

Public Document Pack

TENDRING DISTRICT COUNCIL

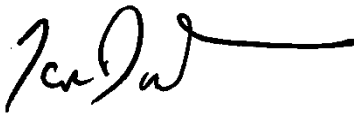
Committee Services
Room 33
Town Hall
Station Road
Clacton-on-Sea
Essex
CO15 1SE

4 February 2022

Dear Councillor

I HEREBY SUMMON YOU to attend the meeting of the Tendring District Council to be held at 7.30 p.m. on Tuesday 15 February 2022 when the business specified in the accompanying Agenda is proposed to be transacted. The meeting will be held in the Princes Theatre, Town Hall, Station Road, Clacton-on-Sea.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Davidson', followed by a horizontal line extending to the right.

Ian Davidson
Chief Executive

To: All members of the
Tendring District Council

TENDRING DISTRICT COUNCIL

AGENDA

For the meeting to be held on Tuesday, 15 February 2022

Prayers

1 Apologies for Absence

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

2 Minutes of the Last Meeting of the Council (Pages 1 - 14)

The Council is asked to approve, as a correct record, the minutes of the Council Meeting held on 25 January 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 Chairman of the Council

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

5 Announcements by the Chief Executive

The Council is asked to note any announcements made by the Chief Executive.

6 Statements by the Leader of the Council

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

Councillors may then ask questions of the Leader on his statements.

7 Statements by Members of the Cabinet

The Council is asked to note any statements made by Members of the Cabinet (Portfolio Holders).

Councillors may then ask questions of the Portfolio Holders on their statements.

8 Report of the Cabinet - A.1 - Executive's Proposals - General Fund Budget and Council Tax 2022/2023 (Pages 15 - 108)

To present to Council, the Executive's General Fund budget proposals for 2022/23.

9 Report of the Cabinet - A.2 - Executive's Proposals - Housing Revenue Account Budget 2022/2023 (Pages 109 - 124)

To present to Council, the Executive's Housing Revenue Account budget proposals for 2022/23.

10 Reference from the Audit Committee - A.3 - Appointment of an External Auditor for a Five Year Period Commencing 2023/2024 (Pages 125 - 130)

To consider a recommendation from the Audit Committee that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments for the appointment of external auditors for a five year period commencing 2023/24.

11 Urgent Matters for Debate

The Council will consider any urgent matters submitted in accordance with Council Procedure Rules 3(xv), 11.3(b) and/or 13(p).

Date of the Next Scheduled Meeting of the Council

Tuesday, 29 March 2022 at 7.30 pm - Princes Theatre - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

INFORMATION FOR VISITORS

PRINCES THEATRE FIRE EVACUATION PROCEDURE

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

Please follow the instructions given by any member of staff and they will assist in leaving the building.

Please do not re-enter the building until you are advised it is safe to do so by the relevant member of staff.

The assembly point for the Princes Theatre is in the car park to the left of the front of the building as you are facing it. Your calmness and assistance is greatly appreciated.

PUBLIC ATTENDANCE AT TENDRING DISTRICT COUNCIL MEETINGS

Welcome to this evening's meeting of Tendring District Council.

This is an open meeting which members of the public can attend to see Councillors debating and transacting the business of the Council. However, please be aware that, unless you are included on the agenda to ask a public question, members of the public are not entitled to make any comment or take part in the meeting. You are also asked to behave in a respectful manner at all times during these meetings.

Members of the public do have the right to film or record council meetings subject to the provisions set out below:-

Rights of members of the public to film and record meetings

Under The Openness of Local Government Bodies Regulations 2014, which came into effect on 6 August 2014, any person is permitted to film or record any meeting of the Council, a Committee, Sub-Committee or the Cabinet, unless the public have been excluded from the meeting for the consideration of exempt or confidential business.

Members of the public also have the right to report meetings using social media (including blogging or tweeting).

The Council will provide reasonable facilities to facilitate reporting.

Public Behaviour

Any person exercising the rights set out above must not disrupt proceedings. Examples of what will be regarded as disruptive, include, but are not limited to:

- (1) Moving outside the area designated for the public;
- (2) Making excessive noise;
- (3) Intrusive lighting/flash; or
- (4) Asking a Councillor to repeat a statement.

In addition, members of the public or the public gallery should **not** be filmed as this could infringe on an individual's right to privacy, if their prior permission had not been obtained.

Any person considered being disruptive or filming the public will be requested to cease doing so by the Chairman of the meeting and may be asked to leave the meeting. A refusal by the member of the public concerned will lead to the Police being called to intervene.

**MINUTES OF THE MEETING OF THE COUNCIL,
HELD ON TUESDAY, 25TH JANUARY, 2022 AT 7.30 PM
PRINCES THEATRE - TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15
1SE**

Present:	Councillors Bray (Chairman), Harris (Vice-Chairman), Alexander, Allen, Amos, Baker, Barry, Calver, Chapman BEM, Chittock, Clifton, Coley, Davidson, Davis, Fairley, Fowler, Griffiths, G V Guglielmi, V E Guglielmi, I J Henderson, J Henderson, P B Honeywood, S A Honeywood, King, Knowles, Land, McWilliams, Newton, Placey, Porter, Scott, Skeels, Steady (except items 118 - 123), G L Stephenson, M E Stephenson, Stock OBE, Talbot, Turner, White, Wiggins and Winfield
In Attendance:	Ian Davidson (Chief Executive) (except items 112, 117 and 118), Lisa Hastings (Deputy Chief Executive & Monitoring Officer), Gary Guiver (Acting Director (Planning)), 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), Will Fuller (Planning Officer), Paul Woods (Planning Officer), Eleanor Storey (Development Technician) and Matt Cattermole (Communications Assistant)

101. CHAIRMAN'S OPENING REMARKS

The Chairman wished everyone present a Happy New Year and welcomed them to this the first meeting of the Council in 2022.

The Chairman reminded everyone present that currently in a theatre such as the Princes Theatre mask wearing was a legally mandatory Covid-19 precautionary measure and we that all present needed to respect this for this meeting. It was a personal responsibility to adhere to it.

The Chairman also informed Council that Agenda Item 20 (Report of the Chief Executive – A.7 – Councillor’s Non-Attendance at Meetings) had been withdrawn on the ground that it was premature.

102. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Bush, Casey, Cawthron, Codling, Miles, Morrison and Nash.

103. MINUTES OF THE LAST MEETING OF THE COUNCIL

RESOLVED that the minutes of the ordinary meeting of the Council held on 30 November 2021 be approved as a correct record and be signed by the Chairman.

104. DECLARATIONS OF INTEREST

In relation to Agenda Item 11 (Minutes of Committees) and specifically Minute 45 (Joint Use Facilities Options Report) of the minutes of the meeting of the Resources and

Services Overview & Scrutiny Committee held on 13 December 2021, Councillors I J Henderson and J Henderson both declared a Personal Interest.

The Chief Executive (Ian Davidson) informed Council that he had to declare a Personal Interest in relation to Agenda Items 16 (Pay Policy Statement 2022/23) and 17 (Change to the Terms and Conditions of the Post of Chief Executive) as he was named in both reports. He stated that he would leave the meeting whilst those two matters were debated and decided upon.

105. ANNOUNCEMENTS BY THE CHAIRMAN OF THE COUNCIL

Holocaust Memorial Service

The Chairman informed Council that he would be attending the Holocaust Memorial Service at 11.00 a.m. in the Sunken Rose Garden on Clacton Seafront. Anyone wishing to attend would be very welcome.

'Santathon'

The Chairman thanked everyone who had participated or been involved in the organising of this event. It had been a lot of work but it had resulted in a fabulous day attended by a number of Councillors and a large number of public. It had raised a great number of smiles and not a small amount of money for numerous charities including the Chairman's Charity. It had even made Anglia News and he hoped it would become an annual event.

Chairman's Raffle

The Chairman informed Members that the draw for his Chairman's Raffle was approaching. Anyone wishing to purchase raffle tickets should let him know and he would arrange it.

Mistley Parish Council

The Chairman stated that he had been pleased to attend a recent meeting of Mistley Parish Council to present them with a Foundation Award.

Alresford Christmas Lights

The Chairman announced that he had been delighted to be invited to Alresford to officially turn on their Christmas Tree lights.

Councillor Scott, on behalf of Alresford Parish Council, thanked him for doing so especially as it had been at very short notice.

Pride of Tendring awards

The Chairman reminded Members that the Pride of Tendring awards evening would be held on 11 February 2022. If anybody was intending to attend but had not yet purchased their tickets they were requested to do so as soon as possible.

Councillor Jayne Chapman BEM

The Chairman congratulated Councillor Chapman on her award of the British Empire Medal in the New Year's Honours List and led Members and Officers in a standing ovation to Councillor Chapman.

106. ANNOUNCEMENTS BY THE CHIEF EXECUTIVE

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

107. STATEMENTS BY THE LEADER OF THE COUNCIL

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

108. STATEMENTS BY MEMBERS OF THE CABINET

Action on Climate Change Update

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

"In January 2021, I came to our Council meeting to say that Climate Change had been added to my Portfolio and that since I knew nothing about the subject, and rather guessed that many other Members were in a similar position, I would try to update the Council at each Main meeting, with progress being made by TDC towards its stated objective of being Net Carbon Zero by 2030.

We now have a Corporate Director, Lee Heley who is responsible for Climate Change Matters at Management Board level and who sent me a comprehensive note in anticipation of this meeting from which I have cribbed much of the detail I now report.

The Council has seen reductions in carbon emissions. 5,083 tonnes of carbon dioxide were emitted in 2018/19. This was reduced to 4,546 tonnes in 2019/20 and 3,881 tonnes in 2020/21. The pandemic has meant there has been less usage of facilities since March 2020, but further practical steps to reduce emissions are currently underway. The closure of our Weeley Council Offices will reduce CO2 emissions by 55 tonnes based on 2020/21 usage – stopping the oil-fired heating alone will cut emissions by 41 tonnes. More widely, the Council has 'opted in' to purchase carbon neutral electricity as part the Crown Commercial Services framework arrangements for procurement, effective from April 2022.

Since I last spoke the Council has applied for Government funding to support the installation of the charging points at the planned Starlings Carpark in Dovercourt, which if successful would enable eight cars to charge at once. Ian Taylor [Head of Public Realm] informs me that, in pursuit of the Council's aim to provide EV charging points to meet future demand for electric vehicles, the Council is currently undertaking a survey to consider financial requirements and practical considerations for introducing EV points on priority car parks. We have proposals for introducing EV points in Council buildings and are continuing to work with other stakeholders such as the County Council and the North Essex Parking Partnership to provide EV charging points on our streets.

The new Local Plan on our agenda tonight for approval, suggests themes of sustainability, protecting the environment and the impact of Climate Change which runs through the new Plan, including many Planning Policies which promote the natural

environment, guard against flood risk, promote the use of sustainable construction methods, encourage the use of public transport, active travel, and guide developments for renewable energy installations.

Policy PPL10 sets out clear guidance around the energy efficiency and use of renewable energy in new residential development, which will no doubt empower our Planning Committee to encourage developers to consider these matters in their applications. Planning Officers are also preparing a Climate Change Supplementary Planning Document which will expand upon and give interpretation to those climate-focused Policies.

There have been benefits for the wider Tendring District. Over £2.5 million has been awarded for spending in the district via the 'Green Homes Grant Local Authority Delivery Scheme', which will improve the energy efficiency of homes of low-income households living in the District.

Recently completed works at our own Council offices includes efficient LED lighting and automatic controls. The work also features the use of air source heat pumps and a completely reinsulated roof at the Pier Avenue Offices.

Two little snippets showing the way T.D.C is now operating. The first fully electric vehicle, a van in the service of the IT team is now in use, and secondly [Councillor] Alex Porter, Portfolio Holder for Leisure (with special responsibility for electric charging) has just made a formal decision to install a charging point in the Town Hall car park.

And finally, I would let all fellow Members know that training on 'Carbon Reduction' will be provided for members. The Council is in discussions with professional providers to offer sessions, and Members will be advised when this learning is set up for them. Thank You Colleagues, for your attention."

Councillor Talbot then responded to questions put to him on his Statement by Councillors Allen, I J Henderson and M E Stephenson.

109. PETITIONS TO COUNCIL

No Petitions had been submitted in accordance with the Scheme approved by the Council on this occasion.

110. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 10.1

No questions had been received, on notice, from members of the public on this occasion.

111. REPORT OF THE LEADER OF THE COUNCIL - A.1 - URGENT CABINET OR PORTFOLIO HOLDER DECISIONS

In accordance with the requirements of Rule 16.2 of the Access to Information Procedure Rules and Rule 18(i) of the Overview and Scrutiny Procedure Rules, Council received a report from the Leader of the Council which notified Members of any recent Executive Decision(s) taken in the circumstances set out in Rule 15 of the Access to Information Procedure Rules and/or Rule 18(i) of the Overview and Scrutiny Procedure Rules and/or Rule 6(b) of the Budget and Policy Framework Procedure Rules.

Transfer of funds from Additional Restrictions Grant to Business Adaptations Grant

It was reported that, on 28 November 2021, the Interim Corporate Director (Project Delivery) (Lee Heley), in conjunction with the Corporate Finance & Governance Portfolio Holder (Councillor G V Guglielmi), and in view of the urgency of the issue concerned, in accordance with Rule 18(i) of the Overview and Scrutiny Procedure Rules, had sought and subsequently obtained the Chairman of the Resources and Services Overview and Scrutiny Committee's (Councillor M E Stephenson) consent that the Corporate Finance & Governance Portfolio Holder's decision relating to the transfer of the remaining funds from the Additional Restrictions Grant to the Business Adaptations Grant be exempt from the Council's call-in procedure.

The Corporate Finance & Governance Portfolio Holder's decision was as follows:-

"To transfer up to £511,000 from the Additional Restrictions Grant (ARG) to support the Business Adaptations Grant (BAG) scheme: the amount transferred should cover the shortfall in the BAG scheme between existing funding and eligible grant applications received before the BAG scheme ends, capped at £511,000."

It was felt at the time that any delay likely to be caused by the usual key decision and call-in processes would have seriously prejudiced the Council's and the public's interest for the following reasons:-

"The Council needed to be able to pay money out to local businesses who successfully applied for grants as quickly as possible, and to meet the Government's expectation of making all payments under the Business Adaptations Grant scheme by the end of December 2021, with our published application deadline of 15 December."

The demand from local businesses for the Business Adaptations Grant (BAG) scheme outstrips existing funding. The unspent funds from the Additional Restrictions Grant (ARG) must return to Government at the end of March 2021, offering very limited time to develop alternative proposals.

The alternative course of action would be to end the Business Adaptations Scheme early as the current funding is used up. The Council would likely then need to return ARG funding to Government unspent, and disappoint local firms who fit the BAG grant criteria."

Council noted the foregoing.

112. MINUTES OF COMMITTEES

Councillors Allen, Fowler, I J Henderson and Calver asked questions of the Chairman of the Human Resources & Council Tax Committee (Councillor Chapman BEM) in relation to Minute 79 (5.1.22) – Report A.1 – Change to the Terms and Conditions of the Post of Chief Executive and specifically in relation to a statement of the Leader of the Council (Councillor Stock OBE) contained therein.

Councillors Chapman BEM and Councillor Stock OBE responded to those questions.

The Chief Executive (Ian Davidson) declared a Personal Interest and left the meeting whilst the above questions were asked and answered.

Councillors Barry and Steady asked questions of the Chairman of the Resources and Services Overview & Scrutiny Committee (Councillor M E Stephenson) in relation to Minute 45 (13.12.21) – Joint Use Facilities Options Report and specifically in relation to the relationship between this Council and the Sigma Trust and the level of investment by Sigma Trust in the joint use facilities.

Councillor Stephenson responded to those questions.

It was moved by Councillor Stock OBE and:-

RESOLVED that the minutes of the following Committees, as circulated, be received and noted:-

- (a) Resources and Services Overview & Scrutiny of Monday 1 November 2021;
- (b) Resources and Services Overview & Scrutiny of Monday 13 December 2021;
- (c) Human Resources & Council Tax of Wednesday 5 January 2022; and
- (d) Planning Policy & Local Plan of Tuesday 11 January 2022.

NOTE: In accordance with the provisions of Council Procedure Rule 19.5 Councillors Allen, Clifton, Davidson, Fowler, I J Henderson, J Henderson, Knowles and Placey required that their names be recorded in the Minutes as having abstained from voting in respect of receiving and noting the minutes of the meeting of the Human Resources & Council Tax Committee held on 5 January 2022.

113. MOTIONS TO COUNCIL

No Motions to Council had been received, on notice, from Members of the Council on this occasion.

114. RECOMMENDATIONS FROM THE CABINET

No recommendations from the Cabinet had been submitted to the Council on this occasion.

115. REPORTS SUBMITTED TO THE COUNCIL BY AN OVERVIEW AND SCRUTINY COMMITTEE

No reports had been submitted to the Council by an overview and scrutiny committee on this occasion.

116. REFERENCE FROM THE PLANNING POLICY & LOCAL PLAN COMMITTEE - A.2 - FORMAL ADOPTION OF SECTION 2 OF THE LOCAL PLAN

It was reported that the Planning Policy & Local Plan Committee (“the Committee”), at its meeting held on 11 January 2022 (Minute 30 referred), had considered a comprehensive report of the Acting Director (Planning) which:-

- a) reported the Local Plan Inspectors’ final conclusions on the legal compliance and ‘soundness’ of Section 2 of the Council’s new Local Plan following consultation on

their recommended 'Main Modifications' and the subsequent receipt of their final report on 24th November 2021;

- b) reported that, by incorporating the Inspectors' recommended Main Modifications, the Section 2 Local Plan met the tests for legal compliance and soundness - as required for a plan to proceed to formal adoption; and
- c) sought the Committee's agreement that the modified Section 2 Local Plan be now recommended to Full Council for formal adoption.

Having considered all of the information and advice contained in the Officer report and its appendices the Planning Policy and Local Plan Committee had unanimously resolved that it:-

- 1) *"notes the findings of the Planning Inspectors' 'Report on the Examination of the Tendring District Local Plan 2013-2033 and Beyond Section 2' received on 24th November 2021 (attached as Appendix 1 to the Acting Director (Planning)'s report) and their final 'Schedule of Main Modifications' (attached as Appendix 2 thereto); and*
- 2) *recommends, subject to the agreement of the Leader of the Council, to Full Council:*
 - (i) the formal adoption of the 'modified' Tendring District Local Plan 2013-2033 and Beyond Section 2 (attached as Appendix 3 to the aforesaid report) i.e. incorporating the Inspectors' final Main Modifications, as well as the other 'Additional Modifications' and 'Modifications to Local Plan Maps, in accordance with Section 23(3) of the Planning and Compulsory Purchase Act 2004; and*
 - (ii) that authority be delegated to the Acting Director (Planning), in consultation with the Leader of the Council and the Chairman of the Planning Policy and Local Plan Committee, to:*
 - (a) make administrative corrections, if necessary, to address any minor typographical, grammatical or factual errors within the documents or maps contained within the adopted Tendring District Local Plan 2013-2033 and Beyond Section 2 (in Appendix 3), in the event that any are discovered before its final publication;*
 - (b) agree the insertion of an appropriate 'foreword' into the opening pages of the final published version of the Tendring District Local Plan 2013-2033 Section 2; and*
 - (c) agree an appropriate and up-to-date set of photographs of the District for insertion into the final published version of the Tendring District Local Plan 2013-2033 Section 2 to refresh and update those previously included in the version of the Local Plan published for consultation in 2017."*

A copy of the published report (and its appendices) of the Acting Director (Planning) to the meeting of the Planning Policy & Local Plan Committee held on 11 January 2022, were attached as appendices to item A.2 of the Reference from the Planning Policy & Local Plan Committee.

Councillors I J Henderson, Baker, Scott, Land, G V Guglielmi, Barry, Steady, M E Stephenson, Stock OBE and Turner each, in turn, addressed the Council on the subject matter of this item.

