



## CABINET

<b>DATE:</b>	<b>Friday, 27 January 2023</b>
<b>TIME:</b>	<b>10.30 am</b>
<b>VENUE:</b>	<b>Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE</b>

### MEMBERSHIP:

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

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**DATE OF PUBLICATION: THURSDAY, 19 JANUARY 2023**

## AGENDA

### **1 Apologies for Absence**

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

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

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 16 December 2022.

### **3 Declarations of Interest**

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

### **4 Announcements by the Leader of the Council**

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

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

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

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

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

### **7 Matters Referred to the Cabinet by a Committee - A.1 - Reference from the Resources and Services Overview & Scrutiny Committee - Scrutiny of the Budget (Pages 15 - 18)**

To enable the Cabinet to consider 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.

### **8 Leader of the Council's Items - A.2 - Freeport East Progress and Agreement of Memorandum of Understanding (Pages 19 - 52)**

To update Cabinet on progress with Freeport East, and draw Cabinet's attention to the obligations placed on Tendring District Council (TDC) by the Freeport East Memorandum of Understanding (MoU).

To recommend 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.

To set out the new TDC Business Rates Retention Policy for Freeport East and to agree a Freeport Business Rates Relief Policy.

### **9 Leader of the Council's Items - A.3 - Highlight Priority Actions 2022/23 towards Corporate Plan Themes - Monitoring Report at the Three Quarterly Point (Pages 53 - 76)**

To provide the Cabinet 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.

**10 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 (Pages 77 - 102)**

To enable Cabinet to:

- consider the updated financial forecast, including budget changes in 2022/23 and budget proposals for 2023/24;
- agree the latest financial forecast / budget proposals and council tax amount for 2023/24 for recommending to Full Council; and
- approve 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.

**11 Cabinet Members' Items - Report of the Housing Portfolio Holder - A.5 - Proposed Re-Development of the Former Honeycroft Sheltered Accommodation Site, Waldegrave Way, Lawford (Pages 103 - 124)**

To advise Cabinet of the proposals for redevelopment of the Honeycroft, Lawford site following an open tender process.

To seek approval of the acquisition and redevelopment scoring/appraisal for use of the site for housing for older persons purposes.

To seek Cabinet's approval to proceed with the scheme and with the bid made by Rose Builders.

To seek Cabinet's recommendation to Full Council that funding from receipts is allocated to the proposals.

To delegate authority to the Corporate Director (Operations and Delivery) in consultation with the Housing Portfolio Holder to determine the detailed scheme content.

**12 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 (Pages 125 - 144)**

To seek Cabinet's approval of the updated Housing Revenue Account (HRA) Business Plan for years 2022/23 and 2023/24 along with final HRA budget proposals for 2023/24 (including fees and charges, capital programme and movement in HRA Balances) for recommendation to Council on 14 February 2023.

**13 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 (Pages 145 - 160)**

To seek 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.



**14 Cabinet Members' Items - Report of the Partnerships Portfolio Holder - A.8 - Covid-19 Memorial (Pages 161 - 180)**

To provide Cabinet with an update regarding the proposal to erect a Covid 19 Memorial within the District of Tendring.

**15 Cabinet Members' Items - Report of the Partnerships Portfolio Holder - A.9 - Equality and Inclusion Strategy 2023 to 2027 (Pages 181 - 196)**

To present to Cabinet a four-year Equality and Inclusion Strategy and seek approval for its adoption and roll out.

**16 Cabinet Members' Items - Report of the Partnerships Portfolio Holder - A.10 - Essex Anchors Initiative Update (Pages 197 - 216)**

To update Cabinet on the progress of the Essex Anchors initiative, including specific work relating to the District of Tendring.

**17 Management Team Items**

There are no items submitted by the Management Team on this occasion.

