
**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 27TH JANUARY, 2023 AT 10.31 AM IN THE
COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15
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Present: Councillors N R Stock OBE (Leader of the Council)(Chairman), J D Bray (Planning Portfolio Holder), P B Honeywood (Housing Portfolio Holder), L A McWilliams (Partnerships Portfolio Holder), A O J Porter (Leisure and Tourism Portfolio Holder) and M J Talbot (Environment and Public Space Portfolio Holder)

Group Leaders Present by Standing Invitation: Councillors E T Allen (Leader of the Tendring First Group), J B Chapman BEM (Leader of the Independents Group), G G I Scott (Leader of the Liberal Democrats Group) and C P Winfield (Leader of the Holland-on-Sea Group)

In Attendance: Ian Davidson (Chief Executive), Lisa Hastings (Deputy Chief Executive & Monitoring Officer), Damian Williams (Corporate Director (Operations and Delivery)), Lee Heley (Corporate Director (Place & Economy)), Gary Guiver (Director (Planning)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Anastasia Simpson (Assistant Director (Partnerships)), Keith Simmons (Head of Democratic Services and Elections), Ian Ford (Committee Services Manager), William Lodge (Communications Manager), Keith Durran (Committee Services Officer) and Hattie Dawson-Dragisic (Performance and Business Support Officer)

92. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors G V Guglielmi (Deputy Leader of the Council & Portfolio Holder for Corporate Finance and Governance), I J Henderson (Leader of the Labour Group), M C Newton (Portfolio Holder for Business & Economic Growth) and M E Stephenson (Leader of the Tendring Independents Group).

The Leader of the Council reminded Cabinet that today was Holocaust Memorial Day and that many members of the Council were participating in services of commemoration across the District.

The Leader then led all persons present in a short period of silent reflection.

93. MINUTES OF THE LAST MEETING

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 16 December 2022, be approved as a correct record and be signed by the Chairman.

94. DECLARATIONS OF INTEREST

There were no declarations of Interest made by Members at this time.

95. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

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

96. ANNOUNCEMENTS BY CABINET MEMBERS

There were no announcements by Cabinet Members on this occasion.

97. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

98. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - A.1 - REFERENCE FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE - SCRUTINY OF THE BUDGET

Cabinet considered the recommendations submitted to it by the Resources and Services Overview & Scrutiny Committee following that Committee's scrutiny of the Cabinet's budget proposals at its meeting held on 11 January 2023. That Committee had recommended that Cabinet -

- a) *requests a comprehensive piece of work be undertaken to assess the true costs of services subject to discretionary Fees and Charges (including full on-costs) to ensure that cost recovery is being achieved and that inadvertent subsidy of services from Council Tax income does not exist where those full costs should be met through relevant Fees and Charges;*
- b) *requests that progress be made (at pace) in the coming months to ensure that Zero Based Budgeting is applied consistently to all major net expenditure areas for the Council and that this process should involve robust challenges to ensure efficiency, effectiveness and economy of those service based budgets;*
- c) *makes any necessary arrangements so that, particularly while the current economic conditions prevail, strict caution is observed around estimates of costs of proposed projects/schemes (provided in support of decisions around those projects/schemes) with a view to supporting realistic budgetary allocations being made that more closely align with the costs identified for the projects/schemes following procurement in respect of those projects;*
- d) *records that the failure of the External Auditors (to conclude in a timely fashion the Audit of the Council's accounts for 2020/21) is an impediment to good governance, including through this Overview and Scrutiny process, and to support the sterling efforts by the Council's Audit Committee to address this failure with the External Auditors;*
- e) *concur that, for future years, the Community Leadership Overview and Scrutiny Committee, shall be requested to examine and enquire into the spend in relation to grants to statutory and voluntary sector partners and to submit its findings to the Resources & Services Overview and Scrutiny Committee in time for its budget scrutiny process;*
- f) *takes measures (without delay) to ensure that the Housing Stock Survey of the Council's homes is commenced at the earliest opportunity (with a view to it being completed within 2023/24), that regular updates on the Survey be made to all*

Councillors and that steps be taken to dispose of vacant Council homes that have particular long term maintenance issues with a view to the disposal sum being re-invested in properties that are easier to maintain and, potentially, meeting housing need locally more closely;

- g) supports the statements to the Resources & Services Overview and Scrutiny Committee, that the New Homes Bonus for 2023/24 be held without being allocated until after the 4 May 2023 elections;*
- h) proposes to Council that the shortfall between income and expenditure which would otherwise occur in 2023/24 be met by utilising the Forecast Risk Fund and that the use of the Corporate Investment Plan 'Reserve' and Building for the Future Use be applied to balance the budget in 2024/25 if required; and*
- i) arranges that an update on the approved and pipeline schemes within/through the Corporate Investment Plan, since its creation, being submitted to the Resources & Services Overview and Scrutiny Committee's meeting on 21 February 2023 to enable that Committee to undertake an enquiry into the process around that Plan."*

The Leader of the Council, on behalf of the Cabinet, thanked the Resources & Services Overview and Scrutiny Committee for their committed, exhaustive and constructive scrutiny of the Cabinet's initial budget proposals.

Having duly considered the recommendations submitted to Cabinet by the Resources & Services Overview and Scrutiny Committee:-

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

RESOLVED that the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that it be further noted that the response of the Portfolio Holders thereto will be considered as part of items 10 and 11 of the agenda.

