governance does not happen by accident and is something that is laid down over time. I mentioned about stewardship earlier, and although potentially not the most exciting subject in the world, it provides the strong foundations to always work from. We have made many improvements over recent years that we have captured in our Annual Governance Statement.

We need to continue this approach at Tendring; it has taken us a long time to get into a position that is as strong as it is right now; like many things in life – it takes a long time to build solid foundations, but they can easily be destroyed overnight. We must remain on the right path against which the financial forecast and budget can be ‘built on’ year after year.

During the budget cycle for 2022/23, a review of reserves was undertaken which was set out within the report to Cabinet back in December. Hopefully, this adequately responded to the simplistic but dangerous view that could have been taken, that we have money just sitting around doing nothing. All our reserves serve a vital purpose and are crucial in supporting the Council’s overall financial standing. Our reserves will play an important role going forward, such as helping us look after our assets and to help us deliver our climate change ambitions.

Turning to the details of the General Fund budget we are considering tonight, although the budget sets out an estimated annual deficit of £431,000 in 2022/23, it is significantly lower than last year. The position recognises the significant income receivable from the Government as part of the Local Government Finance Settlement. This, however, presents a double-edged sword, as although the additional funding is welcomed, we can only really treat it as one-off income. Future years’ settlements will be based on the Government’s planned spending review and along with the proposed reform of the retention of business rates, the level of funding we may receive in future years is unclear.

The annual savings target of £450,000, set out in the long-term forecast therefore remains an important element of our financial future. As discussed previously, we are now embarking on a zero-based approach to the budget, which is aimed at helping us identify the necessary savings. We cannot be complacent; we still have forecast deficits in later years of the forecast and so we all need to play our part in securing savings going forward. We need to find on-going savings, not just one-offs, as on-going items will form part of securing our financial future.

Having talked about the need to find savings, let us not forget one of the main principles behind the long-term approach – and that is providing time for our underlying income from business rates and council tax to grow. We all see growth in these two areas of the budget when we are out and about within the District, especially with new commercial units popping up, like those on Brook Park. Although there are no guarantees that I can give tonight, growth in these two areas of the budget may provide us with the ability to consider the level of savings going forward, or alternatively reflect the scale and speed that we can deliver against our priorities – that was one of the main flexibilities behind the long-term approach we have adopted.

The overall financial position for 2022/23 has also enabled us to build in an additional £352,000 to fund a number of important posts for a further year. These include Community Ambassadors, Street Rangers and a Technical Officer supporting the waste

and recycling team, all of which provides additional capacity in some of our key priority areas.

It would not be a budget speech if I did not talk about the necessary £5 increases to council tax that have been built into the long-term forecast. The increase in Council Tax is of course lower than the rate of inflation, and in real terms is actually the lowest increase in Council Tax for many, many years. The £5 increase is only one ingredient to the overall budget and is a compromise we have to continue to make to help deliver on our promise to protect front-line services.

As I mentioned earlier, our element of the Council Tax is only £182.64, which continues to remain one of the very lowest across Essex and which funds the diverse range of services I highlighted towards the beginning of this speech.

It is also worth highlighting that our Revenues and Benefits Team is currently beaver away on delivering the recently announced council tax rebate of £150 for those in band A to D properties. I further understand the Government's measures also include a £144m discretionary fund for councils to support vulnerable people and individuals on low incomes who do not pay council tax, or who do pay council tax and live in band E-H properties.

Although only a small part of the forecast, the budget we are considering tonight includes a further year's grant support to Town and Parish councils – I understand that we may be the only Council in Essex that still supports our Town and Parish colleagues by 'passporting' on an element of the revenue support grant we receive ourselves. While we continue to receive revenue support grant, I think it is right that we to continue to support our Town and Parish Councils in this way.

This is just one example of how constructively and positively we engage with our partners; we repeatedly demonstrate that we work effectively across the various strands of Local Government and the wider public sector, and I know that we are seen as a reliable and trusted partner – a good reputation to have especially as it can lever in significant investment that may have gone elsewhere in the county.

I am sure you will be pleased to hear that I am coming to the end of my introduction to the budget but with sincerity, I would like to repeat a point I made earlier. Although our politics may be different and we may not always see eye to eye on some issues, we are all on the same side at the end of the day and want to do the best for our residents, business and visitors. When we are faced with difficult decisions, I can assure you that they are never taken lightly. There will always be constraints on what we can or cannot do and most often or not that does come down to affordability. In an ideal world, we would not have to make such difficult decisions. We quite rightly represent our own wards as members, but we also need to balance this with the needs of the wider District as a whole. When we have to make tough decisions, we will always explain the reasons for doing so, but I appreciate not everyone will agree with them.