**18 Exclusion of Press and Public**

The Cabinet is asked to consider passing the following resolution:

*“That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda 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.”*

**19 Exempt Minute of the Meeting held on Friday 16 December 2022 (Pages 217 - 218)**

To confirm and sign as a correct record the exempt minute of the meeting of the Cabinet held on Friday 16 December 2022.

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

*The next scheduled meeting of the Cabinet is to be held in the Committee Room, Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 17 February 2023.*

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

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

Notice is hereby given that, in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Agenda Item No. 19 is likely to be considered in private for the following reason:

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

Agenda Item 19 - Exempt Minute of the Meeting held on Friday 16 December 2022

## **Information for Visitors**

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

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**MINUTES OF THE MEETING OF THE CABINET,  
HELD ON FRIDAY, 16TH DECEMBER, 2022 AT 10.30 AM  
COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15  
1SE**

**PRESENT:**

Councillor N R Stock OBE  
Councillor J D Bray  
Councillor G V Guglielmi

Councillor P B Honeywood  
Councillor L A McWilliams  
Councillor M C Newton  
Councillor A O J Porter  
Councillor M J Talbot

**PORTFOLIO:**

Leader of the Council (Chairman)  
Portfolio Holder for Planning  
Deputy Leader of the Council & Portfolio Holder for  
Corporate Finance and Governance  
Portfolio Holder for Housing  
Portfolio Holder for Partnerships  
Portfolio Holder for Business & Economic Growth  
Portfolio Holder for Leisure & Tourism  
Portfolio Holder for Environment & Public Space

**Group Leaders Present by Invitation:**

Councillors E T Allen (Leader of the Tendring First Group)(except items 75 – 82), J B Chapman BEM (Leader of the Independents Group)(except items 85 (part) – 90), I J Henderson (Leader of the Labour Group), G G I Scott (Leader of the Liberal Democrats Group)(except items 86 – 90), C P Winfield (Leader of the Holland-on-Sea Group) and A P H Baker (Deputy Leader of the Tendring Independents 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)), 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) and Keith Durran (Committee Services Officer)

**75. APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor M E Stephenson (Leader of the Tendring Independents Group).

**76. MINUTES OF THE LAST MEETING**

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 4 November 2022, be approved as a correct record and be signed by the Chairman.

**77. DECLARATIONS OF INTEREST**

The Leader of the Council (Councillor Stock OBE) declared an Interest in relation to his announcement below (Minute 78) insofar as he was a Director of Freeport East Limited.

Later on in the meeting (Minute 87 - A.7 – Determination of a Nomination to Register an Asset Of Community Value: St John's Ambulance Hall, 55 Station Road, Manningtree), Councillor G V Guglielmi declared for the public record that he was a local Ward Member for Manningtree but that he did not in any way consider himself to be pre-determined in this matter.

**78. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL**

Freeport East Limited

Earlier on in the meeting the Leader of the Council (Councillor Stock OBE) had declared an Interest in relation to this announcement insofar as he was a Director of Freeport East Limited.

The Leader of the Council (Councillor Stock OBE) was pleased to inform Cabinet that Freeport East Limited was now formally incorporated and had a properly appointed Board, Chairman and Chief Executive.

Devolution

Councillor Stock OBE referred to the Levelling Up and Regeneration Bill a core element of which was the intention to give effect to the framework for the greater devolution of powers from central government. The Government had a levelling up mission that 'by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement' and Councillor Stock OBE referred to the recent devolution deals for Norfolk and Suffolk.

Councillor Stock OBE reminded Members that over the last few months Leaders and Chief Executives from across Greater Essex (i.e. the County Council, the District, Borough and City Councils and the two Unitary Authorities) had been exploring the potential opportunities and implications of the devolution framework and what the potential benefits could be for Essex residents, communities, businesses and partners. To that end, Councillor Stock OBE, in his capacity as the Chairman of Essex Leaders & Chief Executives had recently written to all Borough, City, District and County Councillors in Greater Essex to offer them the opportunity to attend an online briefing on either 20 December or 21 December 2022 to receive an overview of the work that had been undertaken locally to date, as well as an opportunity to find out more about the Government's devolution framework and the planned next steps in the process.