99. LEADER OF THE COUNCIL'S ITEMS - A.2 - FREEPORT EAST PROGRESS AND AGREEMENT OF MEMORANDUM OF UNDERSTANDING

Cabinet considered a joint report of the Leader of the Council and the Portfolio Holder for Corporate Finance & Governance (A.2) which:-

updated it on progress with Freeport East, and drew its attention to the obligations placed on Tendring District Council (TDC) by the Freeport East Memorandum of Understanding (MoU);

recommended that authority to agree the final Freeport East MoU, on behalf of TDC, acting as Billing Authority, be delegated to the Deputy Leader of the Council & Portfolio Holder for Corporate Finance and Governance; and

set out the new TDC Business Rates Retention Policy for Freeport East and sought Cabinet's agreement for a Freeport Business Rates Relief Policy.

Business Case

It was reported that during 2022 Freeport East had responded to the 'critical actions' to refine the business case requested by Government. The final version of the Full Business Case with the response to those actions had been assessed by HM Treasury at the end of November 2022. The Full Business Case had been approved on 10 January 2023, with a number of outstanding actions for completion. Following that approval, a Parliamentary Reception event had been held by Freeport East Ltd to engage partners with the local MPs, officials and the Government Minister and a Freeport East local launch event was planned, expected in February 2023.

Company

Cabinet recalled that the Leader's Freeport East Working Party, at its meeting held on 31 August 2022, had recommended that the Council joined the Freeport East Company as a founding Member; that the Council entered into a Members' Agreement with other partner organisations in Freeport East; and that the Leader of the Council (Councillor Stock OBE) joined the Board of the Company as the Member representative Company Director from Tendring District Council (TDC). Freeport East had been formally incorporated as a company on 6 December 2022 and Councillor Neil Stock OBE had been appointed to Freeport East's board of directors, in line with the Cabinet's decision, with the Chief Executive (Ian Davidson) as his alternate, in line with Full Council's decision.

Senior roles and groups

It was reported that Freeport East had appointed a Chief Executive Officer, Stephen Beel, who had started in this role on 21 September 2022, and a new Chairman, Mark Lemmon, who had chaired the first meeting of the new company Board on 7 December 2022. The company was now implementing aspects of the business case, such as setting up a Management Committee, to be chaired by Stephen Beel, and the first of the Theme groups, which would develop future proposals for Freeport East. Those included skills, innovation, and trade and investment. TDC would be represented by officers on the Management Committee and Theme Groups.

Investment Zones

Members were made aware that an Expression of Interest (EOI) had been submitted by Freeport East in response to the Government's call for submissions for Investment Zones, which included the Freeport East area. However, since the Autumn Statement on 17 November 2022 the Government's Investment Zone policy was unclear, and there was no expectation that submitted EOIs would be considered.

Memorandum of Understanding

The Working Party was aware that the Government required TDC in its role as a Billing Authority to sign up to the Memorandum of Understanding (MoU) with them. The MoU governed the relationship between –

the Secretary of State for Levelling Up, Housing and Communities;
East Suffolk Council as the Accountable Body for Freeport East;
Freeport East Ltd as the Governing Body responsible for the delivery of the Freeport;
and

East Suffolk Council, Mid Suffolk District Council and Tendring District Council as the Billing Authorities responsible for collecting business rates in Freeport Tax Sites.

The MoU contained generic clauses across all eight Freeports. However, the final version of the MOU was bespoke to each Freeport, based on the feedback from the assessment of the Full Business Case by HM Treasury. The final draft version of the MoU had been shared by Government with Freeport East on 5th January 2023.

The MoU was not legally enforceable, however, the Working Party noted a number of key obligations that would be put on to TDC following the approval of the MOU:-

- *Section 1.1.8: Following FBC approval, DLUHC provided Freeport East with a list of outstanding actions that should be achieved within the agreed timeframes. One of those actions was to provide a more detailed funding plan for the Harwich tax site. Seed capital for this site would be withheld until this funding plan was developed.*
- *Section 2.2.5: TDC would be accountable to DLUHC for the management of the retention of business rates and would be responsible for allocating all business rates collected on the Freeport tax sites to the decision-making process and purposes outlined in the FBC.*
- *Section 2.2.7: all parties were required to manage any disputes in relation to the above through a locally agreed process.*
- *Section 2.2.6: All parties were expected to work collaboratively and proactively to manage any action or perceived conflicts of interest. The Governing Body, Accountable Body and the Billing Authorities were required to manage any disputes in relation to Section 2.2 through a locally agreed process.*
- *Section 3.2: The Governing Body committed to the Freeport being no longer reliant on HMG Capacity Funding and self-funded by FY2025/26, enabled by Capacity Funding available from FY2021/22 through to FY2024/25. It was noted that if the Freeport did not become self-funding at the time stated, further funding from additional sources would need to be identified and secured.*
- *Section 5.4.1 (h) responsibility of delivery of tax sites (including Bathside Bay) rested with Freeport East Ltd. This included the stipulation that delivery of the tax sites should be completed prior to October 2026.*
- *Section 6.1: DLUHC would carry out ongoing monitoring of Freeports to assist with delivery, assure the use of public funds and evaluate the impact of the programme.*
- *Section 7: This MoU would come into effect upon signature by the Parties and would remain in effect until it was terminated by the Parties by full mutual agreement in writing. Section 7.2.1: In the event of a dispute arising as to the interpretation or application of this MoU, the Parties would commit to discussion aimed at resolution. Section 7.3: Freeport delivery would be managed through the processes set out in the Freeports Framework. Should an issue arise, DLUHC would first attempt to resolve it in collaboration with the Governing Body and if applicable the Accountable Body. For persistent issues which were recorded at the annual review or were the result of other assurance activities DLUHC would seek to*

agree a tailored improvement plan with the Governing Body and the Accountable Body as outlined in the Freeports Framework.