Through our approach to financial management and planning, priority setting, sound stewardship and ambition we can continue to make a difference for our residents and businesses as well as looking after the District and its natural environment. Although the budget we are considering tonight is only for one year, it represents an important phase within the longer-term plan that has these aims firmly in mind.

Chairman, by considering and agreeing this budget tonight, we can continue with our longer-term plan, supported by the approach of our new Corporate Investment Plan. This will enable all of us to have a stake in this Council's future. I commend this budget to the Council."

It was moved by Councillor Stock OBE that the recommendations, as set out on pages 15 and 16 of the Council Book, be approved.

It was then moved by Councillor Barry and seconded by Councillor Calver that Councillor Stock's motion be amended by the addition of the following:-

"That the underlying 2022/23 base budgets for both the Brightlingsea and Harwich Joint Use Sports Centres, which are currently held within the Management of Sport & Leisure Facilities on page 86 of the agenda be reinstated, to enable the three month transitional period agreed by Cabinet on 17 December 2021 to be extended for up to a further 12 months."

Earlier on in the meeting, Councillors I J Henderson and J Henderson had each declared a Personal Interest in relation to the Harwich Joint Use Sports Centre for the reasons set out in Minute 126 above. However, the Monitoring Officer had, for reasons that were also set out in the aforesaid Minute 126, granted those Councillors a Dispensation.

In addition to Councillor Barry, Councillors Steady, I J Henderson, J Henderson, Bush, Porter, Calver and Stock OBE addressed the Council on the subject matter of Councillor Barry's amendment.

The Chairman reminded Members that The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 had made it mandatory for councils to amend their Standing Orders so as to include provisions requiring recorded votes at budget meetings. The Council's Constitution reflected this requirement within Council Procedure Rule 19.4.

In respect of Councillor Barry's amendment, the vote resulted as follows:-

<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Allen	Alexander	Davis	Cawthron
Baker	Amos	White	King
Barry	Bray		Knowles
Bush	Chittock		
Calver	Codling		
Casey	Coley		
Chapman BEM	Fairley		
Clifton	Griffiths		
Davidson	G V Guglielmi		
Fowler	V E Guglielmi		
I J Henderson	Harris		
J Henderson	P B Honeywood		
Miles	S A Honeywood		
Morrison	Land		

Placey	McWilliams
Scott	Nash
Steady	Newton
G L Stephenson	Porter
M E Stephenson	Skeels
Wiggins	Stock OBE
	Talbot
	Turner
	Winfield

Councillor Barry's amendment was declared **LOST**.

Councillor Allen then moved and Councillor M E Stephenson seconded that Councillor Stock's motion be amended by the addition of the following:-

"(a) That, as a legacy of the Queen's Platinum Jubilee, an initial amount of £200k is included within the 2022/23 budget funded from the 2022/23 New Homes Bonus grant to set up a Tendring Platinum Jubilee Scholarship Fund.

(b) That, to enable the prompt delivery of the scheme, the Leader of the Council is requested to ensure a Member Working Group (led by the relevant Portfolio Holder and to include Opposition Members) be set up within 3 months of tonight's meeting to determine how the scheme can support teenagers and young adults from the Tendring District to pursue technical, artistic, academic qualifications who might not otherwise be able to do so, along with taking all necessary steps to implementation."

In addition to Councillor Allen, Councillors M E Stephenson and Stock OBE addressed the Council on the subject matter of Councillor Allen's amendment.

In respect of Councillor Allen's amendment, the vote resulted as follows:-

<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Allen	Alexander	None	Cawthron
Baker	Amos		King
Barry	Bray		Knowles
Bush	Chittock		
Calver	Codling		
Casey	Coley		
Chapman BEM	Davis		
Clifton	Fairley		
Davidson	Griffiths		
Fowler	G V Guglielmi		
I J Henderson	V E Guglielmi		
J Henderson	Harris		
Miles	P B Honeywood		
Morrison	S A Honeywood		
Placey	Land		
Scott	McWilliams		
Steady	Nash		
G L Stephenson	Newton		

M E Stephenson	Porter
Wiggins	Skeels
	Stock OBE
	Talbot
	Turner
	White
	Winfield

Councillor Allen's amendment was declared **LOST**.