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

RESOLVED unanimously that Council approves:-

- (i) the formal adoption of the 'modified' Tendring District Local Plan 2013-2033 and Beyond Section 2 (attached as Appendix 4 to this reference report) i.e. incorporating the Inspectors' final Main Modifications, as well as the other 'Additional Modifications' and 'Modifications to Local Plan Maps, in accordance with Section 23(3) of the Planning and Compulsory Purchase Act 2004; and
- (ii) that authority be delegated to the Acting Director (Planning), in consultation with the Leader of the Council and the Chairman of the Planning Policy and Local Plan Committee, to:
 - (a) make administrative corrections, if necessary, to address any minor typographical, grammatical or factual errors within the documents or maps contained within the adopted Tendring District Local Plan 2013-2033 and Beyond Section 2 (in the aforesaid Appendix 4), in the event that any are discovered before its final publication;
 - (b) agree the insertion of an appropriate 'foreword' into the opening pages of the final published version of the Tendring District Local Plan 2013-2033 Section 2; and
 - (c) agree an appropriate and up-to-date set of photographs of the District for insertion into the final published version of the Tendring District Local Plan 2013-2033 Section 2 to refresh and update those previously included in the version of the Local Plan published for consultation in 2017.

With the permission of the Chairman (Councillor Bray), Councillor Turner, in his capacity as Chairman of the Planning Policy & Local Plan Committee (PPLPC), then made the following statement:-

"Thank you Chairman. Thank you Council. To get this level of/unanimous support is humbling. The PPLPC has over the period of this Council met 12 times. Read, studied and debated reports amounting to over 3000 pages, none of them easy reading. All requiring thought and study. May I thank all present and past Members for their contributions, ideas and due diligence. Thank you to my deputy, Councillor Zoe Fairley for her support and advice, always there when needed and for bringing the farming and rural voice to the table.

I must thank Mr Guiver, our acting Director for Planning and his team of 3 plus 2 advisors, for their work, attitude and expertise. A fine example of this was our frustration at not getting the final letter from the Inspector for the major and minor modifications needed to make our Plan sound, legally compliant, in time for the November Full Council. The Authority was given 3 weeks in which to respond. Mr Guiver and his team turned it around within 24 hours.

Mrs Lisa Hastings our Deputy CEO and Monitoring Officer has given the Committee excellent advice, reminding me of the processes and keeping us timely and most importantly legal.

Mr Ian Ford has taken our minutes accurately and served the Committee quietly, efficiently and very well. Thank you to you all for your support.

We did it!

“Why is your Authority so late in getting this plan adopted?”

We started work on a new Plan around 2009 some 13 years ago. With changes in Government, this Council and changes of National Planning Policy strategy and add to that planning dictates we became hamstrung by the Planning Inspectorate. The processes, the hurdles we have had to comply with and jump over are many and numerous. I have forgotten how many Public Consultations we have made from 2011 until now. This means that we were effectively controlled by the Planning Inspectorate, or as I call them the ‘Jackboots of the State’. I am sure every Member can attest to that. Planning permission refused only to find that the Planning Inspectorate grant the permission on appeal. That goes against the wishes and more often than not is detrimental to the Ward. We have seen long established communities radically changed and without recourse: No right of reply.

Well no longer! This plan is robust and is already showing its worth in the latest appeal decisions. It is a living document; we review every 5 years. 2028 that is the time to make changes and fine tune. Once agreed, the plan is extended until 2038, etc.

This Plan will serve all of us and most importantly the Residents of Tendring well.”

117. REFERENCE FROM THE HUMAN RESOURCES & COUNCIL TAX COMMITTEE - A.3 - PAY POLICY STATEMENT 2022/23

The Chief Executive (Ian Davidson) declared a Personal Interest in this matter and withdrew from the meeting whilst it was deliberated and decided upon.

Council was aware that the Localism Act 2011 Section 38 (1) required the District Council to prepare a pay policy statement each year. That pay policy statement must articulate the Council's approach to a range of issues relating to the pay of its workforce, particularly its senior staff (or 'chief officers') and its lowest paid employees.

The matters that must be included in the statutory Pay Policy Statement were as follows:

- *A local authority's policy on the level and elements of remuneration for each Chief Officer.*
- *A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of “lowest-paid employees” and its reasons for adopting that definition).*
- *A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.*

- *A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.*

That statement was also required to be published on the Council's website following each review and approval by Full Council.

It was reported that the Pay Policy Statement 2022/23 had been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. This framework was based on the principle of fairness and that rewards should be proportional to the weight of each role and each individual's performance. The framework aimed to ensure the ability of the Council to recruit talented individuals whilst ensuring value for money for the residents of Tendring.

Council was informed that the Human Resources & Council Tax Committee had considered the contents of the Pay Policy Statement 2022/23 at its meeting held on 5 January 2022 (Minute 80 referred) and had resolved to recommend its approval to Full Council.

In addition, the Human Resources & Council Tax Committee at that meeting held on 5 January 2022 (Minute 79 referred) had considered a request from the Chief Executive to reduce his hours by 25% (with a consequential reduction in his salary of 25% which would amount to £43,899.70 per annum) and had resolved to recommend to Full Council that the Chief Executive's request be granted. However, the draft Pay Policy Statement 2022/23 now before Members had been drafted on the basis of the Chief Executive's current salary.

Therefore, it was Officers' recommendation to Council that, in the event that the Chief Executive's request to reduce his hours was approved by Full Council, the Assistant Director (Partnerships) be authorised to amend the Pay Policy Statement 2022/23 accordingly and to also re-publish it on the Council's website.

It was moved by Councillor Chapman BEM and unanimously:-

RESOLVED -

- (a) that, subject to resolution (b) below, the Pay Policy Statement 2022/23, as set out in the Appendix to this report, be adopted; and
- (b) that, in the event that the Chief Executive's request to reduce his hours by 25% (with a consequential reduction in his salary of 25% which would amount to £43,899.70 per annum) is approved by Full Council, the Assistant Director (Partnerships) be authorised to amend the Pay Policy Statement 2022/23 accordingly and to also re-publish it on the Council's website.

118. REFERENCE FROM THE HUMAN RESOURCES & COUNCIL TAX COMMITTEE - A.4 - CHANGE TO THE TERMS AND CONDITIONS OF THE POST OF CHIEF EXECUTIVE

The Chief Executive (Ian Davidson) declared a Personal Interest in the subject matter of this item and withdrew from the meeting whilst it was deliberated and decided upon.

It was reported that the Human Resources & Council Tax Committee (“the Committee”), at its meeting held on 5 January 2022 (Minute 79 referred), had considered a joint report of the Deputy Chief Executive and the Assistant Director (Partnerships) which had submitted a request from the current Chief Executive post holder that his hours of employment be reduced by 25%.

Having considered the Chief Executive’s request and its implications for this Council the Committee had:-

“RESOLVED that this Committee -

- (a) notes the request of the current Chief Executive to reduce his hours of employment from 37 hours to 27.75 hours;
- (b) supports the request, acknowledging the reduction of the Chief Executive’s availability and that additional cover will not be provided for the reduction in working hours; and
- (c) recommends to Full Council that:
 - (i) the terms and conditions of the employment of the current Chief Executive shall be amended to 27.75 hours per week with effect from 31st March 2022;
 - (ii) this change be reviewed after an initial period of six months operation and then at twelve month intervals following that; and
 - (iii) the post will remain at 37 hours on the Council’s establishment.”

A copy of the published joint report of the Deputy Chief Executive and the Assistant Director (Partnerships) to the meeting of the Human Resources & Council Tax Committee held on 5 January 2022, was attached as an appendix to item A.4 of the Reference from the Human Resources & Council Tax Committee.

The Chairman of the Human Resources & Council Tax Committee (Councillor Chapman BEM) paid a personal tribute to the Chief Executive (Ian Davidson).

It was moved by Councillor Chapman BEM and:-

RESOLVED unanimously that Council approves that:-

- (i) the terms and conditions of the employment of the current Chief Executive shall be amended to 27.75 hours per week with effect from 31st March 2022;
- (ii) this change be reviewed after an initial period of six months operation and then at twelve month intervals following that; and
- (iii) the post will remain at 37 hours on the Council’s establishment.

119. REFERENCE FROM THE PLANNING POLICY & LOCAL PLAN COMMITTEE - A.5 - APPLICATION OF ARTICLE 4 DIRECTIONS IN THE DISTRICT OF TENDRING - (COUNCILLOR ALAN COLEY’S MOTION TO COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE 12)

Council recalled that, at its meeting held on 30 November 2021 (Minute 90 referred), it had had before it a motion submitted by Councillor Coley pursuant to the provisions of Council Procedure Rule 12 in which he proposed that the Council requested the Cabinet to extend the application of Article 4 Directions in the District. That Motion was worded as follows:-

“In order to preserve Tendring’s uniqueness, heritage, amenity areas and the established areas of industrial and commercial activity:-

This Council requests its Cabinet to explore the option of applying for an Article 4 Direction in respect of appropriate Conservation Areas, Industrial Estates and Commercial and Retail Centres in the District of Tendring.”

At the meeting of the Council, Councillor Coley had formally moved the motion. Councillor G V Guglielmi had then formally seconded the motion.

The motion had thereupon stood referred to the Planning Policy & Local Plan Committee (“the Committee”) for its consideration in accordance with the provisions of Council Procedure Rules 12.5 and 12.6.

Councillor Coley’s motion had then been duly submitted to the meeting of that Committee held on 11 January 2022 (Minute 31 referred).

In accordance with Council Procedure Rule 12.6 (Referred Motions – Right of Mover to Attend Meeting), Councillor Coley had attended that meeting to answer any questions and/or points of clarification, if requested.

At that meeting during the consideration of this matter the Chairman of the Committee (Councillor Turner) had read out the following statement:-

“The making of an Article 4 Direction is only justified on a local basis to address locally specific problems and must be justified with evidence. It is not a one-size fits all ‘blanket’ solution to all general concerns about our national planning system. In the meantime this Committee’s work continues with the review of our Conservation Areas (CAs) – we have 15 more to go. The review of CAs provides the perfect opportunity to consider the need for Article 4 Directions on an area-by-area basis. The Committee involves the Parishes and the Members effected as we review their CAs, by asking for their comments. At this stage relevant problems and solutions to local needs can be found. Further, where planning issues arise I am sure that with the Local Plan adopted, the NPPF and building regulations, there will be solutions.”

Having considered Councillor Coley’s motion and in order to enable this matter to be brought to a conclusion at this meeting of the Full Council, the Planning Policy & Local Plan Committee had:-

“RESOLVED that -

- (a) Council be informed that this Committee does not support Councillor Coley’s motion; and
- (b) this Committee further recommends instead to Cabinet and Council that a further report on this matter be prepared and brought back to the Planning Policy & Local

Plan Committee and that such report focus firstly on the ward of Lawford, Manningtree and Mistley.”

It was moved by Councillor Turner that -

- (a) Council does not support Councillor Alan Coley’s Motion; and*
- (b) Council requests that a further report on this matter be prepared and brought back to the Planning Policy & Local Plan Committee and that such report focus firstly on the ward of Lawford, Manningtree and Mistley.*

Councillor Coley moved and Councillor G V Guglielmi seconded that Councillor Turner’s motion be amended to read as follows:-

- (1) That this Council does not support Councillor Alan Coley’s Motion in its original form;*
- (2) That, however, Council recognises the urgent need to conserve and protect areas of conservation, amenity, biodiversity, heritage and the established areas of industrial and commercial activity, in the District;*
- (3) That a further report on these matters should therefore be prepared and brought back to the Planning Policy and Local Plan Committee within 3 – 6 months; and*
- (4) That all District Council members be consulted, in order to inform the work of the Planning Policy & Local Plan Committee, as it formulates a response concerning both Parished and Unparished areas.*

Councillors P B Honeywood, Fairley, Calver, Scott, M E Stephenson, Allen, Turner, Stock OBE, G V Guglielmi and Coley each, in turn, addressed the Council on the subject matter of Councillor Coley’s amendment.

Councillor Coley’s amendment on being put to the vote was declared **LOST**.

Councillor Turner’s motion on being put to the vote was declared **CARRIED**.

120. REPORT OF THE CHIEF EXECUTIVE - A.6 - CHANGES IN MEMBERSHIP OF COMMITTEES

The Chief Executive formally reported that, in accordance with the wishes of the Leader of the Conservative Group and the authority delegated to him, the following appointment had been duly made since the last ordinary meeting of the Council, namely:-

Resources and Services Overview & Scrutiny Committee

Councillor Amos had been appointed to serve in place of Councillor Land.

Council noted the foregoing.

121. REPORT OF THE CHIEF EXECUTIVE - A.7 - COUNCILLOR’S NON-ATTENDANCE AT MEETINGS

This item was withdrawn on the ground that it was considered to be premature.

122. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 11.2

No questions had been received, on notice, from Members of the Council on this occasion.

123. URGENT MATTERS FOR DEBATE

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

The Meeting was declared closed at 9.13 pm

Chairman

COUNCIL

15 FEBRUARY 2022

REPORT OF THE CABINET

A.1 EXECUTIVE'S PROPOSALS – GENERAL FUND BUDGET AND COUNCIL TAX – 2022/23

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to Council the Executive's General Fund budget proposals for 2022/23.

EXECUTIVE SUMMARY

- The information and recommendations set out in this report reflect the financial forecast considered by Cabinet on 28 January 2022.
- There have been no changes required to the forecast or budgets, so **Appendices A to C** remain the same as those considered by Cabinet on 28 January 2022.
- The 'technical' **Appendices D to J**, which are required to be presented to Full Council to enable it to consider and agree the level of Council Tax and Budget for 2022/23 have been agreed by the Portfolio Holder for Corporate Finance and Governance in accordance with the delegation agreed by Cabinet on 28 January 2022.
- As reported to Cabinet on 28 January 2022, there remains a budget deficit of **£0.431m** in 2022/23, which will be funded by drawing money down from the Forecast Risk Fund in-line with the long-term forecast approach.
- The total net General Fund revenue budget for 2022/23 is **£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**.
- The budget recommended by Cabinet includes 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, is delegated to the Human Resources and Council Tax Committee which is due to meet later in February 2022.

RECOMMENDATION(S)

- a) That having had regard to the Chief Finance Officer's (S151 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, 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:

- i) That 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) that the General Fund capital programme be approved totalling £0.839m in 2022/23;**
- iii) the detailed General Fund budget for 2022/23 as set out in Appendix D;**
- iv) the calculation of the Council's Council Tax requirement, Special Expenses and Parish/Town Council precepts, as set out at Appendix F;**
- v) the Council Tax for District and Parish/Town Councils' services as at Appendix I 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) that subject to the above, 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 are adjusted accordingly with no net impact on the overall budget or capital programme set out above.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The forecasting and budget setting process will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the 10-year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income whilst limiting reductions in services provided to residents, business and visitors.

2022/23 sees the start of the development of a zero based approach to budget setting, which is one of the Council's key priorities as it forms one of the most important elements of delivering a sustainable budget year on year.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are set out in the body of the report.

Although the availability of financial resources is a key component in the delivery of services there will also need to be appropriate input of other resources such as staffing, assets and IT.

Risk

There are significant risks associated with forecasting such as cost pressures, inflation and changes to other assumptions that form part of the financial planning process. There are a

number of areas that could lead to additional expenditure being incurred, such as: -

- Economic environment / instability;
- Emergence of additional cost pressures;
- Changes to the local authority funding mechanisms such as the Government's fairer funding review that is still expected;
- New legislation placing unfunded duties on the Council or reducing the level of the Council's core funding;
- Local or national emergency;
- Income is less than that budgeted for, including business rate income retained locally.
- On-going impact from the COVID 19 pandemic

One of the primary risks introduced by the COVID 19 crisis is the potential medium to longer- term impact to key income streams for the Council such as from council tax, business rates and general fees and charges.

Although income from council tax and business rates is seeing the continuing trend of recovering back to pre-COVID 19 levels, there remains a secondary impact in areas of the budget such as court costs (existing annual income budget of **£0.323m**) and money receivable under the terms of the council tax sharing agreement with the major preceptors (existing annual income budget of **£0.631m**). In addition, the timing and trajectory of the recovery in fees and charges within leisure centres remains a key financial risk. Although it is expected that the above will continue to recover over the course of the year, they will remain under review as part of future quarterly financial performance reports.

In addition to the above, there remains a number of unmitigated cost pressures set out within **Appendix C**. However it is proposed to review these during the year where managed interventions may be necessary and as part of developing the long term forecast in later years.

However, given the significant risks that the above presents, it is proposed to underwrite them via re-focusing the existing Building for the Future Reserve. As highlighted later on in this report, this reserve has been used to fund the Council's pension deficit payments upfront, which in turn has generated significant annual revenue savings. This upfront payment is repaid over three years, which is built into the underlying budget. The estimated balance in this reserve at the end of March 2022 is **£1.654m**, which is therefore available to underwrite identified risks during 2022/23.

The specific risk to income budgets should be seen as separate from the underlying risk to the forecast, which are underwritten via the Forecast Risk Fund. As previously discussed, the Council's ability to financially underwrite the wider forecast is an important element of the 10-year plan. As with any forecast, some elements of income and expenditure will be different to that forecasted. It is fair to say that many may offset each other over the longer term. However, an update against the two important aspects to how this is being managed are as follows:

- 1) **£2.704m** remains within the Forecast Risk Fund (excluding 2021/22 contributions) to support the budget in future years. This money is available to be drawn down if the timings within the forecast differ in reality and the net position is unfavourable compared to the forecast in any one year. Based on the recommended position, it is proposed to draw down **£0.431m** from this reserve in 2022/23. Annual surplus

balances are still expected to remain within this reserve over the remaining life of the forecast as set out in **Appendix A**.

- 2) The forecast will remain 'live' and be responsive to changing circumstances and it will be revised on an on-going basis. If unfavourable issues arise, that cannot be mitigated via other changes within the forecast then the forecast will be adjusted and mitigating actions taken. Actions to respond will therefore need to be considered but can be taken over a longer time period where possible. In such circumstance, the Council may need to consider 'topping' up the funding mentioned in 1) above if required. This may impact on the ability to invest money elsewhere but will need to demonstrate that its use is sustainable in the context of the ten-year forecast.

The long-term approach to the forecast therefore still provides flexibility to respond to risks such as those presented by the potential on-going impact from the COVID 19 pandemic. However, it must be highlighted that the savings targets set out in the forecast will still need to be delivered in the longer term but they need to remain flexible and react as a counterbalance to other emerging issues and it is therefore accepted that this figure may need to be revised up or down over the life of the forecast.

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

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

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

In addition to the above, money has been set side to mitigate cost pressures associated with the repair and maintenance of Council assets. When they arise, they are usually significant and the approach taken aims to 'protect' the underlying revenue budget from such items. An Asset Refurbishment Reserve of **£1.269m** has therefore been established for this purpose and the use of this fund can be considered outside of the annual budget setting cycle via a separate decision making process and/or as part of the emerging Corporate Investment Plan.

LEGAL

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

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

Subject to Government guidance, a number of Business Rate Reliefs may be provided using powers under S47 of the Local Government Finance Act 1988, which require a local scheme to be developed and approved.

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

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

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

In respect of special expenses that form part of the budget setting process, expenditure is classed as a Special Expense if it satisfies the requirements of the Local Government Finance Act 1992, Section 35. The only category relevant to this Council is contained within Section 35(2)(d) relating to concurrent functions with Parish and Town Councils. Under the Local Government Finance Act 1992, the Council must identify as its Special Expense, proposed expenditure on those functions which the Council performs in part of the district but which Parish or Town Councils perform elsewhere in the District. If, in the Council's view, a special expense should properly be charged over the whole of the district's area, the Council may pass an express resolution to this effect (known as a **contrary resolution**).

In order for expenditure to be a Special Expense, there are two conditions that must be fulfilled:

1. Expenditure is estimated to be incurred by the District Council in the whole or part of its area on the provision of a function;
2. Expenditure on the provision of the same function is to be incurred by at least one parish/town council elsewhere in the district.

The proposals set out in this report are in accordance with the Council's budget and policy framework.

OTHER IMPLICATIONS

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

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

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

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

Special expenses are based on the principle of ensuring there is equality across the district in levying Council Tax to residents based on services and facilities provided by Town and Parish Councils in specific areas that are also provided by the District Council.