However, the MoU also identified a number of opportunities which aligned with TDC's priorities, as follows:-

- *Section 5.3.1. The Governing Body committed to owning, updating and devoting appropriate resources to the delivery of the Net Zero strategy.*
- *5.4.1. The Governing Body committed to owning, updating and devoting appropriate resources to the delivery of the Innovation strategy.*
- *5.5.1. The Governing Body committed to reasonable endeavours in owning, updating and devoting appropriate resources to support the delivery of Regeneration and Levelling Up objectives.*
- *5.6.2. HMG would work with Freeports to deliver their skills delivery ambition.*

Freeport Business Rate Retention Policy

Members were aware that the business rates were split into three 'pots'.

- Pot A: to ensure local authorities did not lose out from the local tax reliefs available to businesses through Freeport. Councils allocated this funding to their general fund and could spend it as they saw fit.
- Pot B: to fund the Freeport infrastructure to develop the sites, for example to pay for land reclamation or other required infrastructure.
- Pot C: to support public benefit in the sub region, including economic development, skills and innovation. This fund was administered by the lead authority, East Suffolk Council, and decisions on its use would be determined by the Freeport East Company.

Cabinet was informed that TDC's Freeport Business Rates Policy would codify those proposals. It included the proportional split between the pots: Pot A, local authorities, received 5 percent. Of this, four percent would be for TDC and one percent for Essex County Council (ECC). Pot B, infrastructure, received 70 percent; and Pot C, regeneration, received 25 percent.

Members were advised that without Freeport East, very limited development would come forward on the Harwich Tax site, so the Council was not losing out by taking a lower share (5 percent) than was typical (20 percent) for Pot A. The Government expected councils where development was not planned before Freeport to forgo Pot A.

Pots B and C for all three Billing Authorities could be spent across the whole of the Freeport area, so it could be that funds raised in Essex were spent in Suffolk, and vice versa. Flexibility was especially important on the split between Pots B and C, as the business modelling for the Harwich Tax site continued to develop as the commercial proposition matured. The Council remained open to reviewing this policy as further information on the Harwich Tax site developed.

Freeport Business Rate Relief Policy

The proposed policy reflected the associated Government guidance, with no additional local discretionary elements proposed. The 'cost' of the scheme would be fully met by the Government via associated grant funding.

The key principles of the rate relief policy were summarised as follows:

- Business rate relief would be available to new businesses moving into the Freeport tax site after the date on which the relevant Freeport tax site was formally designated (and on or before 30 September 2026), and occupying both existing and new hereditaments on the rating list.
- Business rate relief would be available for 5 years from the date it was first claimed. Businesses would be able to claim the relief, where eligible, from the date on which the Freeport East tax site was formally designated (and on or before 30 September 2026).
- New businesses which expanded after moving into the Freeport site (whether into new or existing buildings) would, in addition to any existing relief, be eligible for relief on any additional hereditaments they occupied in the Freeport tax site.

The recommendations above provided for the flexibilities to administer the policy along with making any necessary changes that might emerge as the wider project developed, which would include responding to the new Subsidy Control requirements that came into force on 4 January 2023.

Members' attention was drawn to Section 3.6.1 of the MOU, which stated: *"Before releasing public funding associated with the Freeport Programme to end users in the Freeport, the Body granting the subsidy will satisfy itself that doing so is compliant with UK legislation on subsidies."* The new Subsidy Control Act 2022 ("the Act") had come into effect from 4th January 2023 and would need to be considered at the appropriate time, as the legislation provided a new framework and regulated the award of financial assistance, as a subsidy, by public authorities and their agents to organisations which were engaged in economic activities.

Members were informed that Statutory Guidance for the United Kingdom Subsidy Control Regime had been issued by the Secretary of State for the Department for Business, Energy and Industrial Strategy (BEIS) under section 79 of the Act. Under section 79(6) public authorities must have regard to this guidance (so far as applicable to the authority and the circumstances of the case) when giving a subsidy or making a subsidy scheme. The guidance explained the legal obligations on public authorities under the domestic subsidy control regime and provided a framework for designing and awarding subsidies in a way which was consistent with the Act. This guidance was designed to help public authorities award subsidies in a way which minimised any negative impacts to competition and investment, as well as promoting the effective and efficient use of public money.

The Statutory Guidance referred to Streamlined Routes and primary public authority schemes in paragraphs 12.42 12.43. Streamlined Routes (referred to Streamlined Subsidy Schemes in the Act) were a particular type of subsidy scheme, made by Government for the benefit of public authorities. Transparency requirements applied to Streamlined Routes and they would therefore appear on the database alongside other subsidy schemes and would have associated subsidy awards. Primary public authorities could also create schemes for the use of other priorities in accordance with Chapter 2 of the guidance. Through the consultation period on the draft guidance, submissions had been made for Freeports to become a 'streamlined route' due to their policy objectives and could therefore apply to other Freeports nationally. Currently, this

was not the case, with the four streamlined routes under consideration by the Government however, there was always the potential for a streamline route to be added in future, or for a subsidy scheme to be created. Further work on this with other local authorities and the Freeport East company was required prior to any financial assistance being given. In the form of a tax measure (that is, a relief or exemption from a specific tax), it was given at the point at which the taxpayer became entitled to the subsidy.