Councillor Allen then moved and Councillor Placey seconded that Councillor Stock's motion be amended by the addition of the following:-

“(a) That £150k is allocated from the Rural and Urban Infrastructure Fund of £1.184m, that has remained unspent for two years, to implement a scheme that supports capital projects across the District. It is further proposed to develop the scheme in partnership with Town and Parish Councils along with a working group of Councillors from the un-parished areas of Tendring to ensure there is financial sustainability to projects.

(b) That, to enable the prompt delivery of the scheme, the Leader of the Council is requested to ensure a Member Working Group (led by the relevant Portfolio Holder and to include Opposition Members) be set up within 3 months of tonight's meeting to determine how the scheme should operate, along with taking all necessary steps to implementation.”

In addition to Councillor Allen, Councillors Scott, Land, Placey and Stock OBE addressed the Council on the subject matter of Councillor Allen's amendment.

In respect of Councillor Allen's amendment, the vote resulted as follows:-

<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Allen	Alexander	None	Cawthron
Baker	Amos		King
Barry	Bray		Knowles
Bush	Chittock		
Calver	Codling		
Casey	Coley		
Chapman BEM	Davis		
Clifton	Fairley		
Davidson	Griffiths		
Fowler	G V Guglielmi		
I J Henderson	V E Guglielmi		
J Henderson	Harris		
Miles	P B Honeywood		
Morrison	S A Honeywood		
Placey	Land		
Scott	McWilliams		
Steady	Nash		
G L Stephenson	Newton		
M E Stephenson	Porter		

Wiggins	Skeels Stock OBE Talbot Turner White Winfield
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Councillor Allen's amendment was declared **LOST**.

Councillor I J Henderson then moved and Councillor Scott seconded that Councillor Stock's motion be amended by the addition of the following:-

“(a) That £144k is allocated from the existing Tendring Community Fund of £404k, that has remained largely unspent for two years, to extend the existing and successful Members’ Small Grant Scheme that was originally introduced to support COVID 19 related activities within the District.

(b) That, subject to (a) above, the existing grant criteria be amended to enable each Member to award grants totalling £3,000 to organisations within the District that are providing support to residents struggling with the rising costs of living.”

In addition to Councillor I J Henderson, Councillors Scott and Stock OBE addressed the Council on the subject matter of Councillor Henderson's amendment.

In respect of Councillor Henderson's amendment, the vote resulted as follows:-

<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Allen	Alexander	None	Cawthron
Baker	Amos		King
Barry	Bray		Knowles
Bush	Chittock		
Calver	Codling		
Casey	Coley		
Chapman BEM	Davis		
Clifton	Fairley		
Davidson	Griffiths		
Fowler	G V Guglielmi		
I J Henderson	V E Guglielmi		
J Henderson	Harris		
Miles	P B Honeywood		
Morrison	S A Honeywood		
Placey	Land		
Scott	McWilliams		
Steady	Nash		
G L Stephenson	Newton		
M E Stephenson	Porter		
Wiggins	Skeels		
	Stock OBE		
	Talbot		
	Turner		

White
Winfield

Councillor I J Henderson's amendment was declared **LOST**.

In addition to Councillor Stock OBE, Councillors M E Stephenson, I J Henderson, Allen, Steady, Porter, Calver, Miles, Scott, Baker and G V Guglielmi addressed the Council on the subject matter of Councillor Stock's motion.

In respect of Councillor Stock's motion, the vote resulted as follows:

<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Alexander	None	Barry	Cawthron
Allen		Calver	King
Amos		Casey	Knowles
Baker		Chapman BEM	
Bray		Davidson	
Bush		Fowler	
Chittock		I J Henderson	
Clifton		J Henderson	
Codling		Morrison	
Coley		Scott	
Davis		Steady	
Fairley		Wiggins	
Griffiths			
G V Guglielmi			
V E Guglielmi			
Harris			
P B Honeywood			
S A Honeywood			
Land			
McWilliams			
Miles			
Nash			
Newton			
Placey			
Porter			
Skeels			
G L Stephenson			
M E Stephenson			
Stock OBE			
Talbot			
Turner			
White			
Winfield			

Councillor Stock's motion was declared **CARRIED** and it was therefore:-

RESOLVED that, having had regard to the Chief Finance Officer's (Section 151 Officer) report on the Robustness of Estimates and Adequacy of Reserves in accordance with

the requirements under Section 25 of the Local Government Act 2003 (Appendix K to the report), and having taken account of any responses to the budget consultation process the Council approves the budget proposals (based on a £5 Band D council tax increase for district services) and agrees that:-