PART 3 – SUPPORTING INFORMATION

2022/23 BUDGET PROPOSALS

On 28 January 2022 Cabinet considered the following report:-

A.3 LATEST FINANCIAL FORECAST / FINAL GENERAL FUND BUDGET PROPOSALS 2022/23

It was resolved that Cabinet:

- (a) approves the latest financial forecast set out in Appendix A, along with the savings and cost pressures set out in Appendix B and C respectively that form the firm proposals for the 2022/23 budget and recommends to Full Council a Band D Council Tax for district services of £182.64 for 2022/23 (a £5 increase), along with the associated council tax requirement of £9.112m;*
- (b) authorises the Portfolio Holder for Corporate Finance and Governance to agree the 'technical' appendices and resolutions for the budget proposals for recommending to Full Council on 15 February 2022;*
- (c) authorises the Chief Executive, in consultation with the Leader of the Council and the Corporate Finance and Governance Portfolio Holder, to report directly to Council in respect of the formal resolutions necessary to implement the Executive's budget proposals along with any late information or notifications received from the Government;*
- (d) authorises the Portfolio Holder for Corporate Finance and Governance, to agree / adopt a Retail, Hospitality and Leisure mandatory business rate relief scheme for 2022/23;*
- (e) authorises the Portfolio Holder for Corporate Finance and Governance to approve the draft Treasury Strategy 2022/23 for consultation with the Resources and Services Overview and Scrutiny Committee; and*
- (f) approves that, in respect of the in-year budget for 2021/22, £0.064m be added to the Capital Programme in order to enable the purchase and installation of additional audio and visual equipment associated with the 'live streaming' of meetings and improving the quality of sound within the new committee room, which will be funded by adjustments elsewhere within the overall 2021/22 budget, as identified by the*

Assistant Director (Finance & IT), in consultation with the Portfolio Holder for Corporate Finance and Governance.

In respect of item (b), this reports recommendations and appendices form the 'technical' and formal budget resolutions required to be considered by Full Council to determine the level of Council Tax and Budget for 2022/23. As agreed in (a) above, the Band D Council Tax for district services of **£182.64** for 2022/23 (a £5 increase), along with the associated council tax requirement of **£9.112m** remain unchanged to the position considered and agreed by Cabinet on 28 January 2022.

This report has been approved by the Portfolio Holder for Corporate Finance and Governance in line with the delegation agreed.

CHANGES SUBSEQUENT TO THE CABINET'S PROPOSALS OF 28 JANUARY 2022

There have been no required changes to the forecast / budget since 28 January 2022, so **Appendices A to C** remain the same as those considered by Cabinet on 28 January 2022. In respect of **Appendix A**, the second column from the right (**'Updated Forecast 28 January 2022'**), therefore sets out the forecast against which the detailed budgets have been finalised.

Appendices D to J set out the 'technical' budget / financial information required to be presented to Full Council to enable it to consider and agree the level of Council Tax and Budget for 2022/23.

As reported to Cabinet on 28 January 2022, there remains a budget deficit of **£0.431m** in 2022/23, which will be funded by drawing money down from the Forecast Risk Fund in-line with the long-term forecast approach.

At the time this report was printed, the final grant settlement had yet to be confirmed by the Government. It is acknowledged that the Council may still receive notification of amended / additional grants from the Government or other funding bodies. A recommendation is set out above that provides a delegation to include such amounts in the budget as necessary.

In continuing with the same approach last year, fees and charges are now agreed separately by the relevant Director / Portfolio Holder.

However they continue to be reviewed within the framework of the financial forecast and therefore they have been considered against a number of key principles, which include:

- general inflationary increases where possible or lower where appropriate / justified
- amounts rounded for ease of application, which may result in a slightly above inflation increase.
- on a cost recovery basis as necessary
- reflect statutory requirements.
- increases where market conditions allow
- to meet specific priorities or service delivery aims / objectives

Although they are agreed separately, for completeness a full schedule of fees and charges will be provided to Members in advance of the Full Council meeting on 15 February 2022.

GENERAL FUND BUDGET SUMMARIES

The 2022/23 revenue budget and capital programme are summarised below. In respect of the revenue budget, this is based on a Band D Council Tax increase of £5 (2.81%) for this Council's services in 2022/23.

Table 1 – General Fund Revenue Budget

	2021/22 Original £m	2022/23 Original £m
Net Cost of Services	19.172	20.107
Revenue support for capital investment	0.059	0.082
Financing items	(4.973)	(7.389)
Net Expenditure	14.258	12.800
Net Use of Earmarked Reserves*	(6.642)	(3.402)
Total Net Budget	7.616	9.398
Business Rates (<i>excl. S31 Govt. Grant funding</i>)	(4.599)	(3.033)
Revenue Support Grant	(0.431)	(0.444)
Collection Fund (Surplus) / Deficit*	6.018	3.191
Council Tax Requirement (for Tendring District Council)	8.604	9.112
Parish Precepts	2.100	2.273
Council Tax Requirement (as per Requisite Calculations)	10.704	11.385

*The significant changes between years primarily reflect the continuing 'technical' accounting treatment of business rate reliefs.

Table 2 – General Fund Capital Programme

	2022/23 £m
EXPENDITURE	0.839
FINANCING	
Government Grants	0.757
Direct Revenue Contributions	0.070
Earmarked Reserves	0.012
Total Financing	0.839

ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

Appendix K sets out the Chief Finance Officer's (S151 Officer) report on the Robustness of the Estimates and the Adequacy of the Reserves as required by section 25 of the Local Government Act 2003.

Taking into account all the relevant issues the estimates can be considered as robust and are supported by adequate reserves.

The formulation of the budget for 2022/23 is set against the context of the longer-term forecast. Taking the proposed position for 2022/23 into account the most up to date forecast of the expected annual position for each remaining year of the forecast is as

follows:

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

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

BACKGROUND PAPERS FOR THE DECISION

Working papers held in accountancy

APPENDICES

Appendix A	Financial Forecast 2022/23
Appendix B	Net Savings 2022/23
Appendix C	Cost Pressures 2022/23
Appendix D	Detailed General Fund Revenue Estimates, Capital Programme and Reserves 2022/23
Appendix E	Special Expenses 2022/23
Appendix F	Requisite Budget Calculations 2022/23
Appendix G	Calculation of District and Parish / Town Council Taxes for All Areas 2022/23
Appendix H	Precepts on the Collection Fund 2022/23
Appendix I	District and Parish/Town Council Tax Amounts 2022/23. (excludes Council Tax amounts for County, Fire and Police services 2022/23 which will form part of the final Council Tax setting process via the Human Resources and Council Tax Committee)
Appendix J	Calculation of Estimated Surplus on the Collection Funds for 2022/23

Appendix K

Chief Finance Officer's (S151 Officer) report on the Robustness of the Estimates and the Adequacy of the Reserves

UPDATED FINANCIAL FORECAST 2022/23

Line	Prior Year Budget	Updated Forecast (12 November 2021)	Updated Forecast (17 December 2021)	Updated Forecast (28 January 2022)	Change between December and January Positions
	2021/22 £m	2022/23 £m	2022/23 £m	2022/23 £m	£m
Underlying Funding Growth in the Budget					
1 Council Tax Increase 1.99%	(0.166)	(0.168)	(0.176)	(0.176)	0.000
2 Council Tax increase by £5 (amounts set out are over and above 1.99% above)	(0.076)	(0.074)	(0.073)	(0.073)	0.000
3 Growth in Business Rates - Inflation	0.000	(0.139)	(0.139)	0.000	0.139
4 Growth in Business Rates / Council Tax - general property growth	(0.183)	(0.100)	(0.259)	(0.760)	(0.501)
5 Collection Fund Surpluses b/fwd	6.018	0.323	0.099	3.192	3.093
	5.593	(0.158)	(0.548)	2.183	2.731
Net Cost of Services and Other Adjustments					
6 Reduction in RSG and Other Changes Associated with the LG Finance Settlement	(0.002)	0.431	0.431	(0.589)	(1.020)
7 Remove one-off items from prior year	(0.412)	0.000	0.000	0.000	0.000
8 Remove one-off items from prior year - Collection Fund Surplus	1.360	(6.018)	(6.018)	(6.018)	0.000
9 Inflation - Employee Costs (including annual review adjustments)	0.478	0.598	0.605	0.605	0.000
10 Inflation - Other	0.124	0.221	0.198	0.198	0.000
11 First / Second / Third year impact of PFH WP Savings	(0.045)	(0.045)	(0.045)	(0.045)	0.000
12 LCTS Grant to Parish Council's	0.000	(0.037)	(0.037)	0.001	0.038
13 Revenue Contribution to the Capital Programme	(0.209)	0.008	0.008	0.008	0.000
14 Specific Changes in Use of Reserves	(4.050)	5.794	5.794	2.622	(3.172)
15 On-going savings / increases in income	(0.239)	(0.450)	(0.213)	(0.223)	(0.010)
16 Unmitigated Cost Pressures	0.516	0.250	0.265	0.618	0.353
17 Other Adjustments	(2.065)	0.000	0.000	0.023	0.023
	(4.544)	0.752	0.988	(2.800)	(3.788)
Net Total	1.048	0.594	0.440	(0.617)	(1.057)
Add back General Use of Reserves in Prior Year to Balance the Budget	0.000	1.048	1.048	1.048	0.000
Net Budget Position	1.048	1.642	1.488	0.431	(1.057)
Use of Forecast Risk Fund to support the Net Budget Position	(1.048)	(1.642)	(1.488)	(0.431)	1.057

Use of Forecast Risk Fund

Estimated Outturn b/fwd from prior years	(3.753)	(3.205)	(3.205)	(3.205)	
Contribution from / (to) reserve	1.048	1.642	1.488	0.431	(1.057)
Planned additional contributions generated in year	(0.500)	(0.500)	(0.500)	(0.500)	0.000
Balance to Carry Forward	(3.205)	(2.063)	(2.217)	(3.274)	(1.057)

Forecast Risk Fund - Estimated Surplus Balance at the end of the year	Year	Updated Forecast (12 November 2021)	Updated Forecast (17 December 2021)	Updated Forecast (28 January 2022)	Change between December and January Positions
		2022/23 £m	2022/23 £m	2022/23 £m	
	2022/23	2.063	2.217	3.274	1.057
	2023/24	1.439	1.516	2.425	0.909
	2024/25	0.933	0.927	1.613	0.686
	2025/26	0.539	0.444	0.908	0.464
	2026/27	0.254	0.064	0.306	0.242

APPENDIX B

NET ON-GOING SAVINGS ITEMS 2022/23

	2022/23 £	Comments
Manningtree Joint Use Sports Centre	50,300	The current agreement was terminated by the School during 2021/22. As the centre operated with an overall budget subsidy, this can now be removed from the estimates.
Revised rental income following annual rent review exercise	43,370	Additional income can be added to the budget to reflect the outcome of this annual review process across a number of properties owned by the Council.
Recycling Credit Income	65,000	This reflects the ongoing recycling performance and includes both kerbside and bring bank collections.
Investment Income	20,000	A relatively small increase in investment income is expected to reflect minor increases in interest rates during 2022/23.
Income from Legal Fees	25,000	Services such as the administration of S106 have recently been brought in-house, with external income now receivable. The figure is net of the estimated cost of providing additional staff resources that is subject to a proposed restructure to ensure capacity matches demand.
Reduction in interest payments and Minimum Revenue Provision	8,930	As debt is repaid, interest payments reduce year on year along with a corresponding reduction in the money 'set aside to repay debt'.
NEW - Haven Gateway Contribution	10,000	Following the recent termination of membership of the Haven Gateway Partnership, the associated budget relating to the annual membership 'fee' can be removed from the forecast.
Total	222,600	

COST PRESSURE SUMMARY 2022/23

Status		2022/23 £	2023/24 £	2024/25 £	2025/26 onwards £	Comments
Unavoidable Items 2022/23 Budget						
On-going Impact from Items Agreed as part of the 2021/22 Budget	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - Expenditure to compliment the on-going digital transformation programme (<i>IT, Emergency Planning and Business Continuity</i>)	2,500	15,300	15,300	15,300	The amounts reflect a varied range of expenditure to support continued digitalisation, such as equipment to support home working (H&S requirement), hosting costs, mobile telephony costs, website / intranet hosting costs and cyber security costs.
	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - Cost of Insurance Premiums (<i>Finance - Other Corporate Costs</i>)	61,100	61,100	61,100	61,100	This reflects the increased costs chargeable to the general fund following the retender process during 2021/22. Increases in future years remain subject to the annual renewal process over the remaining 3 year 'contracted' term of cover.
	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - LCTS Administration Subsidy (<i>Revenues & Benefits - Local Council Tax Support Scheme</i>)	6,770	6,770	6,770	6,770	This amount adjusts the on-going base position to reflect the reduction in 2021/22. Further reductions may be required, which will become clearer during the current budget cycle as it remains subject to further Government announcements.
New Items for 2022/23	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - Apprenticeship Levy (<i>Finance - Other Corporate Costs</i>)	8,000	8,000	8,000	8,000	To reflect the increase to the levy payment which is linked to the inflationary uplift to the wider salary budget.

Status		2022/23 £	2023/24 £	2024/25 £	2025/26 onwards £	Comments
New Items for 2022/23	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - Carnarvon House Rental Income (<i>Finance - Other Corporate Costs</i>)	0	0	72,970	72,970	This represents the loss of income following the end of the current lease and decision to demolish the building. As part of the early termination agreement, the current tenant paid a one-off payment that effectively met the rent due in 2022/23 and 2023/24, which is why there is no cost pressure for those years.
	REVENUE - Operations & Delivery - Contract Costs (<i>Waste Management - Recycling & Waste Collection</i>)	67,000	67,670	68,350	69,030	This reflects increased contract costs due to property growth.
	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - IT Digital Transformation Programme (<i>IT, Emergency Planning and Business Continuity</i>)	120,000	120,000	120,000	120,000	This reflects the 'natural' growth in the provision of digital services and includes licences, data costs and the hardware replacement programme.
	REVENUE - Review of Posts previously funded on a one-off basis (<i>Various</i>)	352,460	0	0	0	These relate to posts previously funded from one-off money / external income and include: 6 Community Ambassadors 4 Street Rangers 1 Technical / Administration Officer (Waste and Recycling). This cost has now been included in the budget but only on a one off basis to enable the associated activities to continue whilst options to fund on a on-going basis are explored during 2022/23.
Total of Unavoidable Items Included in the 2022/23 Budget		617,830	278,840	352,490	353,170	

Status		2022/23 £	2023/24 £	2024/25 £	2025/26 onwards £	Comments
Items to be mitigated / met via reductions elsewhere within the overall budget						
NOT Included in Forecast 2022/23 and beyond	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - Estimated Reduction in Housing Benefit Administration Grant (<i>Revenues & Benefits - Rent Allowances / Rebates</i>)	49,000	93,100	132,790	168,500	There will be a reduction in the housing benefit administration grant receivable from the Government on a year on year basis to reflect reduced housing benefit workload over the period that Universal Credit is being rolled out. The figures reflect a year on year reduction in caseload of 10%, which will be mitigated via a corresponding reduction in employee costs via the management of vacancies etc.
	REVENUE - Energy Costs (<i>Various</i>)	71,000	71,000	71,000	71,000	The outlook remains volatile with the figures reflecting a 10% increase in prices. However given the current level of market uncertainty in respect of future prices, it is proposed to underwrite this risk via the existing Contingency Budget of £322k. This will enable the time to review the longer term impact and trend that may need to be reflected in the forecast in future years.

Status		2022/23 £	2023/24 £	2024/25 £	2025/26 onwards £	Comments
NOT Included in Forecast 2022/23 and beyond	REVENUE - Operations & Delivery Crematorium Net Income - loss in the first quarter of 2022/23 (<i>Public Realm - Crematorium</i>)	250,000	0	0	0	An expedited procurement process is underway to limit periods of non-operation as far as possible. Due to this being a one-off issue, it is not proposed to include this in the base budget for 2022/23 but it will remain under review as part of the quarterly financial performance reports and outturn for the year. (please see main body of the report for further details)
	Revenue - Operations & Delivery - Cost of Temporary Accommodation / Homelessness Initiatives (<i>Housing & Homelessness</i>)	100,000	100,000	100,000	100,000	The Government have continued to support homelessness via grant funding, a position that has continued into 2022/23. Initiatives to increase / maintain the supply of temporary accommodation also continue such as the remodelling of Spendells House and the use of hotel accommodation. Similarly to previous years, the situation will be reviewed as part of the on-going forecast as it may be necessary to include additional costs in the base budget in future years. (please see main body of the report for further details)

Status		2022/23 £	2023/24 £	2024/25 £	2025/26 onwards £	Comments
NOT Included in Forecast 2022/23 and beyond	REVENUE - Chief Executive, Finance, IT, Governance and Partnerships - External Audit Fees (Finance - Other Corporate Costs)	25,000	25,000	25,000	25,000	These fee are expected to increase from 2023/24 when the PSAA undertake the necessary procurement to appoint auditors for the next 5 year accounting period. Fees are also likely to increase in 2022/23 as part of additional work expected to be generated from the revised use of resources assessment and potentially from the Redmond Review. It is currently proposed to respond to this issue in-year rather than adjust the base budget at this stage, as clarity is expected to emerge over the coming months in terms of the scale of the potential fee increase. The current base fee is £45k so the above approach does not introduce an unreasonable level of financial risk to the current forecasting process.
Total of Mitigated Items		495,000	289,100	328,790	364,500	
TOTAL OF ALL COST PRESSURES ABOVE		1,112,830	567,940	681,280	717,670	
TOTAL OF COST PRESSURES INCLUDED IN THE 2022/23 BUDGET (Total of all cost pressures less mitigated items)		617,830	278,840	352,490	353,170	

General Fund Revenue Estimates 2022/23

The Portfolio/Departmental estimates that follow reflect the items included in the Updated Financial Forecast but translated to a more detailed level within the overall budget.

The comments below relate to items that are common to all departments, with any remaining matters being set out separately in the following departmental analysis.

DIRECT EXPENDITURE/INCOME

Salaries/Employees Expenses

This reflects the latest position in terms of any restructures agreed to date, along with the pay award/increments and on-going pension contribution changes.

Other Movements

A number of virements/budget transfers have been included within the budget to address any on-going matters but do not have an impact on the overall net position.

Transfer Payments

The payments included within the Directorate of the Chief Executive, Finance, IT, Governance and Partnerships Services relate to Rent Allowances and Rent Rebates (Housing Benefit). These are subject to change over the course of the year and adjustments have been reflected in the budgets as appropriate, with expenditure being supported by an associated grant from the government.

INDIRECT INCOME/EXPENDITURE

Internal Recharges

Indirect Income/Expenditure, which includes Service Unit and Central Costs and Recharged Income, reflect the latest organisational position.

Capital Financing Costs

These reflect required accounting adjustments and relate to the annual provision for depreciation and are based on the asset value and the estimated life of an asset. Asset values are reviewed annually by the Council's external valuer. Although there may be significant changes between years these only relate to accounting entries which are reversed out resulting in a nil overall effect on the budget.

Pension Current Costs and Other Related Pension Adjustments

Similarly to Capital Financing costs above, these are required accounting adjustments that are reversed out resulting in a nil overall effect on the budget.