Harwich Tax Site

Cabinet was reassured that the Harwich Tax Site at Bathside Bay remained a key focus of the Council. Previous financial modelling within the Outline Business Case for the Harwich Tax Site had indicated total gross retained rates income in the region of £70m over 25 years. As a result the Harwich Tax Site would generate too little business rates income to cover the capital investment required to develop the site (given the expected level of private investment). The updated modelling for the Full Business Case demonstrated the potential for over £100m of business rates income from the site, which would make the site viable. Therefore, the Council was working on the mechanism for a public body to put sufficient funding into site development up front, and be repaid by future business rates income over a likely 25 year period.

The Council's Freeport East Policy for Managing Retained Business Rates set out how retained business rates in Pot B could be used to pay for development costs of the Harwich Tax site. However, the Council was not in a position to borrow against this Pot B income to invest in the site, given the scale of the Council's resources and the scale of the project.

The 'cost' of awarding business rate relief via the proposed Freeport Business Rate Relief Policy would be fully reimbursed by the Government with no 'cost' therefore falling to the Council.

It was assumed that the above will be administered via the existing annual Business Rate forms and returns processes with the Government.

An additional risk relating to the Harwich Tax site was that seed capital funding for this site would be withheld until a detailed funding plan for the site had been provided to DLUHC by Freeport East Ltd.

It was reported that the Government intended to offer Stamp Duty relief on land purchases within Freeport tax sites in England where that property was to be used for qualifying commercial activity. It was intended that this relief would apply from 1 April 2021 until 31 March 2026. For the Harwich Tax Site, Bathside Bay the forecast was for units to become live commencing in 2024/25 and full build out in 15 years. The aim was that from 2025-2026 business rates would flow for local investment so from 2027 onwards the cost of site infrastructure could be repaid and potentially proposals for regeneration could be developed and funded. From September 2046 business rates from Freeport East sites would flow to central government, rather than locally.

The Leader of the Council thanked the members of his Working Party for their many helpful and useful ideas and suggestions that had been offered up in a constructive and apolitical manner.

Recognising that –

the Council was required to sign the Memorandum of Understanding for Freeport East to progress, and for the £25m capital seed funding to be released to the programme and that delegating that decision to the Portfolio Holder for Corporate Finance and Governance ensured that the Council would not be responsible for any delay in the process of establishing Freeport East's day-to-day operation until the next Cabinet meeting;

it was considered appropriate to request the Portfolio Holder for Finance and Deputy agree to the MOU in order to provide a separation from the Leader of the Council as he also occupied a position on the Freeport East Company Board and given that the Council was required to enter into the MOU as a Billing Authority for the area; and

the Council was required to develop policies in conjunction with the other Billing Authorities in Freeport East, to agree on the use of the rates retained, and to assist with the development of the Freeport sites.

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

RESOLVED that Cabinet –

- (a) notes the progress made with the Freeport East Programme as set out in the joint report of the Leader of the Council and the Portfolio Holder for Corporate Finance & Governance (A.2);
- (b) delegates the authority, acting on behalf of the Council as Billing Authority, to agree the final Freeport East Memorandum of Understanding (MOU) to the Deputy Leader of the Council & Portfolio Holder for Corporate Finance and Governance;
- (c) approves and adopts TDC's Freeport East Policy for Managing Retained Business Rates, as attached as Appendix B to item A.2 of the joint report of the Leader of the Council and the Portfolio Holder for Corporate Finance & Governance;
- (d) approves and adopts the Freeport Business Rates Relief Policy, as attached as Appendix C to item A.2 of the joint report of the Leader of the Council and the Portfolio Holder for Corporate Finance & Governance;
- (e) delegates authority to the Assistant Director (Finance & IT) to implement and administer the Business Rates Relief Policy as adopted; and
- (f) delegates authority to the Assistant Director (Finance & IT), in consultation with the Portfolio Holder for Corporate Finance and Governance and the Portfolio Holder for Housing to amend the scheme to reflect any emerging Government guidance / legislation.

100. LEADER OF THE COUNCIL'S ITEMS - A.3 - HIGHLIGHT PRIORITY ACTIONS 2022/23 TOWARDS CORPORATE PLAN THEMES - MONITORING REPORT AT THE THREE QUARTERLY POINT

Cabinet considered a report of the Leader of the Council (A.1) which provided it with an update on the positive progress with the Highlight Priority Actions adopted for 2022/23 towards the Council's Corporate Plan Themes for 2020/24.

The Cabinet was aware that the Corporate Plan 2020/24, adopted by Council, set out the strategic direction and policy objectives for the Council over that period. Taking into account the Corporate Plan Themes, Cabinet at its meeting held on 25 February 2022 had adopted a series of highlight priority actions for 2022/23 with individual milestones for each of those actions. This meeting of Cabinet provided an opportunity to report on the nine month position on each of those highlight priority actions and the specified milestones.

Members were reminded that circumstances generally (and as individual highlight priority actions were progressed) could impact on the achievement of individual milestones associated with those actions. The Leader's report invited Cabinet to realign (or further realign) certain milestones as set out in the Appendix to that report where such circumstances had impacted on the timing of individual milestones.

Members were aware that, normally, this meeting of Cabinet would also finalise its proposals for highlight priority actions for 2023/24. However, with the proximity of the election of all 48 District Councillors on Thursday 4 May 2023, the adoption of highlight priorities now could be seen as making commitments that would bind the Council following the elections. This seemed un-necessary and to run counter to the approach being taken in the budget process where the opportunity existed to leave allocation of the Revenue Support Grant and new Homes bonus to the Council's administration after 4 May. As such, it was proposed to use the start of the 2023/24 financial year to complete/progress the highlight priorities for 2022/23 where there were matters to be progressed/completed.