- i) the total General Fund net revenue budget for 2022/23 be set at £9.398m (a council tax requirement of £9.112m excluding parish precepts);
- ii) the General Fund capital programme be approved totalling £0.839m in 2022/23;
- iii) the detailed General Fund budget for 2022/23 be as set out in Appendix D to item A.1 of the Report of the Cabinet;
- iv) the calculation of the Council's Council Tax requirement, Special Expenses and Parish/Town Council precepts, be as set out at Appendix F to the aforesaid report;
- v) the Council Tax for District and Parish/Town Councils' services be as at Appendix I to the aforementioned report and that these are the amounts to be taken into account for the year in respect of the categories of dwellings listed in different valuation bands; and
- vi) if budget adjustments are required following the late notification of external / grant funding, then in consultation with the Corporate Finance and Governance Portfolio Holder, budgets be adjusted accordingly with no net impact on the overall budget or capital programme set out above.

132. REPORT OF THE CABINET - A.2 - EXECUTIVE'S PROPOSALS - HOUSING REVENUE ACCOUNT BUDGET 2022/2023

Further to Minute 119 of the meeting of the Cabinet held on 28 January 2022, the Council considered the Executive's Housing Revenue Account (HRA) budget proposals for 2022/23.

Council was informed that there had been no further changes required to the forecast or budgets, so Appendices A to E to item A.2 of the Report of the Cabinet remained the same as those considered by Cabinet on 28 January 2022.

As reported to Cabinet on 28 January 2022, there was a budget surplus of £0.333m in 2022/23 that had been committed to investing in capital works, which included the delivery of new affordable housing but also the continued investment in the homes of our existing tenants. The surplus £0.333m therefore remained as a contribution to the HRA capital programme.

Members were informed that for 2022/23, the Executive's budget proposals set out an increase in dwelling rents of 4.1% along with a total net HRA expenditure budget of £14.926m and a capital programme totalling £3.790m.

As previously reported to Cabinet, due to the relatively volatile CPI rates experienced since the start of the COVID 19 pandemic, if the proposed level of rent increase in 2022/23 was taken together with the relatively low figure of 1.5% last year, then the average annual increase would be 2.8% over the two years.

Council was made aware that the 4.1% increase in dwelling rents resulted in an average weekly rent of £87.55 in 2022/23 (£84.10 in 2021/22).

Members were advised that the proposed budget reflected the continued repayment of debt, with the total level of existing debt falling to £35.350m at the end of 2022/23.

Council was informed that the estimated HRA general balance at the end of 2022/23 totalled £4.325m.

The Leader of the Council (Councillor Stock OBE) made the following budget statement:-

“Our approach to financial stewardship, sustainability and governance, that I talked about when introducing the General Fund budget earlier, applies equally to the Housing Revenue Account. These may however require tweaks here and there to address not only some different accounting rules, but also because the HRA has a landlord focus that comes with looking after more than 3,000 homes across the District.

Last year we talked about revisiting the 30-year business plan in the light of various strands of work either completed, on-going or planned, but we can do this in the knowledge of being able to operate from a really strong base, both financially and reputationally.

The budget for 2022/23 that we are considering tonight has therefore been developed against a revised 30-year business plan. As discussed in the reports we have considered over the last few months as part of developing the budget, the 30-year plan has seen a reset in terms of the increased cost of looking after our existing tenants’ homes and delivering capacity to ensure we remain an excellent landlord, an accolade we are very proud of and always seek to maintain.

As with the general fund, the HRA also faces many challenges looking ahead beyond 2022/23, one of which is the financial consequences that will likely emerge from the Hackitt Review of Building Regulations and Fire Safety following the Grenfell tragedy and any revised decent homes standards that may ensue.

We want to make sure we remain up to that challenge, as we need to make sure that our tenants are always living in safe, comfortable and quality housing.

We have also set out our ambition to increase the supply of affordable housing either through acquisition or building our own.

This ambition can be managed via the new Corporate Investment Plan, complemented by the 30-year HRA business plan. This is where we will need to continue to balance the various competing demands, whilst making sure that we never stray too far from the solid financial foundations we have laid down over the years.

We must always be able to turn to good financial management and stewardship as part of any future planning we undertake. The 2022/23 budget reflects a really good example of some of that thinking. It is well worth remembering that when we transitioned to the HRA self-financing model back in 2012, we had to buy our own council houses back from the Government, and we had to pay out over £30 million for the privilege! Quite a unique and frankly astonishing transaction I think we would all agree.