General Fund Revenue Estimates 2022/23

Portfolio Summary	2021/22 Original Estimate £	2022/23 Original Estimate £
Leader	1,931,340	2,359,310
Corporate Finance and Governance	249,190	(1,549,720)
Environment and Public Space	7,141,510	7,742,980
Housing	2,452,620	3,227,480
Partnerships	572,470	693,650
Business and Economic Growth	455,930	569,260
Leisure and Tourism	5,750,330	6,437,990
Budgets Relating to Non Executive Functions	618,970	625,930
Net Cost of Services	19,172,360	20,106,880
Revenue Support for Capital Investment	58,610	82,100
Financing Items	(4,972,900)	(7,389,490)
Budget Before Use of Reserves	14,258,070	12,799,490
Contribution to/from Earmarked Reserves	(6,641,540)	(3,401,750)
Total Net Budget	7,616,530	9,397,740
<i>Financed by:</i>		
Business Rates (including Tariff and Levy) excluding Section 31 funding for rate relief which is set out in 'Net Cost of Services' above	(4,598,900)	(3,032,660)
Revenue Support Grant	(431,170)	(444,210)
Collection Fund (Surplus)/Deficit	6,017,640	3,191,440
Council Tax Requirement for Tendring District Council	8,604,100	9,112,310
Parish Precepts	2,100,447	2,273,122
Council Tax Requirement per Requisite Calculations	10,704,547	11,385,432

Department Summary	2021/22 Original Estimate £	2022/23 Original Estimate £
Chief Executive, Finance, IT, Governance and Partnerships	(16,802,390)	(18,879,890)
Operations and Delivery	11,219,980	12,112,200
Place and Economy	5,582,410	6,767,690
Total	0	0

General Fund Revenue Estimates

Chief Executive, Finance, IT, Governance and Partnerships

<u>Analysis by Type of Spend</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Direct Expenditure			
Employee Expenses	9,905,690	10,603,580	
Premises Related Expenditure	281,640	378,810	
Transport Related Expenditure	107,310	106,550	
Supplies & Services	4,996,960	5,307,870	
Transfer Payments	45,115,060	45,115,060	
Interest Payments	17,800	10,510	
Total Direct Expenditure	60,424,460	61,522,380	
Direct Income			
Government Grants	(50,215,390)	(53,029,600)	
Other Grants, Reimbursements and Contributions	(1,216,030)	(1,241,030)	
Sales, Fees and Charges	(1,291,500)	(1,290,300)	
Rents Receivable	(650)	(3,800)	
Interest Receivable	(327,720)	(306,690)	
RSG, Business Rates and Council Tax	(7,616,530)	(9,397,740)	
Total Direct Income	(60,667,820)	(65,269,160)	
Net Direct Costs	(243,360)	(3,746,780)	
Indirect Income/Expenditure			
FRS17/IAS19 Pension Costs	(3,057,280)	(4,339,690)	
Service Unit and Central Costs	10,038,820	10,992,620	
Capital Financing Costs	(1,670,910)	(2,633,630)	
Recharged Income	(15,228,120)	(15,750,660)	
Total Indirect Income/Expenditure	(9,917,490)	(11,731,360)	
Net Contribution to/(from) Reserves	(6,641,540)	(3,401,750)	
Total for Chief Executive, Finance, IT, Governance and Partnerships	(16,802,390)	(18,879,890)	

Chief Executive, Finance, IT, Governance and Partnerships

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Office of Chief Executive Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 218,430 (218,430) 0	 224,740 (224,740) 0	
Total for Chief Executive and Administration	0	0	
Finance and IT Management <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 95,040 (95,040) 0	 101,200 (101,200) 0	
Total for Finance and IT Management and Administration	0	0	
Accountancy Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 465,770 (465,770) 0	 480,210 (480,210) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Audit Services Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 172,080 (172,080) 0	 178,930 (178,930) 0	
Fraud & Risk Service Unit <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 145,270 (2,670) (142,600) 0	 149,250 (2,670) (146,580) 0	
Payroll & Payments <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 180,850 (60) (180,790) 0	 191,180 (60) (191,120) 0	
Health & Safety <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 59,030 (59,030) 0	 60,270 (60,270) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Procurement <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 90,460 (90,460) 0	 92,210 (92,210) 0	
Total for Finance	0	0	
Bar Code, Credit & Debit Card Charges <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 146,700 (146,700) 0	 146,700 (146,700) 0	
Other Apportionable Overheads <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 (240,660) (2,070) 242,730 0	 (232,660) (2,070) 234,730 0	£8,000 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Other Apportionable Overheads - Corporate Support <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 44,310 (44,310) 0	 44,310 (44,310) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
<p>Insurance Recharge Account</p> <p><i>Portfolio/ Committee: Corporate Finance and Governance</i></p> <p>Direct Expenditure</p> <p>Direct Income</p> <p>Indirect Income/Expenditure</p> <p>Net Total</p>	<p>507,930</p> <p>(10,930)</p> <p>(497,000)</p> <p>0</p>	<p>603,930</p> <p>(10,930)</p> <p>(593,000)</p> <p>0</p>	<p>£96,000 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.</p> <p>An associated recharge has been made to the HRA elsewhere in the budget to reflect the right apportionment of costs which together result in a net cost pressure to the General Fund of £61,100 as set out in Appendix C.</p>
<p>Other Democratic Costs</p> <p><i>Portfolio/ Committee: Corporate Finance and Governance</i></p> <p>Direct Expenditure</p> <p>Indirect Income/Expenditure</p> <p>Net Total</p>	<p>35,250</p> <p>600,830</p> <p>636,080</p>	<p>35,250</p> <p>738,610</p> <p>773,860</p>	
<p>Corporate Management - General</p> <p><i>Portfolio/ Committee: Corporate Finance and Governance</i></p> <p>Direct Expenditure</p> <p>Indirect Income/Expenditure</p> <p>Net Total</p>	<p>118,230</p> <p>158,320</p> <p>276,550</p>	<p>118,230</p> <p>259,130</p> <p>377,360</p>	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
COVID 19 - Response <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 1,023,210 (1,023,210) 0 0	 0 0 0 0	 The 2021/22 position reflects a one-off Government Grant that has therefore been removed in 2022/23.
Treasury Management <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 9,380 4,210 13,590	 9,380 24,290 33,670	
Non-Distributed Costs - Unused Assets <i>Portfolio/ Committee: Corporate Finance and Governance</i> Indirect Income/Expenditure Net Total	 2,740 2,740	 3,140 3,140	
Pension Fund Contributions <i>Portfolio/ Committee: Corporate Finance and Governance</i> Indirect Income/Expenditure Net Total	 38,000 38,000	 122,000 122,000	
Garden Communities Project <i>Portfolio/ Committee: Leader</i> Indirect Income/Expenditure Net Total	 0 0	 23,060 23,060	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Climate Emergency Initiatives <i>Portfolio/ Committee: Corporate Finance and Governance</i> Indirect Income/Expenditure Net Total	17,320 17,320	41,300 41,300	
Other Corporate Costs <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Net Total	1,136,330 (650) 1,135,680	2,731,770 (3,800) 2,727,970	£1,510,580 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget. This budget includes the 2022/23 New Homes Bonus grant of £1,849,980.
Council Tax Sharing Agreement with Major Preceptors <i>Portfolio/ Committee: Housing</i> Direct Income Net Total	(630,770) (630,770)	(630,770) (630,770)	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
<p>Other Non-Specific Grants</p> <p><i>Portfolio/ Committee: Corporate Finance and Governance</i></p> <p>Direct Income</p> <p>Net Total</p>	<p>(3,009,410)</p> <p>(3,009,410)</p>	<p>(6,892,330)</p> <p>(6,892,330)</p>	<p>£3,868,790 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget. This budget includes the technical Business Rates adjustments with corresponding changes set out elsewhere in the budget.</p>
<p>Other Corporate Costs - Parish Council Grants</p> <p><i>Portfolio/ Committee: Corporate Finance and Governance</i></p> <p>Direct Expenditure</p> <p>Net Total</p>	<p>36,570</p> <p>36,570</p>	<p>37,680</p> <p>37,680</p>	<p>£1,110 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.</p>
<p>Interest Payable and similar charges</p> <p><i>Portfolio/ Committee: Finance - Other Financing Items</i></p> <p>Direct Expenditure</p> <p>Net Total</p>	<p>23,460</p> <p>23,460</p>	<p>16,170</p> <p>16,170</p>	<p>£1,580 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.</p>

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Investment Property Income <i>Portfolio/ Committee: Finance - Other Financing Items</i> Direct Income Net Total			
	(219,660)	(223,950)	
	(219,660)	(223,950)	
Interest & Investment Income <i>Portfolio/ Committee: Finance - Other Financing Items</i> Direct Income Net Total			
	(108,060)	(82,740)	£25,320 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
	(108,060)	(82,740)	
Pensions net interest/return on assets <i>Portfolio/ Committee: Finance - Other Financing Items</i> Indirect Income/Expenditure Net Total			
	876,000	818,000	
	876,000	818,000	
Total for Finance - Other Corporate Costs	(911,910)	(2,855,580)	
Contribution to Housing Pooled Capital Receipts <i>Portfolio/ Committee: Finance - Other Financing Items</i> Indirect Income/Expenditure Net Total			
	90,000	90,000	
	90,000	90,000	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
MIRS Contributions to/(from) Earmarked Reserves <i>Portfolio/ Committee: Finance - Corporate</i> Contributions to/(from) reserves Net Total	(6,641,540) (6,641,540)	(3,401,750) (3,401,750)	£3,239,790 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget. This budget includes the technical Business Rates adjustments with corresponding changes set out elsewhere in the budget.
MIRS Revenue Financing of Capital (RCCO) <i>Portfolio/ Committee: Finance - Capital Investment</i> Indirect Income/Expenditure Net Total	58,610 58,610	82,100 82,100	£23,490 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
MIRS Minimum Revenue Provision <i>Portfolio/ Committee: Finance - Other Financing Items</i> Indirect Income/Expenditure Net Total	209,220 209,220	200,290 200,290	£8,930 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
<p>MIRS Finance Lease Mitigation <i>Portfolio/ Committee: Finance - Other Financing Items</i></p> <p>Indirect Income/Expenditure</p> <p>Net Total</p>	<p>(5,160)</p> <p>(5,160)</p>	<p>0</p> <p>0</p>	<p>£5,160 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.</p>
<p>MIRS Capital Charges made to GF <i>Portfolio/ Committee: Finance - Other Financing Items</i></p> <p>Indirect Income/Expenditure</p> <p>Net Total</p>	<p>(3,760,380)</p> <p>(3,760,380)</p>	<p>(3,941,920)</p> <p>(3,941,920)</p>	
<p>MIRS Transfer from Usable Capital Receipts Reserve <i>Portfolio/ Committee: Finance - Other Financing Items</i></p> <p>Indirect Income/Expenditure</p> <p>Net Total</p>	<p>(90,000)</p> <p>(90,000)</p>	<p>(90,000)</p> <p>(90,000)</p>	
<p>MIRS - Contributions Payable to the Pension Scheme <i>Portfolio/ Committee: Finance - Other Financing Items</i></p> <p>Direct Expenditure</p> <p>Indirect Income/Expenditure</p> <p>Net Total</p>	<p>2,586,350</p> <p>(83,020)</p> <p>2,503,330</p>	<p>2,647,070</p> <p>(83,020)</p> <p>2,564,050</p>	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
MIRS - Total IAS 19 Adjustments <i>Portfolio/ Committee: Finance - Other Financing Items</i> Indirect Income/Expenditure Net Total			
	(4,491,650)	(6,739,390)	
	(4,491,650)	(6,739,390)	
Total for Finance - Financing Items	(12,127,570)	(11,236,620)	
Parish Precepts <i>Portfolio/ Committee: Finance - Corporate</i> Direct Income Net Total			
	2,100,447	2,273,122	
	2,100,447	2,273,122	
Revenue Support Grant <i>Portfolio/ Committee: Finance - Corporate</i> Direct Income Net Total			
	(431,170)	(444,210)	£13,040 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
	(431,170)	(444,210)	
Business Rates Tariff and Levy <i>Portfolio/ Committee: Finance - Corporate</i> Direct Income Net Total			
	6,703,530	6,739,250	£35,720 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
	6,703,530	6,739,250	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
<p>Business Rates</p> <p><i>Portfolio/ Committee: Finance - Corporate</i></p> <p>Direct Income</p> <p>Net Total</p>	<p>(11,302,430)</p> <p>(11,302,430)</p>	<p>(9,771,910)</p> <p>(9,771,910)</p>	<p>£1,530,520 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.</p>
<p>Income from Council Taxpayers (inc Parish Precept)</p> <p><i>Portfolio/ Committee: Finance - Corporate</i></p> <p>Direct Income</p> <p>Net Total</p>	<p>(10,704,547)</p> <p>(10,704,547)</p>	<p>(11,385,432)</p> <p>(11,385,432)</p>	<p>£508,210 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.</p>
<p>Collection Fund Balance - Council Tax</p> <p><i>Portfolio/ Committee: Finance - Corporate</i></p> <p>Direct Income</p> <p>Net Total</p>	<p>(27,090)</p> <p>(27,090)</p>	<p>(324,020)</p> <p>(324,020)</p>	<p>£296,930 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.</p>

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Collection Fund Balance - NDR <i>Portfolio/ Committee: Finance - Corporate</i> Direct Income Net Total	 6,044,730	 3,515,460	 £2,529,270 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget. This budget includes the technical Business Rates adjustments with corresponding changes set out elsewhere in the budget.
Total for Finance - RSG, Business Rates and Council Tax	(7,616,530)	(9,397,740)	
Benefits & Revenues SU <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 1,889,950 (327,020) (1,562,930) 0	 1,912,480 (327,020) (1,585,460) 0	 £18,930 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Rent Allowances <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 38,694,080 (39,008,320) 822,860 508,620	 38,694,080 (38,991,000) 913,900 616,980	 £17,320 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Rent Rebates <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 6,628,150 (6,670,040) 73,620 31,730	 6,628,150 (6,668,430) 59,250 18,970	£1,610 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Local Council Tax Support Scheme <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 (10,000) (217,180) 316,360 89,180	 (10,000) (210,410) 364,040 143,630	£6,770 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Cost Of NDR Collection <i>Portfolio/ Committee: Housing</i> Direct Income Indirect Income/Expenditure Net Total	 (287,230) 231,050 (56,180)	 (267,430) 323,570 56,140	£19,800 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Cost Of Council Tax Collection <i>Portfolio/ Committee: Housing</i> Direct Income Indirect Income/Expenditure Net Total	 861,320	 986,310	
Hardship Fund <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 2,890	 28,940	
Total for Revenues and Benefits	1,437,560	1,850,970	
TDC Website <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 0	 0	
IT and Corporate Resilience Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 0	 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
IT Direct Service Costs <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	697,260 (697,260) 0	856,900 (856,900) 0	£163,600 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Central Telephone Service <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	94,560 (94,560) 0	94,560 (94,560) 0	
Emergency Planning <i>Portfolio/ Committee: Partnerships</i> Direct Expenditure Indirect Income/Expenditure Net Total	62,390 66,690 129,080	67,240 45,460 112,700	
Total for IT, Emergency Planning and Business Continuity	129,080	112,700	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Governance Management <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 98,500 (98,500) 0	 109,000 (109,000) 0	
Total for Governance Management and Administration	0	0	
Governance and Legal Services Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 316,820 (3,330) (313,490) 0	 343,860 (28,330) (315,530) 0	£25,000 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Total for Legal	0	0	
Leadership Support Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 102,340 (102,340) 0	 99,780 (99,780) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Elections Management Service Unit <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Indirect Income/Expenditure Net Total	 147,160 (147,160) 0	 164,880 (164,880) 0	
Committee Services Management Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 164,040 (290) (163,750) 0	 172,290 0 (172,290) 0	
Members Allowance <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 471,090 8,410 479,500	 477,840 16,360 494,200	
Members - Other Costs <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 22,060 271,200 293,260	 45,720 357,120 402,840	This budget now includes items from the 'Member Support Cost' budget below following the merging of these two areas of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Democratic Services - Other Democratic Costs <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Net Total	 21,800 21,800	 21,800 21,800	
Member Support Cost <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 25,410 (910) 29,680 54,180	 (0) 0 0 (0)	 This budget has now been merged with the 'Member - Other Cost' budget above.
Civic Ceremonial Expenses <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 14,750 83,400 98,150	 12,440 78,470 90,910	
Election Expenses <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Indirect Income/Expenditure Net Total	 18,100 179,920 198,020	 14,000 137,750 151,750	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Electoral Registration Expenses <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 87,730 (2,520) 128,550 213,760	 80,830 (2,520) 178,050 256,360	
Total for Democratic Services	1,358,670	1,417,860	
Partnerships Management <i>Portfolio/ Committee: Partnerships</i> Direct Expenditure Indirect Income/Expenditure Net Total	 83,930 (83,930) 0	 88,170 (88,170) 0	
Total for Partnerships Management and Administration	0	0	
People, Performance and Projects Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 337,850 (337,850) 0	 343,310 (343,310) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Qualification and Other Training <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Indirect Income/Expenditure Net Total	 57,000 (57,000) 0	 57,000 (57,000) 0	
HR Direct Service Costs <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Indirect Income/Expenditure Net Total	 121,850 (121,850) 0	 118,780 (118,780) 0	
Career Track <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 177,300 (188,080) 95,380 84,600	 185,060 (188,080) 112,680 109,660	
Total for HR and OD	84,600	109,660	
CCG Wellbeing Hub and other Health Partner Schemes <i>Portfolio/ Committee: Partnerships</i> Indirect Income/Expenditure Net Total	 0 0	 30,260 30,260	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Essex Family Needs Project <i>Portfolio/ Committee: Partnerships</i>			
Direct Expenditure	41,400	43,420	
Indirect Income/Expenditure	9,580	15,810	
Net Total	50,980	59,230	
Community Safety Projects <i>Portfolio/ Committee: Partnerships</i>			
Direct Expenditure	2,220	2,220	
Indirect Income/Expenditure	2,060	950	
Net Total	4,280	3,170	
Community Safety <i>Portfolio/ Committee: Partnerships</i>			
Direct Expenditure	136,740	140,770	
Indirect Income/Expenditure	51,350	144,010	
Net Total	188,090	284,780	
Total for Community Partnerships	243,350	377,440	
Communications Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i>			
Direct Expenditure	75,320	77,260	
Indirect Income/Expenditure	(75,320)	(77,260)	
Net Total	0	0	
Total for Communications	0	0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Customer and Commercial Services Service Unit <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 100,350 (100,350) 0	 100,580 (100,580) 0	
Operational Services Finance & Procurement SU <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 171,410 (171,410) 0	 177,250 (177,250) 0	
Customer & Commercial Strategy & Management SU <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 208,110 (208,110) 0	 212,190 (212,190) 0	
Print and Post Hub Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 159,820 (43,800) (116,020) 0	 161,730 (43,800) (117,930) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Licensing Service Unit Account <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Indirect Income/Expenditure Net Total	 186,690 (186,690) 0	 190,130 (190,130) 0	
Contact Centre Service Unit <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 394,920 (394,920) 0	 405,020 (405,020) 0	
Careline / CCTV Service Unit <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 650,250 (650,250) 0	 661,650 (661,650) 0	
Careline <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 151,670 (819,520) 1,037,860 370,010	 151,670 (819,520) 1,190,350 522,500	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
CCTV <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 23,530 (1,000) 113,640 136,170	 17,030 (1,000) 100,750 116,780	£6,500 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Licensing <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 21,300 (276,340) 307,540 52,500	 21,300 (276,340) 340,910 85,870	
Tourist Information Centres <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 11,370 (6,540) 36,850 41,680	 11,370 (6,540) 11,440 16,270	
Total for Customer and Commercial	600,360	741,420	
Total for Chief Executive, Finance, IT, Governance and Partnerships	(16,802,390)	(18,879,890)	

General Fund Revenue Estimates

Operations and Delivery

<u>Analysis by Type of Spend</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Direct Expenditure			
Employee Expenses	6,175,820	6,409,860	
Premises Related Expenditure	1,681,930	2,008,930	
Transport Related Expenditure	451,360	477,150	
Supplies & Services	1,607,140	1,680,800	
Third Party Payments	5,179,590	5,722,780	
Transfer Payments	191,340	191,340	
Total Direct Expenditure	15,287,180	16,490,860	
Direct Income			
Government Grants	(871,230)	(871,230)	
Other Grants, Reimbursements and Contributions	(1,202,200)	(1,296,630)	
Sales, Fees and Charges	(3,422,830)	(3,749,980)	
Rents Receivable	(157,560)	(208,580)	
Direct Internal Income	(426,980)	(909,570)	
Total Direct Income	(6,080,800)	(7,035,990)	
Net Direct Costs	9,206,380	9,454,870	
Indirect Income/Expenditure			
FRS17/IAS19 Pension Costs	448,140	1,264,650	
Service Unit and Central Costs	8,173,690	8,267,970	
Capital Financing Costs	2,644,960	2,796,760	
Recharged Income	(9,253,190)	(9,672,050)	
Total Indirect Income/Expenditure	2,013,600	2,657,330	
Total for Operations and Delivery	11,219,980	12,112,200	