Cabinet was informed that the Corporate Plan would continue to guide activity in that period. During that period and in advance of the administration following the election being confirmed formally, Officers would seek to gain insight of partners and the public on the priorities of, and pressures on, the Council to support decision making later in 2023 and the development of the 2024-28 Corporate Plan. The focus of the next Corporate Plan might be more restrictive than the current Corporate Plan due to the ongoing and future pressures on the Council.

In considering this report, Cabinet also reflected on the range of significant matters that the Council had delivered in the previous six months. It had been a busy six months and a range of the bids, and deliverables in that period were set out in the background section of the Leader's report and covered matters including:-

- (1) Tendring4Growth Business Fortnight to champion local Firms;
- (2) New rubbish bags for community litter picks;
- (3) BOFSTED reports good progress in Apprenticeship provider (Career Track);
- (4) Gold Award to TDC as positive employer of Armed Forces community;
- (5) Learning from Junior Ambassadors showcased at celebration event;
- (6) Christmas Panto beats Box Office record again;
- (7) Investment Plan approved for almost £1.2 million spending in District of Tendring;
and
- (8) Funding given to demolish disused Town Centre building.

In order that certain milestones associated with particular highlight priorities referenced in the report could be adjusted:-

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

RESOLVED that -

- (a) the contents of the report together with the proposed realignment of particular milestones and adoption of new milestones, for particular highlight priority actions set out in the report be noted and endorsed; and
- (b) Officers be authorised to commence early engagement with partners and the public to seek insight on future priorities for the Council in readiness for development of the Corporate Plan during 2023.

101. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.4 - UPDATED GENERAL FUND FINANCIAL FORECAST INCLUDING PROPOSED BUDGET CHANGES IN 2022/23 ALONG WITH BUDGET PROPOSALS FOR 2023/24

Cabinet considered a report of the Corporate Finance & Governance Portfolio Holder (A.4) which:-

- set out the updated financial forecast, including budget changes in 2022/23 and budget proposals for 2023/24;
- sought its agreement for the latest financial forecast / budget proposals and council tax amount for 2023/24 to be submitted to Full Council; and
- sought delegations to the Portfolio Holder for Corporate Finance and Governance to agree the detailed budget proposals and formal draft resolutions / 'technical' appendices required for Full Council on 14 February 2023.

It was reported that since the Cabinet's meeting held on 16 December 2022, additional changes had been required, primarily as a result of new or revised information becoming available which included the Government's Financial Settlement announcements. The changes required had resulted in a reduced deficit for 2023/24 of **£2.487m**, a change of **£0.946m** compared to the **£3.433m** deficit presented to Cabinet in December.

Appendices A and B to the Portfolio Holder's report provided further details across the various lines of the forecast, with the most significant change being the receipt of the revenue support grant and other associated funding from the Government.

Given the impact of the various changes to the forecast across the remaining forecast period, it was proposed by the Portfolio Holder to transfer the remaining balance of funding of £1,643,290 as set out within Appendix A to the Forecast Risk Fund. This was required to support the forecast across 2024/25 to 2026/27 based on the updated estimated position set out in Appendix B.

Cabinet was informed that in order to enable the detailed estimates along with the various resolutions / 'technical' appendices required for Full Council on 14 February

2023 to be finalised, a delegation to the Portfolio Holder for Corporate Finance and Governance was required. A further delegation was also required to enable a business rate relief policy, associated with a 2023/24 mandatory Government relief scheme, to be finalised in advance of bills being printed and sent out before the start of the next financial year.

This report also set out a proposed Council Tax Support Fund Scheme, which reflected the associated Government guidance.

Members were made aware that the recommendations also included a delegation to the Corporate Finance and Governance Portfolio Holder to agree expenditure to support climate change initiatives, following an associated adjustment to the budget for 2022/23 set out within Appendix A.

It was likely that the budget position set out in this report would change, as further adjustments would be required as part of finalising the budget for presenting to Council on 14 February 2023, with a further delegation included in the report's recommendations to reflect this.

Cabinet was informed that, based on the final proposed budget for 2023/24, the Council Tax requirement was **£9.603m**, which was based on a **3% (£5.47)** increase for this Council's services, with a Band D council tax of **£188.11**. Those figures would remain unchanged and therefore would be reflected in the various budget resolutions / 'technical' appendices proposed to be delegated to the Portfolio Holder for Corporate Finance and Governance.

Similarly to last year, the approval of the associated Treasury Strategy for 2023/24 for consultation with the Resources and Services Overview and Scrutiny Committee was recommended to be delegated to the Portfolio Holder for Corporate Finance and Governance.