However, we remained positive and structured the necessary loan agreements that we had to enter into in a way which gave us future flexibility. By taking this approach and managing our finances well, 2022/23 sees one of these loans being repaid. This has reduced our annual debt and interest repayments, which can now be reinvested back into existing tenants' homes or into new housing for our local residents.

Based on the managed approach we took, we will see further opportunities to reduce debt and interest payments in future years, which will be invaluable in supporting the HRA looking ahead over ten to fifteen years and longer.

Although it was mentioned at Cabinet back in January, I would like to take this opportunity to say thank you again to the Resources and Services Overview & Scrutiny Committee along with the Chairman and other members of our Tenants' Panel for taking a constructive and active part in the consultation process that helps us keep developing our HRA financial plans.

The Resources and Services Overview & Scrutiny Committee made the very important observation about setting aside funds to meet the costs that will likely arise from the housing stock condition survey that we will be undertaking in 2022/23. The budget we are considering tonight echoes this point, as we are looking to make a further contribution of £333k to the HRA capital programme to ensure we can make the continued investment in the homes of our existing tenants but also to support the delivery of new affordable housing for local people.

What we have managed to achieve and what we are planning to deliver is quite remarkable when you think that the Government required us to reduce rents by 1% for the four years from 2016/17 to 2019/20. This effectively removed £30 million from our HRA budget over the long term, given its telescopic effect. But as I have said before, we have to remain focussed on the things we can control rather than get bogged down stressing about things we can't, which is what we have done, and we are now seeing the benefits of our positive 'can do' approach.

Similarly to the argument about council tax increases, increasing rents is always a compromise and balance we need to strike with providing good quality homes in a sustainable and long-term way.

We are recommending a 4.1% increase in rents in 2022/23, which I think helps us maintain this balance. As set out in the report, the pandemic introduced a significant level of volatility in inflation rates, with a CPI level of just 0.5% last year. We have seen CPI rise significantly over the last few months, with the rate even increasing during the time we were developing this year's budget. The current rate of CPI is now even higher than the rent increase we are proposing, a gap that could easily get bigger during the next year.

Given this volatility in the level of CPI, it is reasonable to look at the overall level of rent increase over the last two years and as set out in the report, taking these two years together, the average increase is 2.8%.

If we are going to increase rents, we also have to squeeze as much value out of the money we collect as possible, and that can be seen in the 30-year business plan. It also has to be seen by our tenants, which I think we can ably demonstrate over recent years and going into 2022/23.

If you just look at the capital and revenue investment in tenants' homes, well over £6million a year goes back into maintaining and improving the 3,000 homes that we own.

In terms of our reputation and as I highlighted earlier, we will continue to make sure that our tenants live in safe, comfortable and quality housing, which will always be at the centre of how we manage the HRA.

This is in addition to delivering on our key priority of increasing the supply of affordable local homes for local people – via a financially strong position we want to maintain the momentum from the amazing properties we have built in Jaywick. A good example of where we are doing this was reflected in the decision we took back in December, which will see additional high-quality homes being delivered on the Weeley Council Offices site.

Just before I wrap up, I think it is worth reflecting for a moment that countless local authorities got rid of their council housing many years ago, lots of other councils transferred the ownership of their housing to separate companies. Here in Tendring we have always recognised the importance of really good council housing and the difference decent homes make to peoples' lives. We have always striven to improve and enhance the quality of the homes we manage and to increase the numbers we have available. It is no idle boast to say that we probably lead the country in this regard; we should all be extremely proud of that fact.

Chairman, the budget we are considering tonight is another step in our 30-year plan that is built on sustainability and good financial management to secure the future of the homes of our tenants, both now and looking ahead beyond 2022/23. I commend this budget to Council."

Councillor M E Stephenson addressed the Council on the subject matter of this item.

It was moved by Councillor Stock OBE and unanimously:-

RESOLVED that Council approves:-

- (a) a 4.1% increase in dwelling rents in 2022/23; and
- (b) the Housing Revenue Account Budget for 2022/23 as set out in Appendix B to item A.2 of the Report of the Cabinet, along with the Scale of Charges, HRA Capital Programme and the movement in HRA Balances / Reserves, as set out in Appendices C, D and E respectively, to the aforementioned report.