Operations and Delivery

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Corporate Director - Operations & Delivery <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 289,050 (289,050) 0	 302,410 (302,410) 0	
Total for CD Operations and Delivery Management and Administration	0	0	
Building and Public Realm Management <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 71,660 (71,660) 0	 82,830 (82,830) 0	
Total for Building and Public Realm Management and Administration	0	0	
Building and Engineering Services Service Unit <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 636,070 (636,070) 0	 569,800 (569,800) 0	This reflects a number of budget lines being moved to 'Office Accommodation Expenses' immediately below.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Office Accommodation Expenses <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 460,730 (3,630) (457,100) 0	 571,680 (3,630) (568,050) 0	 £45,000 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Dangerous Structures <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 30 13,870 13,900	 30 14,750 14,780	
Office Cleaning <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 127,800 (127,800) 0	 126,920 (126,920) 0	
Total for Building and Surveyors	13,900	14,780	
Engineering Services Management <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 277,360 0 (277,360) 0	 350,320 (72,350) (277,970) 0	 This now reflects work undertaken for the HRA along with the associated recharge.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Coast Protection - General <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 340,180 2,323,750 2,663,930	 558,100 2,153,970 2,712,070	 The 2022/23 budget reflects a technical change relating to the recharges associated with the work undertaken by the in-house Engineering Team.
Land Drainage - General Maintenance <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 11,370 16,950 28,320	 11,370 15,910 27,280	
Highways TDC - Private Street Lighting <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 10,910 5,130 16,040	 10,910 3,730 14,640	
Highways TDC - General <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 15,560 (69,000) 38,320 (15,120)	 27,740 (69,000) 36,890 (4,370)	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Town Centre Enhancement Project <i>Portfolio/ Committee: Leader</i> Direct Expenditure Indirect Income/Expenditure Net Total	 45,790 67,430 113,220	 47,960 69,740 117,700	
Engineering Services <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 867,760 (425,750) (442,010) 0	 843,920 (835,990) (7,930) 0	The 2022/23 budget reflects a technical change relating to the recharges associated with the work undertaken by this in-house team for other services within the Council.
Total for Engineering	2,806,390	2,867,320	
Transport <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 397,820 (1,070) (396,750) 0	 420,750 (0) (420,750) 0	
Public Realm Service Unit <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 525,870 (525,870) 0	 549,010 (549,010) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Public Realm Operations SU <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 197,830 (197,830) 0	 164,320 (164,320) 0	
Cemeteries <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 61,460 (326,550) 428,180 163,090	 60,600 (326,550) 332,360 66,410	
Crematorium <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 369,410 (1,385,220) 393,110 (622,700)	 377,730 (1,385,220) 343,890 (663,600)	
Public Conveniences <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 508,840 (24,220) 317,420 802,040	 545,740 (24,360) 361,610 882,990	£140 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Open Spaces <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 57,350 (19,760) 744,190 781,780	 62,020 (36,760) 1,227,690 1,252,950	 £2,360 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Memorial Seats <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 23,460 (23,000) 36,950 37,410	 23,460 (23,000) 37,150 37,610	
Nature Conservation <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 50,280 (16,380) 35,900 69,800	 52,610 (21,480) 45,070 76,200	 £5,100 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Recreation Grounds <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 45,830 (69,790) 478,480 454,520	 47,390 (105,440) 162,500 104,450	£35,650 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Playgrounds <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 33,770 266,780 300,550	 33,770 223,090 256,860	
Shelters - General <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 17,970 58,420 76,390	 17,970 54,510 72,480	
Public Halls <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 4,260 (36,940) 48,940 16,260	 4,260 (39,290) 51,000 15,970	£2,350 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Car Parks - Off St <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 354,400 (767,910) 383,660 (29,850)	 415,530 (773,130) 347,750 (9,850)	 £1,880 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Horticultural Services <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 977,380 (15,870) (961,510) 0	 991,510 (1,230) (990,280) 0	
Total for Public Realm	2,049,290	2,092,470	
Street Scene Service Unit <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 184,250 (184,250) 0	 190,880 (190,880) 0	
Abandoned Vehicles <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 2,970 32,670 35,640	 2,970 33,570 36,540	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Dog Warden <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 80,070 (18,630) 74,870 136,310	 81,370 (18,630) 74,560 137,300	
Recycling & Waste Collection <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 3,253,380 (1,142,220) 266,560 2,377,720	 3,475,040 (1,236,650) 559,970 2,798,360	£127,230 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Garden Waste Collection Service <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 448,650 (585,530) 76,870 (60,010)	 773,120 (910,000) 110,730 (26,150)	This budget has been adjusted to reflect the current demand for this service.
Clinical Waste Collection Service <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 10,000 11,020 21,020	 10,000 1,700 11,700	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Street Sweeping <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 1,737,650 (4,430) 108,460 1,841,680	 1,782,390 (4,430) 107,250 1,885,210	 £42,400 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Total for Waste Management	4,352,360	4,842,960	
Property Services Management Service Unit <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 189,190 (189,190) 0	 194,800 (194,800) 0	
Community Asset Off Setting Scheme <i>Portfolio/ Committee: Corporate Finance and Governance</i> Direct Expenditure Indirect Income/Expenditure Net Total	 67,140 1,740 68,880	 93,660 2,300 95,960	 £26,520 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Climate Emergency Initiatives - Property Projects <i>Portfolio/ Committee: Corporate Finance and Governance</i> Indirect Income/Expenditure Net Total	 0 0	 10,260 10,260	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Open Space Maintenance Contributions <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Net Total	 13,500 13,500	 13,500 13,500	
Martello Tower Repair Works <i>Portfolio/ Committee: Corporate Finance and Governance</i> Indirect Income/Expenditure Net Total	 1,700 1,700	 0 0	
Total for Assets	84,080	119,720	
Housing & Environment Management <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 139,190 0 (139,190) 0	 148,700 (3,750) (144,950) 0	
Total for Housing and Environment Management and Administration	0	0	
Housing Service Unit <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 517,580 (517,580) 0	 540,060 (540,060) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Houses in Multiple Occupation <i>Portfolio/ Committee: Housing</i> Direct Income Indirect Income/Expenditure Net Total	 142,860	 149,610	
Private Sector Housing - Licensing <i>Portfolio/ Committee: Housing</i> Indirect Income/Expenditure Net Total	 86,240	 88,010	
Private Sector Housing MH Support Pilot <i>Portfolio/ Committee: Housing</i> Indirect Income/Expenditure Net Total	 9,460	 3,460	
Housing Disrepair <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 115,790	 126,700	
Home Improvement Agency <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 74,040	 87,040	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Private Sector Innovation & Enforcement Grant <i>Portfolio/ Committee: Housing</i> Indirect Income/Expenditure Net Total	 4,720 4,720	 5,770 5,770	
Improvement Grants - Admin <i>Portfolio/ Committee: Housing</i> Indirect Income/Expenditure Net Total	 211,200 211,200	 237,350 237,350	
Home Energy Conservation Act <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 400 10,130 10,530	 400 25,920 26,320	
Non Statutory Properties <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 120 (20,290) 17,070 (3,100)	 120 (20,490) 8,090 (12,280)	£200 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Homelessness <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 257,200 (4,950) 148,210 400,460	 268,330 (4,950) 264,840 528,220	
Homelessness - Grant Funded Activities <i>Portfolio/ Committee: Housing</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 932,960 (1,062,570) 48,510 (81,100)	 953,070 (1,062,570) 54,010 (55,490)	 This budget reflects the continuation of Government support via the 'Homelessness Prevention Grant' funding.
Total for Housing and Homelessness	971,100	1,184,710	
Environmental Services Service Unit <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 560,200 (560,200) 0	 579,240 (579,240) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Licensing - Environmental <i>Portfolio/ Committee: Budgets Relating to Non Executive Functions</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 1,150 (10,480) 164,020 154,690	 1,150 (10,480) 141,280 131,950	
Fast Food Initiative <i>Portfolio/ Committee: Environment and Public Space</i> Indirect Income/Expenditure Net Total	 17,550 17,550	 0 0	
Port Health <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 8,870 (7,880) 68,230 69,220	 8,870 (7,880) 72,250 73,240	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Public Health <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 31,120 (3,290) 432,270 460,100	 31,120 (3,290) 475,190 503,020	
Defective Drains <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 1,470 25,840 27,310	 1,470 20,250 21,720	
Environmental Protection <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 4,470 (12,240) 160,700 152,930	 4,470 (12,240) 218,640 210,870	
Public Health - Improvement Projects <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 51,630 (20,000) 14,600 46,230	 51,650 (20,000) 12,060 43,710	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Rodent & Pest Control			
<i>Portfolio/ Committee: Environment and Public Space</i>			
Direct Expenditure	4,470	4,470	
Indirect Income/Expenditure	10,360	1,260	
Net Total	14,830	5,730	
Total for Environment Health Services	942,860	990,240	
Total for Operations and Delivery	11,219,980	12,112,200	

General Fund Revenue Estimates

Place and Economy

<u>Analysis by Type of Spend</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Direct Expenditure			
Employee Expenses	5,049,680	5,097,380	
Premises Related Expenditure	1,058,610	1,064,980	
Transport Related Expenditure	45,210	44,930	
Supplies & Services	1,801,110	1,833,960	
Third Party Payments	45,870	45,870	
Total Direct Expenditure	8,000,480	8,087,120	
Direct Income			
Other Grants, Reimbursements and Contributions	(59,360)	(29,400)	
Sales, Fees and Charges	(5,194,440)	(5,210,600)	
Rents Receivable	(242,480)	(235,710)	
Total Direct Income	(5,496,280)	(5,475,710)	
Net Direct Costs	2,504,200	2,611,410	
Indirect Income/Expenditure			
FRS17/IAS19 Pension Costs	346,530	990,270	
Service Unit and Central Costs	5,724,790	7,078,810	
Capital Financing Costs	859,810	939,100	
Recharged Income	(3,852,920)	(4,851,900)	
Total Indirect Income/Expenditure	3,078,210	4,156,280	
Total for Place and Economy	5,582,410	6,767,690	

Place and Economy

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Corporate Director - Place and Economy <i>Portfolio/ Committee: Leader</i> Direct Expenditure Indirect Income/Expenditure Net Total	 156,340 (156,340) 0	 160,180 (160,180) 0	
Community Housing Trust Grant <i>Portfolio/ Committee: Housing</i> Indirect Income/Expenditure Net Total	 1,900 1,900	 2,310 2,310	
Total for Place and Economy Management and Administration	1,900	2,310	
Planning Management <i>Portfolio/ Committee: Leader</i> Direct Expenditure Indirect Income/Expenditure Net Total	 83,930 (83,930) 0	 88,170 (88,170) 0	
Total for Planning Management and Administration	0	0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Planning Service Unit <i>Portfolio/ Committee: Leader</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 1,530,070 (300) (1,529,770) 0	 1,752,650 (300) (1,752,350) 0	 This reflects a recent staff restructure supported by planning fees.
Development Control - Chargeable Account <i>Portfolio/ Committee: Leader</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 86,150 (960,000) 1,240,920 367,070	 86,150 (1,182,580) 1,457,650 361,220	 Please see comment above.
Development Control - Non Chargeable Account <i>Portfolio/ Committee: Leader</i> Indirect Income/Expenditure Net Total	 383,360 383,360	 635,620 635,620	
Total for Development	750,430	996,840	
Planning and Enforcement <i>Portfolio/ Committee: Leader</i> Direct Expenditure Net Total	 26,000 26,000	 26,000 26,000	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Planning Enforcement <i>Portfolio/ Committee: Leader</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 16,100 (2,320) 351,830 365,610	 16,100 (2,320) 437,810 451,590	
Dangerous Trees <i>Portfolio/ Committee: Leader</i> Direct Expenditure Net Total	 430 430	 430 430	
Total for Enforcement	392,040	478,020	
Building Control Management <i>Portfolio/ Committee: Leader</i> Direct Expenditure Indirect Income/Expenditure Net Total	 183,530 (183,530) 0	 252,500 (252,500) 0	£61,730 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Building Regulations-Non Chargeable/Other Activities Account <i>Portfolio/ Committee: Leader</i> Indirect Income/Expenditure Net Total	 47,350 47,350	 141,960 141,960	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Building Regulations-Chargeable Account <i>Portfolio/ Committee: Leader</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 4,120 (178,910) 358,210 183,420	 4,120 (240,640) 325,740 89,220	 £61,730 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Total for Building Control	230,770	231,180	
Economic Growth & Leisure Management <i>Portfolio/ Committee: Business and Economic Growth</i> Direct Expenditure Indirect Income/Expenditure Net Total	 83,930 (83,930) 0	 88,170 (88,170) 0	
Total for Economic Growth and Leisure Management and Administration	0	0	
Regeneration Service Unit <i>Portfolio/ Committee: Business and Economic Growth</i> Direct Expenditure Indirect Income/Expenditure Net Total	 327,810 (327,810) 0	 326,990 (326,990) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Tendring CAB <i>Portfolio/ Committee: Partnerships</i> Direct Expenditure Indirect Income/Expenditure Net Total	 167,000 3,030 170,030	 167,000 4,120 171,120	
Public Halls-Jaywick Community Centre <i>Portfolio/ Committee: Environment and Public Space</i> Direct Expenditure Indirect Income/Expenditure Net Total	 4,390 10,190 14,580	 4,390 3,850 8,240	
Youth Initiatives <i>Portfolio/ Committee: Partnerships</i> Direct Expenditure Indirect Income/Expenditure Net Total	 5,450 14,000 19,450	 5,450 8,190 13,640	
Enabling Fund <i>Portfolio/ Committee: Partnerships</i> Direct Expenditure Net Total	 8,460 8,460	 8,460 8,460	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Community Rail Partnership <i>Portfolio/ Committee: Partnerships</i> Direct Expenditure Indirect Income/Expenditure Net Total	 2,100 0 2,100	 2,100 8,190 10,290	
Industrial Units and Properties <i>Portfolio/ Committee: Business and Economic Growth</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 3,440 (49,120) 39,370 (6,310)	 3,440 (29,080) 34,630 8,990	£20,040 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Jaywick Enterprise Centre (Starter Units) <i>Portfolio/ Committee: Business and Economic Growth</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 21,250 (10,380) 16,750 27,620	 21,250 (6,670) 16,210 30,790	£3,710 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Business Investment and Growth <i>Portfolio/ Committee: Business and Economic Growth</i> Direct Expenditure Indirect Income/Expenditure Net Total	 25,250 344,800 370,050	 15,250 460,280 475,530	£10,000 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Jaywick Sands Team <i>Portfolio/ Committee: Housing</i> Direct Expenditure Indirect Income/Expenditure Net Total	 101,800 50,950 152,750	 105,570 55,050 160,620	
Junior Ambassador Projects <i>Portfolio/ Committee: Housing</i> Indirect Income/Expenditure Net Total	 0 0	 5,580 5,580	
Tending 4 Growth Events <i>Portfolio/ Committee: Business and Economic Growth</i> Indirect Income/Expenditure Net Total	 64,570 64,570	 53,950 53,950	
Total for Economic Growth	823,300	947,210	
Sport and Leisure Service Unit <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 223,290 (223,290) 0	 230,420 (230,420) 0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Brightlingsea Sports Centre <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 182,150 (121,260) 7,990 68,880	 0 0 0 0	 The 2022/23 position reflects the decision made by Cabinet on 17th December 2021.
Harwich Sports Centre <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 134,140 (78,270) 6,540 62,410	 0 0 0 0	 The 2022/23 position reflects the decision made by Cabinet on 17th December 2021.
Manningtree Sports Centre <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 160,460 (110,160) 5,000 55,300	 0 (0) 0 (0)	 £50,300 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Management Of Sport & Leisure Facilities <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 137,760 1,203,220 1,340,980	 292,480 1,307,250 1,599,730	 This reflects the decision of Cabinet on 17th December 2021 as highlighted above with the associated budgets now held within this line of the Estimates which remain subject to further decisions as part of the development of the Leisure and Sports offer across the District through the Corporate Plan and emerging strategies.

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Beach Hut Sites <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 61,620 (947,940) 181,510 (704,810)	 112,570 (947,940) 199,050 (636,320)	The 2022/23 budget reflects a technical change relating to the recharges associated with the work undertaken by the in-house Engineering Team.
Miscellaneous Seafront Activities <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 281,670 (34,510) 297,320 544,480	 284,110 (34,660) 622,950 872,400	£150 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
First Aid Posts <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 1,260 6,590 7,850	 1,260 5,830 7,090	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Shops & Kiosks <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 13,160 (142,680) 112,430 (17,090)	 13,160 (159,510) 102,230 (44,120)	£16,830 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Princes Theatre <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 861,450 (739,440) 267,640 389,650	 865,140 (739,440) 251,290 376,990	
Skate Park Clacton <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 5,730 840 6,570	 280 70 350	For 2022/23 some budget lines have been moved to the 'Clacton Leisure Centre' Budget.
Tourism Publicity Marketing Promotion <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Indirect Income/Expenditure Net Total	 24,820 54,310 79,130	 24,820 52,440 77,260	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
TDC Events - Council Owned Land <i>Portfolio/ Committee: Leisure and Tourism</i> Indirect Income/Expenditure Net Total	 6,170 6,170	 11,490 11,490	
Air Show <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 167,220 (85,310) 131,960 213,870	 167,220 (96,890) 109,350 179,680	£11,580 has been adjusted in the 2022/23 Estimates to show the net changes required between years included in the latest Long Term Financial Forecast for 2022/23 set out in Appendix A. Therefore in effect these adjustments reflect the translation of the items set out in the long term forecast into the detailed lines of the budget.
Tour De Tendring & Other Cycling Events <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 1,700 (1,250) 4,740 5,190	 1,700 (1,250) 10,070 10,520	
Dovercourt Swimming Pool & All Weather Facilities <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 587,740 (402,930) 34,110 218,920	 594,420 (402,930) 80,110 271,600	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Frinton & Walton Swimming Pool <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 619,750 (369,220) 34,830 285,360	 633,440 (369,220) 89,080 353,300	
Leisure Centre Clacton <i>Portfolio/ Committee: Leisure and Tourism</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 1,383,050 (1,081,980) 75,160 376,230	 1,411,570 (1,081,980) 190,060 519,650	
Total for Sport, Leisure, Tourism, Heritage and Culture	2,939,090	3,599,620	
Strategic Planning and Place Shaping Management <i>Portfolio/ Committee: Leader</i> Direct Expenditure Indirect Income/Expenditure Net Total	 82,200 (82,200) 0	 86,400 (86,400) 0	
Total for Local Plan and Place Shaping Management and Administration	0	0	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Heritage and Conservation - General <i>Portfolio/ Committee: Leader</i> Direct Expenditure Net Total	 3,210 3,210	 3,210 3,210	
Planning Policy and Conservation <i>Portfolio/ Committee: Leader</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 175,000 (1,340) 286,020 459,680	 175,000 (1,340) 330,490 504,150	
Land Charges <i>Portfolio/ Committee: Leader</i> Direct Expenditure Direct Income Indirect Income/Expenditure Net Total	 44,930 (178,960) 103,220 (30,810)	 44,930 (178,960) 128,560 (5,470)	
Total for Strategic Planning	432,080	501,890	
Suffolk Coastal AONB Contribution <i>Portfolio/ Committee: Leader</i> Direct Expenditure Net Total	 7,650 7,650	 7,650 7,650	

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £	Notes
Dedham Vale AONB <i>Portfolio/ Committee: Leader</i>			
Direct Expenditure	740	740	
Net Total	740	740	
Tree Planting <i>Portfolio/ Committee: Leader</i>			
Direct Expenditure	2,230	2,230	
Indirect Income/Expenditure	2,180	0	
Net Total	4,410	2,230	
Total for Place	12,800	10,620	
Total for Place and Economy	5,582,410	6,767,690	

General Fund Capital Programme

	Proposed Source of Financing	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £
Expenditure					
<i>Corporate Finance and Governance Portfolio</i>					
Information and Communications Technology Core Infrastructure	R1	70,480	70,480	70,480	70,480
		70,480	70,480	70,480	70,480
<i>Housing Portfolio</i>					
Disabled Facilities Grants	G3	757,000	757,000	757,000	757,000
		757,000	757,000	757,000	757,000
<i>Leisure and Tourism Portfolio</i>					
Replacement of beach hut supports - The Walings	R2	11,620	-	-	-
		11,620	-	-	-
Total General Fund Capital Programme		839,100	827,480	827,480	827,480
Financing					
<i>Specific Financing</i>					
Disabled Facilities Grant	G3	(757,000)	(757,000)	(757,000)	(757,000)
		(757,000)	(757,000)	(757,000)	(757,000)
<i>General Financing</i>					
Direct Revenue Contributions	R1	(70,480)	(70,480)	(70,480)	(70,480)
Capital Commitments Reserve	R2	(11,620)	-	-	-
		(82,100)	(70,480)	(70,480)	(70,480)
Total Funding of General Fund Capital Programme		(839,100)	(827,480)	(827,480)	(827,480)