Having considered the latest financial position for the Council and in order to respond to the emerging issues in 2022/23 and to develop the budget and long term forecast along with final budget proposals for 2023/24 for recommending to Full Council on 14 February 2023:-

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

RESOLVED that Cabinet –

- a) approves the updated Financial Forecast including a revised position for 2022/23 and proposed position for 2023/24, as set out in the Portfolio Holder's report and Appendices (A.4) and recommends to Full Council a Band D Council Tax for district services of £188.11 for 2023/24 (a £5.47 increase), along with the associated council tax requirement of £9.603m;
- b) agrees a delegation to 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 14 February 2023;
- c) approves that, in consultation with the Leader of the Council and the Corporate Finance and Governance Portfolio Holder, the Chief Executive reports 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) approves a delegation to the Portfolio Holder for Corporate Finance and Governance to agree / adopt a Retail, Hospitality and Leisure mandatory business rate relief scheme for 2023/24;
- (e) approves a delegation to the Portfolio Holder for Corporate Finance and Governance to agree any associated expenditure from the £250,000 Climate Change budget set out in Appendix A to his report;
- (f) approves / adopts the proposed Council Tax Support Fund Scheme as set out within the Portfolio Holder's report (A.4) and that any remaining balance be transferred to the existing Council Tax Hardship scheme; and
- (g) agrees a delegation to the Portfolio Holder for Corporate Finance and Governance to approve the draft Treasury Strategy 2023/24 for consultation with the Resources and Services Overview and Scrutiny Committee.

102. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING PORTFOLIO HOLDER - A.5 - PROPOSED RE-DEVELOPMENT OF THE FORMER HONEYCROFT SHELTERED ACCOMMODATION SITE, WALDEGRAVE WAY, LAWFORD

Cabinet considered a report of the Housing Portfolio Holder (A.5) which:-

advised it of the proposals for redevelopment of the Honeycroft, Lawford site following an open tender process;

sought its approval of the acquisition and redevelopment scoring/appraisal for use of the site for housing for older persons purposes;

sought its approval to proceed with the scheme and with the bid made by Rose Builders;

sought its recommendation to Full Council that funding from receipts be allocated to the proposals; and

sought a delegated authority to the Corporate Director (Operations and Delivery), in consultation with the Housing Portfolio Holder, to determine the detailed scheme content.

Cabinet recalled that, following completion of the demolition of the former Honeycroft sheltered accommodation in June 2021, it had decided on 16 July 2021 to seek proposals in respect of the redevelopment of the site. An open tender process had now been undertaken in conjunction with procurement partners at Essex County Council.

Members were made aware that the specification for the scheme had enabled bidders to propose their own designs and construction methods. However, it had been requested that the scheme should be as energy efficient as possible and bidders had been encouraged to be innovative in this regard. A range of local developers and builders had been advised of the bidding opportunity as were a number of

manufacturers and consortia who had contacted the Council over the recent past promoting their development and construction services.

It was reported that proposals had now been received and evaluated, with the preferred scheme made up of fully accessible and adaptable bungalows; a small community facility with optional additional accommodation above; and all associated parking and landscaping to benefit the site.

Members were informed that three submissions were received which had been evaluated by Officers on a combined price, quality and social value basis. The recommended bidder was Rose Builders who had put forward a scheme (proposed site plan attached at Appendix C to the Portfolio Holder's report) to construct 13 new lifetime bungalows, a small community building with an optional flat above and all the associated landscaping and parking necessary for the site.

The proposed scheme incorporated many carbon reducing technologies, including solar panels, heat pumps, water butts, electric vehicle charging points and even the option of a green wall.

The tender cost submitted for the development was £2,828,717.05, however, there were a number of caveats to this and therefore the sum of £3,250,000.00 was requested as the budget for the scheme.

Recognising that –

the proposed development would provide specialist accessible properties that reflected the past use of the site and were much needed to meet the current housing demand (scoring under the Housing Acquisition and Development Assessment showed an aggregate score of 28);

the properties would be lifetime homes and would provide accessible living for later life and enable people to stay in their own community despite changing physical needs;

the scheme incorporated many carbon and energy saving measures to meet current and future energy efficiency demands, making them cheaper to run and therefore combating fuel poverty;

redevelopment supported many of the Council's current corporate priorities for 2020 – 2024 as well as the priorities in the Housing Strategy 2020 – 2025;

the proposal made by Rose Builders included the highest number of residential units and scored highest overall in the quality and social value assessments as well as overall when considered in terms of financial and non-financial assessments; and

that Rose Builders were a respected local construction firm who had their main office in the Manningtree and Lawford area and therefore had a vested interest in providing a good quality and successful development for their own reputational reasons in this area.

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

RESOLVED that Cabinet –

-
- (a) agrees to the principle of re-development of the Honeycroft site to provide additional housing accommodation to be used for the sole purpose of occupation by elderly persons;
 - (b) agrees the scoring matrix for the use of the site Honeycroft site for redevelopment purposes in accordance with the Council's Acquisition and Development Policy Assessment, as set in Appendix A to the Portfolio Holder's report (A.5);
 - (c) approves the re-development of the Honeycroft site on the basis of the scheme proposed by the recommended supplier, including the optional flat above the proposed community building and agrees to enter into a contract with them to deliver the Scheme, subject to funding being approved by Full Council as part of setting the HRA budget; and
 - (d) authorises the Corporate Director (Operations and Delivery), in consultation with the Housing Portfolio Holder, to determine the detailed scheme content and implement the redevelopment of the Honeycroft site subject to the funding being agreed by Full Council on 14 February 2023 as part of their consideration of the wider HRA Budget Proposals for 2023/24.

103. CABINET MEMBERS' ITEMS - JOINT REPORT OF THE HOUSING PORTFOLIO HOLDER AND THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.6 - UPDATED HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET PROPOSALS 2023/2024

Cabinet considered a joint report of the Housing Portfolio Holder and the Corporate Finance & Governance Portfolio Holder (A.6), which sought its approval of the updated Housing Revenue Account (HRA) Business Plan for years 2022/23 and 2023/24 along with the final HRA budget proposals 2023/24 (including fees and charges, capital programme and movement in HRA Balances) for recommendation to Council on 14 February 2023.