The Chief Executive and the Portfolio Holder for Corporate Finance & Governance also addressed the meeting on this matter and Councillor Stock OBE then responded to comments made by the Leader of the Labour Group (Councillor I J Henderson).

**79. ANNOUNCEMENTS BY CABINET MEMBERS**

There were no announcements by Cabinet Members on this occasion.

**80. MATTERS REFERRED TO THE CABINET BY THE COUNCIL - A.1 - PETITION: GREEN SPACE DEVELOPMENT AND SALE - HOLLAND HAVEN**

Members were aware that an e-petition submitted by Sharon Tyler, as lead petitioner, had been received on 8 October 2022. The petition had been signed by 171 persons and stated:-

*“We the undersigned petition the Council to not sell or develop the green spaces by The Gap and at Haven Avenue/The Esplanade in Holland-on-Sea.”*

Members were reminded that asset management was an executive function and that therefore the Cabinet was the appropriate body to consider this matter.

It was reported that in accordance with the Council’s adopted Scheme for Dealing with Petitions the receipt of this Petition had been reported, for Members’ information, to the meeting of the Full Council held on 22 November 2022. This matter had now been investigated and a report prepared and presented to this meeting of the Cabinet on the basis that the Petition contained between 30 and 249 signatures.

Having discussed the petition it would be for Cabinet to decide what action, if any, would be taken.

Cabinet was made aware of the Assistant Director (Building and Public Realm)’s assessment and advice as follows:-

*“Following a motion put to the full Council in November 2020 by Councillor Placey the Cabinet requested a review of Council owned assets that could be used for the construction of new Council homes or used or released in return for capital receipts in order to support Council priorities.*

*As part of that exercise sites in Holland-on-Sea were identified for further consideration along with a number of other sites throughout the District. A total of 69 sites were identified, with three already pending action after earlier decisions.*

*A report for Cabinet’s consideration was prepared identifying the sites and inviting determination of in respect of which of them to commence the property dealing procedure. Three previously identified sites were identified for priority disposal action, two of the then identified sites were identified for action.*

*On 15 July 2022 Cabinet agreed the identified priority actions and decided to progress with the property dealing procedure in relation to all of the identified sites.*

*Officers have begun to progress the identified priority actions, as resources permit, but no detailed assessment of any of the other sites has yet been undertaken.*

*On 4 November 2022 Cabinet considered a report outlining the Council’s financial outlook including a number of housing and property investment requirements that could not be funded.*

*It is likely that looking forward it will be increasingly necessary to practice asset management in order to deliver property and other obligations and aspirations.*

*Section 123 of the Local Government Act 1972 provides that any proposal for disposal of open space must be advertised in the local press and representations taken into account. Any planning application will necessitate statutory and neighbour consultation*

*and due consideration to any responses. Both of these would happen at a later stage in the property dealing process. Cabinet may wish to note the petition, thank the petitioner and request that these views and others are taken into account as the property dealing procedure unfolds, subject to available resources.”*

Cabinet also had before it the following comment submitted by the Portfolio Holder for Corporate Finance and Governance:-

*“The sites at Holland on Sea have been identified as part of a process to review potential development or other options throughout the District. They should not be considered in isolation or outside of that process. No decision has yet been taken to build on or dispose of any land. This process was begun following questions raised at the full Council and has consumed considerable time and effort to get to this stage. Given the Council’s financial position and aspirations for housing and public space improvement the Authority must look towards careful use and rationalisation of its properties in order to reduce costs, avoid clinging to unproductive space and facilitate investment in services and facilities.”*

A local Ward Member, Councillor Winfield, at the request of the lead petitioner who had been unable to attend the meeting, presented the petition to Cabinet on behalf of the petitioners and read out a statement that had been provided to him by Ms Tyler.