RESERVES

	Balance 31 March 2021 £	Contribution from Reserves 2021/22 £	Contribution to Reserves 2021/22 £	Balance 31 March 2022 £	Contribution from Reserves 2022/23 £	Contribution to Reserves 2022/23 £	Balance 31 March 2023 £
Earmarked Reserves							
Revenue Commitments Reserve	16,738,132	(16,427,132)	157,030	468,030	(162,970)	0	305,060
Capital Commitments Reserve	3,129,340	(3,117,720)	0	11,620	(11,620)	0	0
Forecast Risk Fund	3,753,240	(1,048,630)	40,170	2,744,780	(430,960)	0	2,313,820
Asset Refurbishment / Replacement Reserve	1,269,288	0	0	1,269,288	0	0	1,269,288
Beach Recharge Reserve	1,500,000	(1,500,000)	0	0	0	0	0
Benefit Reserve	999,790	0	0	999,790	0	0	999,790
Building for the Future Reserve	1,238,810	(270,040)	685,470	1,654,240	0	685,470	2,339,710
Business Rate Resilience Reserve	8,225,822	(6,044,730)	3,105,500	5,286,592	(3,528,170)	0	1,758,422
Commuted Sums Reserve	426,492	(20,000)	0	406,492	(13,500)	0	392,992
Crematorium Reserve	154,252	0	0	154,252	0	0	154,252
Election Reserve	30,000	0	30,000	60,000	0	30,000	90,000
Haven Gateway Partnership Reserve	75,000	0	0	75,000	0	0	75,000
Leisure Capital Projects Reserve	82,000	(44,180)	50,000	87,820	0	50,000	137,820
Planning Inquiries and Enforcement Reserve	79,000	(20,000)	0	59,000	(20,000)	0	39,000
Section 106 Agreements Reserve	1,603,021	(96,570)	0	1,506,451	0	0	1,506,451
	39,304,187	(28,589,002)	4,068,170	14,783,355	(4,167,220)	765,470	11,381,605
Uncommitted Reserve	4,000,000	0	0	4,000,000	0	0	4,000,000
Total Reserves	43,304,187	(28,589,002)	4,068,170	18,783,355	(4,167,220)	765,470	15,381,605

Special Expenses 2022/23

	Open Spaces	Recreation Areas	Total	Tax Base (Band D Properties)	Special Expenses levy (Band D)	Net Impact on Band D Tax
	(A)	(B)	(C)	(D)	(E)	(F)
	(£)	(£)	(£)		(£)	(£)
Clacton	261,494	92,892	354,386	17,423.1	20.34	8.88
Frinton and Walton	78,492	53,226	131,718	8,222.1	16.02	4.56
Harwich	71,033	15,124	86,157	5,565.7	15.48	4.02
Lawford	5,197	0	5,197	1,649.7	3.15	(8.31)
Manningtree	(5,856)	0	(5,856)	338.9	(17.28)	(28.74)
All other Parishes	-	-	-	-	-	(11.46)
	410,360	161,242	571,602			

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The total value of Special Expenses of £571,602 reduces the General Council Tax by £11.46

Column (E) shows the special expenses tax amount which will be applicable to different parts of the District
 Column (F) indicates the net impact on the aggregate amount of Council Tax payable

FOR INFORMATION - Comparison of 2022/23 Special Expenses with 2021/22

	2021/22				2022/23				Change in net impact on total Band D Tax ⁽¹⁾	% Change in Special Expenses levy (Col. G compared to Col. C)
	Total	Tax Base (Band D Properties)	Special Expenses levy (Band D)	Net Impact on Band D Tax	Total	Tax Base (Band D Properties)	Special Expenses levy (Band D)	Net Impact on Band D Tax		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)		
	(£)		(£)	(£)	(£)	(£)	(£)	(£)	%	
Clacton	348,267	17,028.7	20.45	8.86	354,386	17,423.1	20.34	8.88	0.02	(0.54)
Frinton and Walton	129,068	8,011.7	16.11	4.52	131,718	8,222.1	16.02	4.56	0.04	(0.56)
Harwich	84,818	5,447.5	15.57	3.98	86,157	5,565.7	15.48	4.02	0.04	(0.58)
Lawford	5,055	1,604.7	3.15	(8.44)	5,197	1,649.7	3.15	(8.31)	0.13	0.00
Manningtree	(5,843)	336.4	(17.37)	(28.96)	(5,856)	338.9	(17.28)	(28.74)	0.22	(0.52)
All other Parishes	-	-	-	(11.59)	-	-	-	(11.46)	0.13	-
	561,365				571,602					

Note

1. An amount in brackets is a reduction in levy between the two years.

REQUISITE BUDGET CALCULATIONS 2022/23

- (a) It be noted that on 30th November 2021 the Council determined in accordance with the Local Government Act 2003 Section 75, the discounts for second homes and long term empty properties. On 1st December 2021 the Corporate Finance and Governance Portfolio Holder agreed in accordance with delegated power 3.38(8) the following amounts for the year 2022/23 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 and taking into account the discounts determined by Council on 30th November 2021.
- (i) 49,892.2 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012, as its council tax base for the year.
 - (ii) Part of the Council's area
The amounts set out in Appendix G column (2) against each area set out in column (1), being the amounts calculated by the Council, in accordance with regulation 6 of the said regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items may relate.
- (b) Using the criteria below it is felt that the Council would be justified in passing a contrary resolution in respect of the special expenses which results in a special expenses total of £571,602.

Consideration of Determining the Contrary Resolution

In judging whether the contrary resolution should be passed in respect of any special expenses, the following matters are relevant:

- (i) Whether in respect of this Council's expenditure the function is to be provided generally for the whole district or is to be restricted to a part or parts of the district?
- (ii) To what extent, if any, are restrictions placed on any part of the district as to the accessibility of the function?
- (iii) The use of the facility/activity to which the Special Expense relates.

These matters must each be considered and a view taken as to whether it would be appropriate to pass the contrary resolution in respect of some of the budgeted expenditure on Special Expenses. Budgeted costs have been analysed between Special Expenses and General Expenses areas using the same methodology as that used last year.

- (c) That the tax bases for calculating the burden of special expenses will be as shown in Appendix G column (2)

(d) That the following amounts be calculated by the Council for the year 2022/23 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:

- (i) £103,469,492 Being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act.
- (ii) £92,084,060 Being the aggregate of the amounts that the Council estimates for the items set out in Sections 31A(3)(a) to (d) of the Act.
- (iii) £11,385,432 Being the amount by which the aggregate at d(i) above exceeds the aggregate at d(ii) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year.
- (iv) £228.20 Being the amount at d(iii) above divided by the amount at a(i) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year.
- (v) £2,844,724 Being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (vi) £171.18 Being the amount at d(iv) above less the result given by dividing the amount at d(v) above by the amount at a(i) above, calculated by the Council, in accordance with section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in the parts of its area to which no special items apply.

(viii) Part of the Council's area

The amounts set out in Appendix G column (10) for the areas as set out in column (1), being the amounts given by adding to the amount at d(vi) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount a(ii) above calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

CALCULATION OF DISTRICT AND PARISH/TOWN 2022/23 COUNCIL TAX FOR ALL AREAS

Parished or Unparished Areas	Tax Base for Tax Setting Purpose	Parish Precepts	Council Tax Amount	District Special Expense	Council Tax Amount	Total Special Items	For all Special Items	Council Tax For General Expenses	Total
(1)	(2)	£ (3)	£ (4)	£ (5)	£ (6)	(3) + (5) £ (7)	(4) + (6) £ (8)	£ (9)	(8) + (9) £ (10)
Unparished Area:									
Clacton	17,423.1			354,386	20.34	354,386	20.34	171.18	191.52
Parishes of:									
Alresford	895.6	88,230	98.51			88,230	98.51	171.18	269.69
Ardleigh	1,077.1	68,500	63.60			68,500	63.60	171.18	234.78
Beaumont-cum-Moze	126.5	4,400	34.78			4,400	34.78	171.18	205.96
Great Bentley	942.3	127,252	135.04			127,252	135.04	171.18	306.22
Little Bentley	119.1	3,345	28.09			3,345	28.09	171.18	199.27
Bradfield	494.4	66,895	135.31			66,895	135.31	171.18	306.49
Brightlingsea	2,950.8	192,347	65.18			192,347	65.18	171.18	236.36
Great Bromley	412.0	23,350	56.67			23,350	56.67	171.18	227.85
Little Bromley	102.0	1,700	16.67			1,700	16.67	171.18	187.85
Little Clacton	1,044.2	80,000	76.61			80,000	76.61	171.18	247.79
Elmstead	733.9	40,850	55.66			40,850	55.66	171.18	226.84
Frating	258.9	9,500	36.69			9,500	36.69	171.18	207.87
Frinton and Walton	8,222.1	653,533	79.48	131,718	16.02	785,251	95.50	171.18	266.68
Harwich	5,565.7	210,328	37.79	86,157	15.48	296,485	53.27	171.18	224.45
Lawford	1,649.7	133,970	81.21	5,197	3.15	139,167	84.36	171.18	255.54
Manningtree	338.9	26,007	76.74	(5,856)	(17.28)	20,151	59.46	171.18	230.64
Mistley	1,114.0	95,600	85.82			95,600	85.82	171.18	257.00
Great Oakley	397.3	26,620	67.00			26,620	67.00	171.18	238.18
Little Oakley	371.7	19,765	53.17			19,765	53.17	171.18	224.35
Ramsey and Parkeston	721.7	74,168	102.77			74,168	102.77	171.18	273.95
St Osyth	1,896.6	151,258	79.75			151,258	79.75	171.18	250.93
Tendring	297.7	13,000	43.67			13,000	43.67	171.18	214.85
Thorpe-le-Soken	854.0	58,500	68.50			58,500	68.50	171.18	239.68
Thorrington	550.7	27,000	49.03			27,000	49.03	171.18	220.21
Weeley	833.1	50,170	60.22			50,170	60.22	171.18	231.40
Wix	300.6	21,032	69.97			21,032	69.97	171.18	241.15
Wrabness	198.5	5,802	29.23			5,802	29.23	171.18	200.41
	49,892.2	2,273,122		571,602		2,844,724			

PRECEPTS ON THE COLLECTION FUND

2021/22			2022/23		
48,435.6		Council Tax Base	49,892.2		
Amount	Council Tax		Amount	Council Tax	Change in Tax
£'000	£		£'000	£	%
8,517	175.84	Total Net Budget	9,398	188.37	
(5,931)	(122.45)	Less Government Support/Business Rates	(3,477)	(69.69)	
2,586	53.39	Net District Council Expenditure	5,921	118.68	
6,018	124.25	Less Collection Fund deficit	3,191	63.96	
8,604	177.64	District Council Services	9,112	182.64	2.81%
8,043	166.05	District General Expenses	8,540	171.18	3.09%
561	11.59	District Special Expenses	572	11.46	-1.12%
8,604	177.64	Council Tax Requirement (TDC)	9,112	182.64	2.81%
2,101	43.37	Parish Council Services	2,273	45.56	5.05%
10,705	221.01	Council Tax Requirement (incl. parishes)	11,385	228.20	3.25%

DISTRICT AND PARISH/TOWN COUNCIL TAX AMOUNTS 2022/23

Band	A	B	C	D	E	F	G	H
Multiplier	(6/9)	(7/9)	(8/9)	(9/9)	(11/9)	(13/9)	(15/9)	(18/9)
Parished or Unparished Area								
Unparished Area:								
Clacton	127.68	148.96	170.24	191.52	234.08	276.64	319.20	383.04
Parishes of :								
Alresford	179.79	209.76	239.72	269.69	329.62	389.55	449.48	539.38
Ardleigh	156.52	182.61	208.69	234.78	286.95	339.13	391.30	469.56
Beaumont-cum-Moze	137.31	160.19	183.08	205.96	251.73	297.50	343.27	411.92
Great Bentley	204.15	238.17	272.20	306.22	374.27	442.32	510.37	612.44
Little Bentley	132.85	154.99	177.13	199.27	243.55	287.83	332.12	398.54
Bradfield	204.33	238.38	272.44	306.49	374.60	442.71	510.82	612.98
Brightlingsea	157.57	183.84	210.10	236.36	288.88	341.41	393.93	472.72
Great Bromley	151.90	177.22	202.53	227.85	278.48	329.12	379.75	455.70
Little Bromley	125.23	146.11	166.98	187.85	229.59	271.34	313.08	375.70
Little Clacton	165.19	192.73	220.26	247.79	302.85	357.92	412.98	495.58
Elmstead	151.23	176.43	201.64	226.84	277.25	327.66	378.07	453.68
Frating	138.58	161.68	184.77	207.87	254.06	300.26	346.45	415.74
Frinton and Walton	177.79	207.42	237.05	266.68	325.94	385.20	444.47	533.36
Harwich	149.63	174.57	199.51	224.45	274.33	324.21	374.08	448.90
Lawford	170.36	198.75	227.15	255.54	312.33	369.11	425.90	511.08
Manningtree	153.76	179.39	205.01	230.64	281.89	333.15	384.40	461.28
Mistley	171.33	199.89	228.44	257.00	314.11	371.22	428.33	514.00
Great Oakley	158.79	185.25	211.72	238.18	291.11	344.04	396.97	476.36
Little Oakley	149.57	174.49	199.42	224.35	274.21	324.06	373.92	448.70
Ramsey and Parkeston	182.63	213.07	243.51	273.95	334.83	395.71	456.58	547.90
St Osyth	167.29	195.17	223.05	250.93	306.69	362.45	418.22	501.86
Tendring	143.23	167.11	190.98	214.85	262.59	310.34	358.08	429.70
Thorpe-le-Soken	159.79	186.42	213.05	239.68	292.94	346.20	399.47	479.36
Thorrington	146.81	171.27	195.74	220.21	269.15	318.08	367.02	440.42
Weeley	154.27	179.98	205.69	231.40	282.82	334.24	385.67	462.80
Wix	160.77	187.56	214.36	241.15	294.74	348.33	401.92	482.30
Wrabness	133.61	155.87	178.14	200.41	244.95	289.48	334.02	400.82

CALCULATION OF ESTIMATED SURPLUS ON THE COLLECTION FUND FOR 2022/23

In January each year the Council (as billing authority) must assess the balance that will be in the Collection Fund on 31 March.

The Council Tax surplus/deficit has to be divided between this Council and the three major precepting authorities in proportion to their original budget requirements. The Business Rates surplus/deficit has to be allocated according to the statutory proportions applicable under business rates retention which are 40% Tendring District Council, 9% Essex County Council, 1% Essex Fire and the remaining 50% to Central Government.

COVID-19 continues to have a significant effect on the business rate figures due to the government's measures to support business ratepayers during the pandemic. This has reduced business rate income by an estimated **£7.515m** but Tendring will be recompensed for its share of this income loss by government grant payable into the General Fund in 2021/22. The government has also implemented a scheme to share a portion of the deficit on business rates over three years but this has relatively little effect on Tendring. The result of this is a net deficit for Tendring of **£3.191m** (**£0.324m** surplus on Council Tax and a **£3.515m** deficit on Business Rates). This deficit must be taken into account when setting the 2022/23 budget but this will be offset by the grant received in 2021/22 which will need to be carried forward to match the deficit.

	COUNCIL TAX		BUSINESS RATES	
	Original Estimate £'000	Latest Estimate £'000	Original Estimate £'000	Latest Estimate £'000
Income for the Year	(89,332)	(90,336)	(28,067)	(19,766)
Expenditure				
Precepts/Share of Income				
- Essex County Council	64,948	64,948	2,476	2,476
- Essex Fire	3,579	3,579	275	275
- Essex Police	10,100	10,100		
- Tendring District Council	10,705	10,705	11,002	11,002
- Central Government		-	13,753	13,753
Balances				
- Essex County Council	167	167	(1,360)	(1,360)
- Essex Fire	9	9	(151)	(151)
- Essex Police	25	25		
- Tendring District Council	27	27	(6,045)	(6,045)
- Central Government	-	-	(7,556)	(7,556)
Other Business Rate Payments	-	-	561	477
(Surplus)/Deficit for Year	228	(776)	(15,112)	(6,895)
Add (Surplus)/Deficit Brought Forward	(228)	(1,928)	15,112	16,094
(Surplus)/Deficit Carried Forward	-	(2,704)	-	9,199
Allocated to:		£'000		£'000
- Essex County Council		(1,966)		791
- Essex Fire		(108)		88
- Essex Police		(306)		-
- Tendring District Council		(324)		3,515
- Central Government		-		4,394
		(2,704)		8,788
- Adjustment for 3 year spread		-		410
(Surplus)/Deficit		(2,704)		9,199

Report under Section 25 of the Local Government Act 2003 - Robustness of Estimates and Adequacy of Reserves

As part of the requirements set out in legislation, the Chief Finance Officer (S151 Officer) must report to Council, as part of the budget process, the robustness of the estimates and the adequacy of the reserves.

In preparing this report, the Chief Finance Officer has considered the financial management / governance arrangements that are in place, budget assumptions, the financial risks facing the Council in future years and its overall financial standing / level of reserves, with each one discussed below:

Robustness of the Estimates

Financial Management / Governance Arrangements

During 2017/18, the Council introduced a new long term approach to budgeting / forecasting which saw a long term financial forecast prepared covering an initial ten year period, which is updated on a quarterly basis throughout the year.

The long term forecast and budget setting processes continue to be 'built' on the following 5 key strands:

- Increases to Underlying Income
- Controlling Net Expenditure Inflationary Pressure
- Savings and Efficiencies
- Cost Pressure Mitigation
- Delivering a Favourable Outturn Position

Although annual budget deficits are forecast across the remaining years of the plan, this is primarily due to relatively cautious estimates, especially those in respect of increases to underlying income. However, the overall financial forecast risks are underwritten by the use of a dedicated forecast risk fund, which is estimated to remain in a surplus position over the life of the current 10-year plan.

Another important element of the long term forecast is the delivery of on-going savings, which act as a 'safety valve' in terms of offsetting increases in cost pressures or other unavoidable increases in expenditure. Although the savings target of £450k was not met in 2022/23 (savings identified totalled £223k), this largely reflects the fact that 2021/22 was seen a transitional year for services as the economy continued its recovery from the COVID 19 pandemic. With the above in mind, a key priority for the Council going into 2022/23 is the development of a zero based approach to budgeting with the aim of identifying the necessary level of savings across years to deliver a long term sustainable position going forward.

The need to continue to deliver against the 10-year forecast is clearly recognised within the Council and remains a key focus in 2022/23 and beyond to enable it to continue to provide quality services and invest in its priorities. Self-sufficiency continues to underpin the Council's 10-year forecast along with maximising opportunities through investment and maximising savings opportunities over a longer time period. Taking a longer-term view of the forecast also enables the Council to respond to any significant financial impacts over several years rather than as part of an annual budget cycle, which strengthens financial resilience in the long term.

Another aspect to the long term approach to the forecast is the ability to 'flex' the delivery of services rather than cut services. If required by the forecast, the Council could flex the delivery of a service one year but increase it again when money next becomes available, which also

provides a key foundation against which the budget can be 'built'.

The Council continues to play a key role in a number of activities such as engaging with cross authority working and maximising commercial opportunities wherever possible, all of which are important elements in supporting the Council's longer term financial strength. Significant transformation activities including office rationalisation, channel shift and digital transformation projects have supported the Council's overall financial position going forward.

Financial resilience remains at the forefront of the financial planning process with money identified where possible to invest in 'spend to save' projects or 'protect' key services that will in turn support the Council in delivering a balanced and sustainable budget. It is important to highlight that the Council continues to aim to find savings from within its underlying revenue budget rather than rely on potentially time limited income, such as from the New Homes Bonus, to balance the budget.