133. REFERENCE FROM THE AUDIT COMMITTEE - A.3 - APPOINTMENT OF AN EXTERNAL AUDITOR FOR A FIVE YEAR PERIOD COMMENCING 2023/2024

Further to Minute 26 of the meeting of the Audit Committee held on 27 January 2022, the Council considered whether to opt in to the appointing person arrangements made by Public Sector Audit Appointments for the appointment of external auditors for a five year period commencing from 2023/24.

Council recalled that, following the closure of the Audit Commission in 2015, it had considered options for the appointment of its External Auditors in February 2017 and

had agreed to opt-in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors from 2018/19 for a period of five years up to, and including, the audit of the 2022/23 accounts.

It was reported that this arrangement would terminate on 31 March 2023 and that the Council was now being invited by the PSAA to consider continuing with the existing opt-in approach for the re-appointment of its External Auditors for a five year period from 2023/24.

Members were informed that the PSAA had published an associated prospectus as part of their invitation process with a summary of the advantages of a national opt-in scheme as follows:

- *“the appointment of a suitably qualified audit firm to conduct audits for each of the five financial years commencing 1 April 2023;*
- *appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints;*
- *management of the procurement process to ensure both quality and price criteria are satisfied. PSAA has sought views from the sector to help inform its detailed procurement strategy;*
- *ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise during the appointment period;*
- *minimising the scheme management costs and returning any surpluses to scheme members;*
- *consultation with authorities on auditor appointments, giving the Council the opportunity to influence which auditor is appointed;*
- *consultation with authorities on the scale of audit fees and ensuring these reflect scale, complexity, and audit risk; and*
- *ongoing contract and performance management of the contracts once these have been let.”*

In terms of the associated procurement process, PSAA had confirmed that they would:-

- *seek to encourage realistic fee levels and to benefit from the economies of scale associated with procuring on behalf of a significant number of bodies;*
- *continue to pool scheme costs and charge fees to opted-in bodies in accordance with the published fee scale as amended following consultations with scheme members and other interested parties (pooling means that everyone within the scheme will benefit from the prices secured via a competitive procurement process – a key benefit of the national collective scheme);*
- *continue to minimise its own costs, around 4% of scheme costs, and as a not-for-profit company will return any surplus funds to scheme members.*

Council was made aware that, as an alternative approach to the opt-in arrangements above, it could choose to appoint its own external auditor. However, this would require the Council to:-

- *establish an independent auditor panel to make a stand-alone appointment. The auditor panel would need to be set up by the Council itself, and the members of the panel must be wholly, or a majority of, independent members; and*
- *manage the contract for its duration, overseen by the Auditor Panel.*

It was considered that making a local appointment allowed the Council to take maximum advantage of the local appointment regime, but it did introduce a number of challenges such as:

- 1. recruiting and servicing a Local Auditor Panel;*
- 2. running the tender exercise and negotiating the contract;*
- 3. missing the potential economies of scale that sector-led procurement via the opt-in process be expected to deliver; and*
- 4. demonstrating quality and independence requirements.*

In respect of number 3 above, Council was advised that there were currently only nine audit providers eligible to audit local authorities and other relevant bodies under local audit legislation. This meant that a local procurement exercise would seek tenders from the same firms as the national procurement exercise, subject to the need to manage any local independence issues.

In summary and as set out when the last five year appointing period had been considered back in 2017, the main advantages of opting in to the PSAA's appointing person option remained and included:-

- *Timely auditor appointments*
- *Managing the independence of auditors*
- *Securing competitive prices*
- *Saving on procurement time / costs*
- *Saving time and effort needed to implement and support auditor panels*
- *A stronger ability to focus on audit quality*
- *The scheme operating on a not for profit basis with any surplus funds distributed to member bodies.*

Based on the above and its relative success over the past five years, the Audit Committee had recommended that this Council opt-in to the PSAA appointing person regime for a further five-year period commencing 2023/24.

Members were advised that if the Council did not accept the PSAA's invitation to opt-in by 11 March 2022 then it would not be able to do so until the following year. This would require the local appointment process to be implemented over the next 12 months, ahead of the 2023/24 year that the first year of the appointment period would cover.

It was moved by Councillor Coley and:-

RESOLVED unanimously that -

- (a) Tendring District Council continues to opt-in to the appointing person arrangements offered by Public Sector Audit Appointments (PSAA) for the appointment of external auditors for a period of five years commencing from 2023/24; and
- (b) PSAA be informed of the Council's decision by the PSAA's deadline for responses of 11 March 2022.

134. URGENT MATTERS FOR DEBATE

There were no urgent matters for Council to debate on this occasion.

The Meeting was declared closed at 10.14 pm

Chairman