It was reported that, since the Cabinet's meeting on 16 December 2022, a number of minor changes had been required in 2023/24, with 2022/23 remaining unchanged.

The changes required in 2023/24 had resulted in the overall deficit increasing marginally to **£0.296m** a change of **£0.022m** compared to the position reported to Cabinet in December 2022. Appendix A to the joint report set out the updated Business Plan, in terms of 2022/23 and 2023/24, with Appendix B setting out the proposed detailed budgets that reflected this latest position.

Members were made aware that this position remained subject to further adjustments that might be required as part of finalising the budget for presenting to Council on 14 February 2023, with a delegation included in the joint report's recommendations to respond to that possibility.

Cabinet was informed that Appendix C set out the proposed fees and charges for 2023/24, which broadly reflected inflationary uplifts of 7% where relevant or changes to better reflect the cost of providing the associated service.

The proposed HRA Capital Programme for 2023/24 was set out in Appendix D, which now included the Honeycroft New Build Scheme and the redevelopment of Spendells House.

Cabinet was advised that the average weekly rent remained unchanged to the figure reported in December 2022 at £93.68, an increase of 7% over the comparable figure of £87.55 for 2022/23.

It was reported that the HRA general balance was forecast to total £3.754m at the end of 2023/24, which retained a strong financial position against which the associated HRA 30 year Business Plan could continue to be delivered / developed. The HRA balances, together with the proposed rent increase for 2023/24 were important elements of delivering a sustainable HRA in the longer term.

Cabinet was notified that the HRA debt continued to reduce year on year as principal was repaid with a total debt position at the end of 2023/24 forecast to be £33.949m (a reduction of £1.414m compared with the figure at the end of 2022/23).

Members were informed that it was proposed to consult with the Tenants' Panel on 7 February 2023, with any comments planned to be reported to Members either ahead of, or directly at, the Full Council meeting on 14 February 2023.

In order to enable the most up to date HRA Business Plan which sets out a revised position for 2022/23 along with the proposed HRA budget for 2023/24, and to enable associated recommendations to be presented to Full Council on 14 February 2023:-

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

RESOLVED that Cabinet –

- (a) approves the updated HRA 30 year Business Plan, which includes the proposed position for 2022/23 and 2023/24, as set out in Appendix A to item A.6 of the Joint Report of the Housing Portfolio Holder and the Corporate Finance & Governance Portfolio Holder;
- (b) authorises the Assistant Director (Finance & IT), in consultation with the Housing Portfolio Holder, to adjust the forecast / budget, including the use of reserves, if the financial position changes prior to Council considering the HRA budget on 14 February 2023; and
- (c) endorses and approves for submission to Full Council on 14 February 2023 a 7% increase in dwelling rents in 2023/24 along with the detailed HRA Budget proposals for 2023/24, as set out in Appendices B to E to the Joint Report of the Housing Portfolio Holder and the Corporate Finance & Governance Portfolio Holder (A.6).

104. CABINET MEMBERS' ITEMS - REPORT OF THE LEISURE & TOURISM PORTFOLIO HOLDER - A.7 - TOWN POLICE CLAUSES ACT 1847 - ADOPTION OF TENDRING DISTRICT COUNCIL ROAD CLOSURE POLICY

Cabinet considered a report of the Leisure and Tourism Portfolio Holder (A.7), which sought its approval for the adoption of a Tendring District Council policy in respect of

applications for temporary road closures under section 21 of The Town Police Clauses Act 1847.

Members were aware that the number of applications for temporary road closures had increased in recent years, which had highlighted the need for, and benefits associated with, clearer rules associated with road closure applications.

Consequently, a (draft) Tendring District Council Local Road Closures Policy for special events under section 21 of The Town Police Clauses Act 1847 was attached to the Portfolio Holder's report as Appendix A for Cabinet's consideration.

Recognising that the adoption of a Local Road Closure Policy for events applied for under the Town Police Clauses Act 1847 would improve administration and efficiency associated with applications for the temporary closure of roads; provide a basis for setting fees and charges; reduce complaints concerning inconsistency of decisions made; and increase clarity around the roles and responsibilities of both applicant and administrator:-

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

RESOLVED that Cabinet –

- a) approves and adopts the Tendring District Council Local Road Closure Policy for special events;
- b) authorises the Assistant Director (Building and Public Realm), in consultation with the Portfolio Holder for Leisure and Tourism to update the policy with any future legislative, or best practice, changes; and
- c) approves that fees will be waived for street parties organised for the weekend of the Coronation of His Majesty the King, or of national importance as determined by the Portfolio Holder at the relevant time.

105. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.8 - COVID-19 MEMORIAL

Cabinet considered a report of the Partnerships Portfolio Holder (A.8), which updated it regarding the proposal to erect a Covid-19 Memorial within the District of Tendring.

Members recalled that, further to the decision taken by Full Council at its meeting held on 30 November 2021 (Minute 94 referred), the Leader of the Council had informed Cabinet at its meeting held on 25 February 2022, that he had requested the Portfolio Holder for Partnerships (Councillor Lynda McWilliams) to work with Councillors Mark Stephenson and Gina Placey on the installation of a Covid-19 Memorial and to report back to Cabinet in due course. He had urged them to 'think positive and think big' and gave by way of an example of a public art project the "Angel of the North".