It is currently proposed to review the long term forecast in 2023, which would see 3 to 4 years to go until the end of the original 10-year plan. This will provide an opportune time to review the Council's financial position going forward and reflect on any longer term impact from the COVID 19 crisis.

The Council developed a Back to Business Plan in response to the COVID 19 crisis, which has seen a number of key activities being undertaken to support businesses and residents within the district to successfully recover from the very challenging environment that the COVID 19 crisis introduced. This in turn supports the overall health of the local economy and its resilience and helps 'protect' key income strands of the forecast such as business rates.

Clear actions in respect of financial resilience also continue to form part of the Council's Annual Governance Statement that includes amongst other things the development of a Corporate Investment Plan linked to the Council's budget, priorities and evolving financial position. Given the pressures on the on-going 'base' revenue budget, it is very unlikely that the long term forecast can generate significant 'surpluses' that can be used to invest in all of its priorities. However, they will still be considered but this will be done outside of the annual 'base' budget setting cycle.

Within the Financial Strategy framework, there is Cabinet involvement at various stages in addition to a comprehensive review and associated input from the Resources and Services Overview and Scrutiny Committee.

Regular and comprehensive monitoring of the budget will continue to be undertaken during 2022/23 as part of the well-established and comprehensive financial performance reporting process, so issues can be identified and action taken at the earliest opportunity if and when appropriate. In addition, any savings identified during the year will continue to be transferred to the Forecast Risk Fund where possible, to further strengthen the approach taken in 'underwriting' the risks associated with a 10 year forecasting period.

In terms of capital investment and treasury management, the Council has adopted the various prudential and treasury management codes and practices with robust actions taken within an overall risk aware approach. This approach also aims to ensure that the Council can successfully respond to changes in such codes and practices, such as those recently announced by the Government, which could see a number of Local Authorities faced with significant increases in costs arising from changes to the calculation of the minimum revenue provision.

It is recognised that there are risks inherent within the Council's financial framework and

corresponding detailed estimates. However, action has been taken to mitigate these risks as far as possible. The budgets have been prepared against the background of the continuing difficult economic climate, which have been made even more challenging by the COVID 19 crisis.

As part of the most recent Audit Completion Report (for the period to 31 March 2020) submitted by the Council's External Auditor, an unqualified opinion on the Statement of Accounts was confirmed. The External Auditor also concluded that the Council had adequate arrangements in place for both budget setting and financial management. While they recognised that there was a funding gap in the long term plan, they were satisfied that the Council is making appropriate arrangements to manage this in a way that will ensure it continues to remain financially sustainable.

Budget Assumptions

The forecast is based on robust and prudent estimates with no optimistic bias included. Each element of the forecast and how it has been derived and developed over time is clearly set out within regular reports to Management Team and Members.

The detailed budget for 2022/23 has been prepared within the above context and clear rationale has been stated in respect of the formulation of the financial forecast and how it has been translated into the detailed budgets. This has been supported by a risk assessment of each line of the forecast.

As discussed during the development of the long term approach, cost pressures continue to present one of the more significant risks to the forecast, especially given the amount of unavoidable cost pressures identified in recent years. Although on-going revenue items remain the most difficult items to respond to, one-off items, such as those associated with repairing / refurbishing assets could also have a significant impact on the forecast. However in respect of the latter, one-off funding remains available elsewhere in the budget to support these costs which 'protects' the underlying revenue budget from the associated risk.

As acknowledged in prior years, the long term approach to the forecast requires a compromise in terms of the speed at which the Council can spend money on items where it has a choice to do so or not. This may involve areas where the additional expenditure may support income growth, the delivery of the Council's priorities or both. A hard but fair and considered approach is being taken in terms of how much additional expenditure by way of cost pressures can be accommodated within the long term forecast.

To support the management of risks, the Council continues to resist using one-off money, such as the New Homes Bonus, to support the on-going base budget. The cost pressure allowance was increased during the development of the 2021/22 budget to reflect the level of cost pressures emerging to date and to recognise that items may reappear in future years if the mitigating action that has been taken to date does not provide a permanent solution.

In terms of the wider impact from the COVID 19 crisis, there was a significant impact in 2020/21, with 2021/22 seen as being a transitional year where the wider economy started to recover and key elements of the budget start to return to pre-COVID 19 levels. There is still uncertainty around the speed and scale of this return and on-going impact. However, the Government have provided significant financial support to Councils, including general grant funding but also specific funding related to the loss of income in areas such as leisure fees and charges.

It is also important to highlight that the Council so far to date has been able to 'cash back' many of its commitments and priorities so their delivery is secured, rather than relying on projected savings or future forecasts to fund them. Similarly to other actions set out in this statement, this 'protects' the underlying revenue budget, as investment in priorities can still be progressed

without relying on generating the necessary funds via the long term forecast.

Notwithstanding the above, these 'cash backed' items will be revisited as part of developing the Corporate Investment Plan mentioned earlier, as funding required to invest in priorities may come from areas such as external income, money receivable from the government as part of the financial settlement e.g. New Homes Bonus or other new burdens funding, but it could also come from the reprioritisation of existing budgets.

The Corporate Investment Plan approach will also provide a solid platform to consider additional use of the 'accelerated delivery budget' to further build on the capacity already identified.

The financial forecasting / budget setting process continues to remain alert to government announcements and the impact of external issues such as funding receivable from elsewhere within the public sector. The forecast also aims to reflect the outturn position from the previous year along with emerging issues, which allow it to also remain alert to potential changes to its financial position.

Financial Risks

The financial forecasting process continues to include a risk assessment of each line of the long term plan. The future financial settlement arrangements with the Government remains a key risk along with cost pressures and savings and together they represent the highest rated risks within the long term forecast.

One of the other primary risks to the forecast are those introduced by the COVID 19 pandemic, especially the potential medium to longer- term impact to key income streams for the Council such as from council tax, business rates and general fees and charges.

Although income from council tax and business rates is seeing the continuing trend of recovering back to pre-COVID 19 levels, there remains a secondary impact in areas of the budget such as court costs and money receivable under the terms of the council tax sharing agreement with the major preceptors. In addition, the timing and trajectory of the recovery in fees and charges within leisure centres remains a key financial risk. Although it is expected that the above will continue to recover going into 2022/23, they will remain under review as part of the on-going monitoring of the budget.

The Financial Performance report for the second quarter of 2021/22 set out more details around these secondary risks, where it was also highlighted that the general COVID 19 support grants from the Government were expected to be able to offset the impact on the overall budget in 2021/22.

However, with the above in mind and the potential for these secondary impacts to continue into 2022/23, the budget report to Cabinet in December also set out the proposal to underwrite such risks via re-focusing the existing Building for the Future Reserve. The estimated balance in this reserve at the end of March 2022 is **£1.654m**, which is therefore available to underwrite the identified risks during 2022/23.

As part of developing the budget, it was also recognised that there would be an on-going loss of income in the early months of 2022/23, whilst new cremators were purchased and installed at the Weeley Crematorium. The budget report to Cabinet on 28 January 2022 provided a timely update and highlighted that this financially adverse position was expected to be managed within the 2021/22 in-year budgets rather than having to include a specific adjustment within the 2022/23 estimates.

The long term approach to the forecast therefore still provides flexibility to respond to the various

risks to the forecast. However, it must be highlighted that the savings targets set out in the forecast will still need to be delivered in the longer term but they need to remain flexible and react as a counterbalance to other emerging issues and it is therefore accepted that this figure may need to be revised up or down over the life of the forecast.

The various risks to the forecast will be monitored via the quarterly financial performance reports during 2022/23, supported by the development of a zero based budgeting approach.

Adequacy of the Reserves / Financial Standing

An integral part of the Council's overall strategy is that the level of reserves is sufficient to support identified risks along with supporting a sustainable budget position in the longer term.

The report to Cabinet in December 2021 set out a review of reserves, which will be undertaken annually as part each year's budget setting cycle.

Although there were various earmarked reserves included in the above review, the following sets out a number of key reserves that support the Council's underlying financial resilience:

- As mentioned above, a Forecast Risk Fund has been established to 'underwrite' the 10-year forecast. Surplus balances are forecast to remain within this reserve over the remaining years of the plan;
- the Council has prudently set aside money for other significant risks in the forecast such as **£1.758m** (NDR Resilience Reserve) and **£1.000m** (Benefits Reserve), which can be taken into account during the period of the forecast if necessary;
- **£1.269m** has been set side to mitigate cost pressures associated with the repair and maintenance of Council assets along with supporting the Council's commitment to carbon neutrality; and
- **£1.654m** held in the Building for the Future Reserve, which remains available to underwrite risks associated with the secondary impacts from the COVID 19 pandemic along with other potential cost pressures not included within the budget for 2022/23 as highlighted earlier.

In addition to the above, the level of uncommitted reserves forecast at 31 March 2022 is **£4.000m**.

The above along with the on-going / annual review of reserves continue to help the Council demonstrate that the current level of reserves remain adequate / prudent to 'underwrite' risks and uncertainties that are inherent within the forecasting process. No significant adjustments have been required in 2022/23 that weaken the overall long term approach to the forecast.

The proposed budget for 2022/23 resulting from the above processes and governance arrangements is therefore robust / deliverable, and underwritten / supported by reserves.

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COUNCIL

15 FEBRUARY 2022

REPORT OF THE CABINET

A.2 EXECUTIVE'S PROPOSALS – HOUSING REVENUE ACCOUNT BUDGET 2022/23 (Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to Council the Executive's Housing Revenue Account (HRA) budget proposals for 2022/23.

EXECUTIVE SUMMARY

- The information and recommendations set out in this report reflect the Executive's HRA budget proposals which were approved for submission to Council at their meeting on 28 January 2022.
- There have been no further changes required to the forecast or budgets, so **Appendices A to E** remain the same as those considered by Cabinet on 28 January 2022.
- As reported to Cabinet on 28 January 2022, there is a budget surplus of **£0.333m** in 2022/23, that is committed to investing in capital works, which includes the delivery of new affordable housing but also the continued investment in the homes of our existing tenants. The surplus **£0.333m** therefore remains as a contribution to the HRA capital programme.
- 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 mentioned within previous reports 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 is 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.
- The 4.1% increase in dwelling rents results in an average weekly rent of **£87.55** in 2022/23. (*£84.10 in 2021/22*)
- The proposed budget reflects the continued repayment of debt, with the total level of existing debt falling to **£35.350m** at the end of 2022/23.
- The estimated HRA general balance at the end of 2022/23 totals **£4.325m**.

RECOMMENDATION(S)

That Council approves:

- (a) a 4.1% increase in dwelling rents in 2022/23;
- (b) subject to (a) above, the Housing Revenue Account Budget for 2022/23 as set

out in Appendix B, along with the Scale of Charges, HRA Capital Programme and the movement in HRA Balances / Reserves as set out in Appendix C to Appendix E respectively.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The HRA budget and Business Plan plays a significant role in the delivery of affordable and decent housing in the district and the Council's responsibilities as a landlord has direct implications for the Council's ability to deliver on its objectives and priorities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are set out in this report and its appendices.

Although the availability of financial resources is a key component in the delivery of HRA services, there will also be a need for appropriate input of other resources such as staffing, assets, IT etc.

Risk

There are inherent risks associated with the forecast such as:

- Changes in income achieved and future rent setting policy
- Emergence of additional areas of spend
- Emergence of new or revised guidance
- New legislation / burdens
- Changing stock condition requirements
- Adverse changes in interest rates
- National welfare reforms

In view of the above, it is important that a sufficient level of balances / reserves is available to support the HRA. HRA General Balances are currently forecast to be **£4.325m** at the end of 2022/23, which although required to support the business plan and HRA investment in future years, provides a 'buffer' to the 30 year Business Plan if, for example, some of the items highlighted above emerge or are required to deal with changing financial and service demand issues.

A 30 year HRA Business Plan is maintained on an on-going basis that continues to demonstrate the sustainability and resilience of the HRA within a self-financing environment and the ability to provide opportunities for housing investment and associated housing services in the future, although it is acknowledged that the longer term view always remains subject to the Government's housing policies.

To date the HRA has been largely unaffected financially from the impact of the COVID 19 pandemic and at the present time it is not expected that this situation will significantly change heading into 2022/23. However, the position will be kept under on-going review and the financial sustainability of the HRA remains underwritten by the current level of general balances, which are forecast to be **£4.325m** at the end of 2022/23 as mentioned above.

LEGAL

It is a statutory requirement on a local authority to determine its Housing Revenue Account budget before the upcoming financial year and to ensure that its implementation will not result in an overall debit balance on the Account.

The self-financing regime for the Housing Revenue Account that came into effect from April 2012 was enabled by the Localism Act 2011.

The Regulator of Social Housing and its predecessor bodies have, at the Direction of Government, issued requirements and guidance to registered providers of social housing (which includes Local Authorities) in respect of rents. This has included the maximum levels of rent they can charge and annual increases in rents.

In 2016, Parliament passed the Welfare Reform and Work Act, which, together with Regulations made under it, created a legislation-based regime of rent reduction across the sector by 1% per year until 2020. Therefore, over this 4-year period, providers were required to reduce rents by 1% per year across its housing stock.

In October 2017, the Government announced that at the end of the 4 year rent reduction period it intended to return to annual rent increases of up to CPI + 1%, implemented through the regulator's Rent Standard rather than through legislation.

The Secretary of State for Housing, Communities and Local Government published on 26 February 2019 a 'Direction to the Regulator' to set a Rent Standard that applies from 1 April 2020. That Direction was published alongside the Government's Policy Statement on Rents (the Policy Statement) and the regulator is required to have regard to this when setting its Rent Standard.

The regulator may under section 194(2A) of the Housing and Regeneration Act 2008 set standards for registered providers requiring them to comply with specified rules about their levels of rent (and the rules may, in particular, include provision for minimum or maximum levels of rent or levels of increase or decrease of rent).

The Regulator of Social Housing has confirmed rents can be increased by up to CPI+1% per year for a period of 5 years starting from 1 April 2020. The rent standard does not apply to properties let to high-income social tenants, so rather than this being a mandatory requirement that the Government had previously looked to implement, it is now a voluntary decision taken at a local level. Given the very challenging administrative issues associated with charging higher rents to high-income tenants, it is not proposed to introduce this at the present time. However, it is acknowledged that this flexibility may be subject to review in future years, for example, as part of developing future policy decisions within the HRA.

The Housing and Planning Act 2016 introduced a number of changes that had an impact on social housing, which via associated regulations are reflected in the HRA estimates as necessary.

The original HRA 30 Year Business Plan was agreed as part of the self-financing reforms and associated borrowing agreed by Full Council in February 2012 and the budget proposed for 2022/23 reflects the latest / updated forecast position set out in **Appendix A**.

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.

In carrying out its functions as a social landlord, the Council has regard to the need to reduce the potential for criminal activity by improving the security of dwellings as part of maintenance and repair programmes and for combating anti-social behaviour through effective management procedures.

Although there are no direct equality and diversity issues, the overall HRA and associated financial planning processes aim to recognise and include such issues where appropriate and relevant.

Investment decisions will also reflect the Council's commitment to carbon neutrality, as schemes and projects that are supported by the proposed budgets and business plan are developed.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

On 28 January 2022 Cabinet considered the following report:-

A.4 HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2022/23

It was resolved that Cabinet:

- (a) *authorises the Assistant Director (Finance & IT), in consultation with the Housing Portfolio Holder, to adjust the forecast / budget, including the use of reserves, in the event that the financial position changes prior to Council considering the HRA budget on 15 February 2022;*
- (b) *subject to (a) above, approves and recommends to Full Council on 15 February 2022 a 4.1% increase in dwelling rents in 2022/23 along with the detailed HRA Budget proposals for 2022/23, as set out in Appendices B to E to item A.4 of the Joint Report of the Housing Portfolio Holder and the Corporate Finance & Governance Portfolio Holder.*

FINAL HRA BUDGET PROPOSALS / HRA BUDGET SUMMARIES 2022/23 (including changes subsequent to Cabinet's Proposals of 28 January where necessary)

There have been no required changes to the HRA Budgets since 28 January 2022, so **Appendices A to E** remain the same as those considered by Cabinet on 28 January 2022. In respect of **Appendix A**, the third column from the right (**'Proposed Budget 2022/23' - Reported 28 January 2022**), therefore sets out the forecast against which the detailed budgets have been finalised.

As reported to Cabinet on 28 January 2022, there remains a budget surplus of **£0.333m** in 2022/23, which will be transferred to the Capital Programme to invest in new build and acquisition projects and existing tenant's homes.

Summaries of the proposed budgets for 2022/23 are as follows:

Table 1 – HRA Fund Revenue Budget

	2021/22 Original Budget £m	2022/23 Original Budget £m
Direct Expenditure	6.572	7.072
Direct Income	(13.690)	(14.312)
Indirect Income / Expenditure including Financing Costs	7.140	7.240
NET (SURPLUS) / DEFICIT	0.022	0
Contribution to / (from) Reserves	(0.022)	0
Contribution to the Capital Programme	0.281	0.614

Table 2 – HRA Capital Programme 2022/23

	2022/23 Original Budget £m
EXPENDITURE	3.790
FINANCING	
Major Repairs Reserve	3.176
Direct Revenue Contribution	0.614
Total Financing	3.790

As highlighted in the report to Cabinet on 28 January 2022, the redevelopment of the Honeycroft site has not yet been included within the HRA Capital Programme. For information, the relevant extract from the report mentioned above is as follows:

Although the redevelopment of the Honeycroft site was agreed by the Leader in 2021, it has not yet been included within the capital programme. However, depending upon the final development design and density, build costs are estimated to be in the region of £4.000m.

Within the report agreed by the Leader referred to above, it was confirmed that a further report would be presented to Cabinet once a tender exercise had been undertaken for the design and build of the scheme. It was also stated that this same report would set out the funding required for the development and seek approval for prudential borrowing within the HRA. £0.281m remains set aside within the HRA on an on-going basis that can be used to support the borrowing costs that are likely to be required to meet the cost of the redevelopment of Honeycroft. It is anticipated that borrowing / capital investment costs can be reduced by seeking grant from Homes England through the Affordable Homes Programme and officers are still exploring this option to establish the level of grant subsidy that the Council may be able to access.

The final borrowing decision will need to be made by Full Council following a recommendation by Cabinet. Although a separate report will be presented to Cabinet as mentioned above, the potential to borrow money to support the cost of the site will be further explored as part of the Treasury Strategy that will be presented to both Cabinet and Full Council in March.

HRA 30 YEAR BUSINESS PLAN / ROBUSTNESS OF THE HRA ESTIMATES

The formulation of the budget for 2022/23 is set against the context of the longer-term business plan. As set out in the reports to Cabinet in December and January, one area that is important to note as it may have a bearing on the overall financial position of the HRA in future years, is the possible response to the Hackett review along with changes that are likely to emerge from the upcoming review into the 'decent homes standard'. The cost of a stock condition survey is included in the 2022/23 budget to inform the necessary investment across the later years of the current business plan. This issue will be kept under review, but it is recognised that there is a need to balance the maintenance of the existing stock with the affordability, scale and speed of investing in housebuilding / acquisitions.

The business plan will be updated during 2022/23 to reflect the required adjustments to the forecast, which will be required before any major investment in housebuilding or acquisitions is undertaken given the potential financial risks to the long term sustainability of the HRA.

Taking into account all relevant issues including the background to future years of the business plan highlighted above, the estimates for 2022/23 can be considered as robust.

BACKGROUND PAPERS FOR THE DECISION

Working papers held in accountancy

APPENDICES

Appendix A	Updated HRA Business Plan (Revised figures for 2022/23 and Comparison with 2021/22 only)
Appendix B	Detailed HRA Budget Proposals 2022/23
Appendix C	HRA Proposed Scale of Charges 2022/23
Appendix D	HRA Capital Programme
Appendix E	HRA Reserves 2022/23

HRA 30 Year Business Plan (Extract relating to 2021/22 and 2022/23 only)

	RAG Rating	Year 10	Year 11 Reported 17 December 2021		Year 11 Reported 28 January 2022		
			Original Budget 2021/22	Proposed Budget 2022/23	Change Compared with 2021/22	Proposed Budget 2022/23	Change Compared with 2021/22
Expenditure							
Maintenance incl stock reduction factor		3,049,610	3,272,232	222,622	3,287,140	237,530	14,908
Depreciation - Capital Programme		2,906,670	2,906,670	0	2,906,670	0	0
Revenue Contribution to MRA		269,740	269,740	0	269,740	0	0
Management Costs (incl Sweeping and Grounds Maint & RTB Admin)		1,354,560	1,573,140	218,580	1,606,500	251,940	33,360
Utilities		205,950	224,727	18,777	224,730	18,780	3
Provision for Bad Debts		55,440	55,440	0	55,440	0	0
Council Tax In Empty Properties		130,090	130,090	0	130,090	0	0
Debt Management Expenses		65,750	65,750	0	65,750	0	0
HRA Interest Repayments on Debt		1,322,220	1,303,871	(18,349)	1,305,510	(16,710)	1,639
Principal Payments on Debt - MRP		1,664,300	1,427,633	(236,667)	1,427,630	(236,670)	(3)
Revenue Contribution to the Capital Programme		280,820	280,820	0	280,820	0	0
Recharges (Including Insurance and Pension Costs)		2,406,880	2,671,215	264,335	2,418,980	12,100	(252,235)
		13,712,030	14,181,329	469,299	13,979,000	266,970	(202,329)
Income							
Dwelling Rents (incl.stock reduction factor)		(12,869,970)	(13,492,620)	(622,650)	(13,492,620)	(622,650)	0
Service Charges (incl.stock reduction factor)		(515,570)	(522,380)	(6,810)	(522,380)	(6,810)	0
Garage Rents (incl. stock reduction factor)		(150,260)	(155,970)	(5,710)	(155,980)	(5,720)	(10)
Non Dwelling Rents		(81,570)	(81,570)	0	(81,570)	0	0
Misc. Income		(32,910)	(32,910)	0	(32,910)	0	0
Investment Income (income on cash balances and Mortgages)		(13,350)	(13,350)	0	(13,350)	0	0
Capital Receipts (to cover Admin Costs of RTB's)		(26,000)	(26,000)	0	(13,000)	13,000	13,000
		(13,689,630)	(14,324,800)	(635,170)	(14,311,810)	(622,180)	12,990
Surplus (-)/Deficit (+) on HRA Balance		22,400	(143,471)	(165,871)	(332,810)	(355,210)	(189,339)

Housing Revenue Account (HRA)

<u>Analysis by Type of Spend</u>	2021/22 Original Estimate	2022/23 Original Estimate
	£	£
Direct Expenditure		
Employee Expenses	1,208,340	1,340,470
Premises Related Expenditure	3,511,410	3,798,780
Transport Related Expenditure	23,870	23,870
Supplies & Services	487,910	585,410
Third Party Payments	1,030	1,030
Transfer Payments	17,000	17,000
Interest Payments	1,322,220	1,305,510
Total Direct Expenditure	6,571,780	7,072,070
Direct Income		
Other Grants, Reimbursements and Contributions	(8,440)	(8,440)
Sales, Fees and Charges	(566,040)	(559,850)
Rents Receivable	(13,101,800)	(13,730,170)
Interest Receivable	(13,350)	(13,350)
Total Direct Income	(13,689,630)	(14,311,810)
Net Direct Costs	(7,117,850)	(7,239,740)
Indirect Income/Expenditure		
FRS17/IAS19 Pension Costs	(497,340)	(744,740)
Service Unit and Central Costs	2,450,310	2,701,060
Capital Financing Costs	5,187,280	5,283,420
Total Indirect Income/Expenditure	7,140,250	7,239,740
Contributions to/(from) reserves		
Contributions to/(from) Reserves	(22,400)	0
Total Contributions to/(from) reserves	(22,400)	0
Net Contribution to/(from) Reserves	(22,400)	0
Total for HRA	0	0

Housing Revenue Account (HRA)

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £
HRA - MIRS Items to be excluded from HRA balance		
Indirect Income/Expenditure	469,490	821,370
Net Total	469,490	821,370
HRA - MIRS HRA - Contributions Payable to the Pension Scheme		
Direct Expenditure	453,910	462,660
Net Total	453,910	462,660
HRA - MIRS Total IAS 19 Adjustments		
Indirect Income/Expenditure	(555,350)	(898,610)
Net Total	(555,350)	(898,610)
HRA - MIRS Minimum Revenue Provision		
Indirect Income/Expenditure	1,664,300	1,427,630
Net Total	1,664,300	1,427,630
Total for Finance - Financing Items	2,032,350	1,813,050
HRA - Policy & Management		
Direct Expenditure	58,000	53,940
Direct Income	(2,200)	(0)
Indirect Income/Expenditure	358,270	215,430
Net Total	414,070	269,370
HRA - Tenancy Management & Rent Collection		
Direct Expenditure	662,870	872,750
Direct Income	(8,440)	(8,440)
Indirect Income/Expenditure	504,710	641,060
Net Total	1,159,140	1,505,370
HRA - Tenant Relations		
Direct Expenditure	64,470	64,750
Direct Income	0	(2,200)
Indirect Income/Expenditure	4,850	41,910
Net Total	69,320	104,460

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £
HRA - Right to Buy Administration		
Direct Expenditure	38,980	39,420
Direct Income	(26,000)	(13,000)
Indirect Income/Expenditure	55,210	61,760
Net Total	68,190	88,180
HRA - Unapportionable Central Overheads Contribution		
Indirect Income/Expenditure	275,720	275,720
Net Total	275,720	275,720
HRA - Pumping Stations		
Direct Expenditure	5,660	5,660
Direct Income	(2,620)	(2,620)
Indirect Income/Expenditure	5,140	8,280
Net Total	8,180	11,320
HRA - Sewerage Expenses		
Direct Expenditure	18,900	18,900
Direct Income	(20,670)	(20,670)
Indirect Income/Expenditure	7,140	9,810
Net Total	5,370	8,040
HRA - Communal Central Heating		
Direct Expenditure	95,980	105,190
Direct Income	(79,940)	(79,940)
Indirect Income/Expenditure	7,300	6,790
Net Total	23,340	32,040
HRA - Sheltered Units		
Direct Expenditure	342,180	361,020
Direct Income	(171,290)	(171,290)
Indirect Income/Expenditure	108,140	138,370
Net Total	279,030	328,100
HRA - Colne Housing Soc Shel Units		
Direct Expenditure	6,000	0
Net Total	6,000	0
HRA - Estate Sweeping		
Direct Expenditure	66,000	88,560
Net Total	66,000	88,560

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £
HRA - Communal Cleaning		
Direct Expenditure	85,250	85,250
Direct Income	(31,520)	(32,720)
Indirect Income/Expenditure	3,790	1,640
Net Total	57,520	54,170
HRA - Communal Electricity		
Direct Expenditure	94,280	103,110
Direct Income	(70,000)	(72,660)
Indirect Income/Expenditure	9,300	10,210
Net Total	33,580	40,660
HRA - Estate Lighting		
Direct Expenditure	9,320	10,060
Net Total	9,320	10,060
HRA - Maintenance Of Grounds		
Direct Expenditure	12,620	22,620
Direct Income	(77,800)	(80,750)
Indirect Income/Expenditure	207,260	250,460
Net Total	142,080	192,330
HRA - Repair & Maintenance		
Direct Expenditure	3,049,610	3,287,140
Indirect Income/Expenditure	940,000	1,193,490
Net Total	3,989,610	4,480,630
HRA - Tenants Rentals		
Direct Income	(13,073,720)	(13,702,090)
Net Total	(13,073,720)	(13,702,090)
HRA - Rents & Other Charges		
Direct Expenditure	130,090	130,090
Net Total	130,090	130,090
HRA - Rent Income		
Direct Income	(28,080)	(28,080)
Net Total	(28,080)	(28,080)
HRA - Interest Receivable		
Direct Income	(13,350)	(13,350)
Net Total	(13,350)	(13,350)

<u>Analysis by Section/Function</u>	2021/22 Original Estimate £	2022/23 Original Estimate £
HRA - Rent Arrears Provision		
Direct Expenditure	55,440	55,440
Net Total	55,440	55,440
HRA - Interest Charges		
Direct Expenditure	1,322,220	1,305,510
Net Total	1,322,220	1,305,510
HRA - Capital Charges		
Indirect Income/Expenditure	3,053,490	3,034,420
Net Total	3,053,490	3,034,420
HRA - Use of Balances		
Contributions to/(from) reserves	(22,400)	0
Net Total	(22,400)	0
Total for Housing and Homelessness	(1,969,840)	(1,729,050)
HRA - Lease Holders Charges		
Direct Income	(84,000)	(84,000)
Indirect Income/Expenditure	21,490	0
Net Total	(62,510)	(84,000)
Total for Customer and Commercial	(62,510)	(84,000)
Total for HRA	0	0

Housing Portfolio - HRA

Scale of Charges 2022/23

	Date last revised	(A)	(B)	(C)	(D)	VAT Ind
		2021/22		2022/23		
Effective from		Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
		01/04/2021 £	01/04/2021 £	01/04/2022 £	01/04/2022 £	
<u>GARAGE RENTS AND ACCOMMODATION CHARGES</u>						
Guest room accommodation at sheltered units per night:						
With en-suite facilities (St Marys Court, Groom House, Greenfields, Ironside Walk, Belmans Court)	Apr-18	25.00	30.00	25.00	30.00	V
Without en-suite facilities (Vyntoner House, Kate Daniels House, Mead House, Crooked Elms)	Apr-18	20.00	25.00	20.00	25.00	V
Garage rents HRA (not subject to VAT unless separately let to non-council tenants)	Apr-18	9.22	9.22	9.60	9.60	*
<u>QUESTIONNAIRES</u>						
Second mortgage enquiries (per enquiry)	Apr-18	158.33	190.00	158.33	190.00	V
Solicitors enquiries on resale of council flats	Apr-18	158.33	190.00	158.33	190.00	V
<u>SERVICE CHARGES (per week)</u>						
Sewerage charges (not subject to VAT) (See Note 1):						
Treatment Works:						
Goose Green, Tendring	Apr-18	8.26	8.26	8.60	8.60	Z
Coronation Villas, Beaumont	Apr-18	8.21	8.21	8.55	8.55	Z
Whitehall Lane, Thorpe	Apr-18	5.55	5.55	5.78	5.78	Z
Shop Road, Little Bromley	Apr-16	9.00	9.00	9.00	9.00	Z
Horsley Cross, Mistley	Apr-08	9.00	9.00	9.00	9.00	Z
Bio Systems	Apr-18	7.73	7.73	8.05	8.05	Z
Septic Tanks	Apr-18	2.94	2.94	3.06	3.06	Z
Pumping Stations (not subject to VAT)	Apr-18	5.36	5.36	5.58	5.58	Z
Sewerage charge cap where tenant in receipt of benefit	Apr-08	5.00	5.00	5.00	5.00	Z
Communal central heating charges (not subject to VAT) (see note 1):						
Heating and hot water:						
Single units	Apr-18	7.16	7.16	7.45	7.45	N
Double units	Apr-18	8.25	8.25	8.59	8.59	N
Belmans Court	Apr-18	1.67	1.67	1.74	1.74	N
Other Service Charges (not subject to VAT):						
Sheltered Housing:						
Grounds Maintenance	Apr-18	1.55	1.55	1.61	1.61	X
Communal Electricity	Apr-18	2.70	2.70	2.81	2.81	N
Non Sheltered Housing:						
Grounds Maintenance	Apr-18	1.17	1.17	1.22	1.22	N
Communal Electricity	Apr-18	1.03	1.03	1.07	1.07	N
Communal Cleaning (not subject to VAT) (See Note 1):						
Langham Drive, Clacton	Apr-18	2.79	2.79	2.91	2.91	N
Nayland Drive, Clacton	Apr-18	2.77	2.77	2.89	2.89	N
Boxted Ave (3 Storey) , Clacton	Apr-18	2.73	2.73	2.84	2.84	N
Boxted Ave (2 Storey) , Clacton	Apr-18	1.55	1.55	1.61	1.61	N
Polstead Way, Clacton	Apr-18	1.55	1.55	1.61	1.61	N
Porter Way, Clacton	Apr-18	1.31	1.31	1.37	1.37	N
Tanner Close, Clacton	Apr-18	1.23	1.23	1.28	1.28	N
Mason Road, Clacton	Apr-18	1.40	1.40	1.45	1.45	N

Housing Portfolio - HRA

Scale of Charges 2022/23

	Date last revised	(A) 2021/22		(C) 2022/23		VAT Ind
		Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
		01/04/2021	01/04/2021	01/04/2022	01/04/2022	
		£	£	£	£	
Maldon Way, Clacton	Apr-20	1.40	1.40	1.46	1.46	N
Groom Park, Clacton	Apr-18	1.45	1.45	1.51	1.51	N
Leas Road , Clacton	Apr-18	1.45	1.45	1.51	1.51	N
Rivers House, Walton	Apr-18	1.23	1.23	1.28	1.28	N
Rochford House, Walton	Apr-18	1.23	1.23	1.28	1.28	N
D'arcy House , Walton	Apr-18	1.23	1.23	1.28	1.28	N
Churchill Court, Dovercourt	Apr-18	1.59	1.59	1.66	1.66	N
Cliff Court, Dovercourt	Apr-18	1.86	1.86	1.94	1.94	N
Nichols Close, Lawford	Apr-20	2.46	2.46	2.56	2.56	N
Grove Avenue Walton	Apr-18	0.77	0.77	0.80	0.80	N
<u>SHELTERED UNITS SERVICE CHARGES (Not subject to VAT) (see Note 2):</u>						
Housing Related Support Charge	Apr-17	6.34	6.34	6.34	6.34	X
Landlord Costs	Apr-15	13.60	13.60	13.60	13.60	X
Careline Alarm	Apr-17	2.00	2.00	2.00	2.00	X

Notes

- (1) These charges are based on the principle of full cost recovery.
- (2) Only applies to tenants who are not in receipt of Housing Benefit

*	Garage Rent - VAT:					
	Parking:		Storage:			
	Council Tenant	N	Homeless persons goods			N
	Non-Council Tenant	V	Premises suitable for parking			V
			Premises unsuitable for parking			X

HRA Capital Programme					
	2021/22	2022/23	2023/24	2024/25	2025/26
	Base	Budget	Budget	Budget	Budget
	£	£	£	£	£
EXPENDITURE					
Improvements, enhancement & adaptation of the Council's housing stock	2,696,410	2,696,410	2,696,410	2,696,410	2,696,410
Disabled adaptations for Council Tenants	400,000	400,000	400,000	400,000	400,000
Information Technology upgrade and replacement	20,000	20,000	20,000	20,000	20,000
New Build Initiatives and Acquisitions	280,820	613,630	0	0	0
Cash Incentive Scheme	60,000	60,000	60,000	60,000	60,000
	3,457,230	3,790,040	3,176,410	3,176,410	3,176,410
FINANCING					
Major Repairs Reserve	3,176,410	3,176,410	3,176,410	3,176,410	3,176,410
Direct Revenue Financing of Capital	280,820	613,630	0	0	0
	3,457,230	3,790,040	3,176,410	3,176,410	3,176,410

HRA RESERVES

APPENDIX E

	Balance 31 March 2021 £	Contribution from Reserves 2021/22 £	Contribution to Reserves 2021/22 £	Est. Balance 31 March 2022 £	Contribution from Reserves 2022/23 £	Contribution to Reserves 2022/23 £	Est. Balance 31 March 2023 £
HRA Reserves							
HRA General Balance	4,447,281	(122,400)	0	4,324,881	0	0	4,324,881
HRA Commitments	862,854	(862,854)	0	0	0	0	0
Major Repairs Reserve	5,448,402	(3,957,200)	3,176,410	4,667,612	(3,176,410)	3,176,410	4,667,612
Total Reserves	10,758,537	(4,942,454)	3,176,410	8,992,493	(3,176,410)	3,176,410	8,992,493

COUNCIL

15 FEBRUARY 2022

REFERENCE REPORT FROM THE AUDIT COMMITTEE

A.3 APPOINTMENT OF AN EXTERNAL AUDITOR FOR A FIVE YEAR PERIOD COMMENCING 2023/24

(Report prepared by Richard Barrett and Karen Townshend)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider a recommendation from the Audit Committee that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments for the appointment of external auditors for a five year period commencing 2023/24.

EXECUTIVE SUMMARY

On the 27 January 2022 the Audit Committee considered a report of the Assistant Director Finance & IT, which included the proposals to opt into the Public Sector Audit Appointments arrangements for appointing External Auditors from 2023/24. The Audit Committee resolved that it *recommends to Full Council that this Council opts 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.*

The Audit Committee report referred to above is attached as **Appendix A** for the Council's consideration. As the report also included a number of unrelated issues that were also considered by the Audit Committee at the time, the attached includes just the relevant extracts from the report. [The full report to the Audit Committee is available on the Council's website.]

RECOMMENDATION(S)

- (a) That 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) That PSAA be informed of the Council's decision by the PSAA's deadline for responses of 11 March 2022.**

APPENDICES

Appendix A – Relevant Extracts from the Report to the Audit Committee held on 27 January 2022

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AUDIT COMMITTEE

27 JANUARY 2022

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.3 AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES AND APPOINTMENT OF EXTERNAL AUDITOR FROM 2023/24

(Report prepared by Richard Barrett and Karen Townshend)

PART 1 – KEY INFORMATION

[EXTRACT] PURPOSE OF THE REPORT

To present to the Committee:

- the proposal to opt in to the Public Sector Audit Appointments (PSAA) arrangements for appointing External Auditors from 2023/24.

[EXTRACT] EXECUTIVE SUMMARY

- The Local Audit and Accountability Act 2014 requires the Council to either opt in to an appointing person regime or to establish an auditor panel and conduct their own procurement exercise. The current period covered by the appointing person regime expires in 2022/23 and the Council now needs to consider whether to opt in again for the next five year period starting in 2023/24. Following a review, it is proposed to recommend to Full Council Continue that the Council continues to opt in to the appointing person regime for a further five year period.

[EXTRACT] RECOMMENDATION(S)

That the Committee:

b) recommends to Full Council that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors for a five year period commencing from 2023/24.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of Corporate priorities supported by effective management and forward planning within this overall framework.

[EXTRACT] FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

In respect of appointment of External Auditors via the PSAA appointing person regime, until the associated procurement exercise is completed it is not possible to state what additional resource may be required for audit fees from 2023/24. However, based on the national experience over the past four years and the condition of the market, there is a risk

that prices will increase, which will need to be considered as part of the long term financial forecast.

If the Council does not opt in to the PSAA arrangements, then additional resource may be needed to establish an auditor panel and to conduct a local procurement process and the potential for economies of scale would potentially be lower. The same market conditions would also likely apply and there is no evidence to indicate that taking this alternative route would result in lower costs.

Risk

In terms of the appointment of External Auditors, the main risk is associated with value for money in terms of cost, which includes the Council's capacity if it decided not to opt in to the appointing person regime and carry out its own appointment process via an independent panel.

LEGAL

There are no direct legal implications associated with this report.

The proposals relating to the appointment of an External Auditor are compliant with the Local Audit and Accountability Act 2014. The regulations require that the decision to opt-in to the PSAA appointing person regime must be made by Full Council.

The PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015.

OTHER IMPLICATIONS

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

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

This report does not have a direct impact although such issues could feature in future recommendations and actions. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.

PART 3 – SUPPORTING INFORMATION

[EXTRACT] EXTERNAL AUDITOR APPOINTMENT

Following the closure of the Audit Commission in 2015, the Council considered options for the appointment of its External Auditors in February 2017 and 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.

This arrangement will terminate on 31 March 2023 and the Council is 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.

The PSAA have 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 have confirmed that they will:

- 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.

As an alternative approach to the opt-in arrangements above, the Council may 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 could be argued that making a local appointment allows the Council to take maximum advantage of the local appointment regime, but it does introduce a number of challenges such as:

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

In respect of the third bullet point above, there are currently only nine audit providers eligible to audit local authorities and other relevant bodies under local audit legislation. This means 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 was considered back in 2017, the main advantages of opting in to the PSAA's appointing person option remain and include:

- 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 review and its relative success over the past five years, it is proposed to opt-in to the PSAA appointing person regime for a further five-year period commencing 2023/24.

If the Council does not accept the PSAA's invitation to opt-in by 11 March 2022 then it will 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.

BACKGROUND PAPERS FOR THE DECISION

PSAA Scheme Prospectus