Following this Officers and the aforementioned Councillors had worked together to explore the relevance and need for a large piece of public art to reflect on lives lost and changed during the Covid-19 pandemic. The purpose of a piece of prominent art would be to provide communities with a space to reflect how those communities had supported each other during times of challenge and uncertainty and to create a space to represent

lives lost. This work had included background research, site visits and a bid to the Arts Council for funding.

Acknowledging that:-

- 1) the working group of Councillors had identified that Clacton-on-Sea, with the largest population in the District should be identified as the preferred area for the installation of the piece of public art; and
- 2) that following a visit to various sites across Clacton-on-Sea with the Head of Public Realm a potential site had been identified at Anglefield. This site required improvement but had the necessary space to install a piece of public art which could be viewed by residents and visitors to the District.

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

RESOLVED that –

- (a) the contents of this report be noted;
- (b) external funding streams continue to be pursued to install a piece of public art within the District as opportunities arise;
- (c) if successful a more general piece of public art, rather than a Covid-19 memorial maybe more likely as the availability of external funding streams appear to be linked to economic growth and tourism;
- (d) the Council's general fund is not considered as the appropriate funding route for this project in light of current budgetary pressures; and
- (e) the Anglefield, Clacton-on-Sea site be approved for the installation of a piece of public art, if future funding can be secured.

106. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.9 - EQUALITY AND INCLUSION STRATEGY 2023 TO 2027

Cabinet considered a report of the Partnerships Portfolio Holder (A.9), which presented it with a four-year Equality and Inclusion Strategy and which sought its approval for its adoption and roll out following a period of consultation.

Cabinet was made aware that, in accordance with the requirements of the Equality Act, 2010, all public bodies, including local authorities, were subject to what was referred to as the 'Public Sector Equality Duty (PSED)'. This duty required public bodies to pay due regard to the following:

- *Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.*
- *Advance equality of opportunity between people who share a protected characteristic and those who do not; and*
- *Foster good relations between people who share a protected characteristic and those who do not.*

As part of this PSED local authorities were required to have and publish their equality and diversity objectives, showing how they would meet those requirements. This Equality and Inclusion Strategy set out how Tendring District Council (the Council) would meet its obligations under the PSED over the period of 2023 to 2027.

Following the period of consultation Cabinet was asked to approve this strategy for publication and implementation.

Members were informed that the Equality and Inclusion Strategy set out five objectives underneath each of which were listed the ways in which the organisation would seek to achieve them over the lifetime of the Strategy. The contents were aligned to the existing Corporate Plan and priorities and other documents such as the forthcoming Community Engagement Strategy, Local Plan, Housing Strategy, Economic Growth priorities and by working in close partnership with other providers. The five objectives were:

1. *Engage and communicate in appropriate and accessible ways*
2. *Ensure we deliver inclusive and responsive services*
3. *Foster good relations with and within the community*
4. *Break the cycle of inequality and improve life chances*
5. *Develop and support an inclusive workforce*

In order to enable the adoption and publication of an Equality and Inclusion Strategy for this Council:-

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

RESOLVED that Cabinet –

- (a) approves for publication the Equality and Inclusion Strategy, as set out in the Appendix to item A.9 of the Report of the Partnerships Portfolio Holder; and
- (b) approves the proposed roll out plan for the Equality and Inclusion Strategy.

107. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.10 - ESSEX ANCHORS INITIATIVE UPDATE

Cabinet considered a report of the Partnerships Portfolio Holder (A.10), which updated it on the progress of the Essex Anchors initiative, including specific work relating to the District of Tendring.

It was reported that Anchor organisations were usually large organisations which were locally based and had the leverage to maximise social value through their role as workplace developers, employers and procurers, their core business (for example health and education) and the linkages they had to the place they operated. They were typically large, non-profit organisations such as hospitals, local Councils and universities.

Members were informed that, over the past 18 months, 30 Anchor organisations had come together across Greater Essex to work collaboratively on a number of priorities including Climate Action, Employability and Social Value.

Cabinet was made aware that the Chairman of the Essex Anchors Initiative was TDC's Chief Executive (Ian Davidson) and the Vice Chairman was Ed Garratt, the Chief Executive of the North East Essex/Suffolk Integrated Care Board.

Recognising that the work of the Essex Anchors Initiative had made progress in the areas of Employability, Climate Action and Social Value; that there were also plans in place for the future development of the Anchors' work; and that the Anchors' work was already showing success, including additional funding being pooled to deliver apprenticeships (£1m), fuel poverty training for front line employees, reverse job fairs and active travel:-

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

RESOLVED that Cabinet –

- (a) notes the progress of the Essex Anchor initiative across Greater Essex to date;
- (b) supports the anchor approaches and pledges, as highlighted in Appendix A to item A.10 of the Report of the Partnerships Portfolio Holder, acknowledging the ethos is already in place across the Council;
- (c) formally recognises Tendring District Council as an Anchor Organisation seeking to maximize social value through their role as workforce developers, employer and procurer, through its core business and linkages to the place they operate; and
- (d) commits to continuing to embed the ethos through existing and new policies, procedures and initiatives within the resources and capacity available.

108. MANAGEMENT TEAM ITEMS

There were no Management Team items submitted for Cabinet's consideration on this occasion.

109. EXCLUSION OF PRESS AND PUBLIC

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

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

110. EXEMPT MINUTE OF THE MEETING HELD ON FRIDAY 16 DECEMBER 2022

It was **RESOLVED** that the exempt minute of the meeting of the Cabinet, held on Friday 16 December 2022, be approved as a correct record and be signed by the Chairman.

The Meeting was declared closed at 11.14 am

Chairman