Having duly considered the Petition together with the information provided in the report:-

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

**RESOLVED** that Cabinet notes the petition, thanks the petitioner and requests that these views and others are taken into account as and when the property dealing procedure unfolds, subject to available resources.

**81. MATTERS REFERRED TO THE CABINET BY A COMMITTEE**

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

**82. LEADER OF THE COUNCIL'S ITEMS**

There were no items referred to the Cabinet by the Leader of the Council on this occasion.

**83. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.2 - ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION**

Cabinet’s approval was sought in respect of the recommended changes to the Constitution for referral onto Full Council following a review undertaken by the Portfolio Holder for Corporate Finance and Governance through a Working Party constituted for that purpose.

It was reported that the main proposals covered a number of miscellaneous amendments to the Council Procedure Rules, Articles of the Constitution, Overview and Scrutiny Procedure Rules, the Property Dealing Procedure, the Procurement Procedure Rules, the Financial Procedure Rules and Delegated Powers in order to ensure the

Council's Constitution remained effective, efficient and consistent at an operational level.

A summary of the proposed changes compared to the existing parts of the Constitution was provided under each heading in the background section of the Portfolio Holder's report and in each case, the content had been revised to provide greater clarity, ensure effectiveness and efficient up to date working practices for both Members and Officers and also to ensure it was in accordance with legislation, where necessary.

Having considered the outcome of the annual review of the Constitution carried out by the Review of the Constitution Portfolio Holder Working Party and the Portfolio Holder's recommendations arising therefrom, and in order to enable those recommendations to be submitted to the Full Council for approval and adoption:-

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

**RESOLVED:-**

1. That Cabinet **RECOMMENDS TO COUNCIL** that:
  - (a) the Council's Constitution be amended to reflect the proposed changes, as set out in Appendices A to D and F to N attached hereto this report, with the exception of the proposed changes to Council Procedure Rules 12 and 14 (as contained within Appendix A) which are deferred at this time;
  - (b) Council notes and endorses the Monitoring Officer's firmly reiterated advice that Members using the "Approval of the previous Minutes" item on agendas as a way of raising matters from that previous meeting, whether loosely connected or not, is not acceptable as such actions did not comply with the need to give the requisite public notice of matters that would be discussed at a committee etc. meeting i.e. it breached local government law;
  - (c) Council further notes and endorses the proposed change to Article 7.08 (Cabinet Procedure Rule 1.5); and
  - (d) Council additionally notes that:-
    - (i) the Centre for Governance and Scrutiny, Lawyers in Local Government and the Association of Democratic Services Officers are proposing to issue guidance in the area of "call-ins" of Executive decisions and so it is likely that this Council will need to look further at this in 2023 (and particularly its implications for Overview and Scrutiny Procedure Rules 17 and 18) once that guidance is issued;
    - (ii) the practice guides prepared by the Head of Democratic Services & Elections to assist members of Overview and Scrutiny Committees and support officers to develop appropriate approaches to individual enquiries would be reviewed in Autumn 2023;
    - (iii) the Council's Procurement Strategy and the Procurement Procedure Rules will need to be reviewed once the Procurement Bill (HL) currently

at Report Stage in the House of Lords is enacted and come into effect; and

- (iv) the review of the Council's procedure for Planning Committee Site Visits as set out in the Members' Planning Code and Protocol (in Part 6 of the Constitution) is still ongoing although at this current time no constitutional changes have been highlighted as being necessary.

2. That Cabinet **resolves** that Cabinet Procedure Rule 1.5 be amended to reflect the proposed change, as set out in Appendix E attached hereto this report.

Note: The proposed changes to Council Procedure Rules 12 and 14 (as contained within Appendix A) will be further considered at an All Members' workshop and thence re-considered at a meeting of the Review of the Constitution Portfolio Holder Working Party.

**84. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.3 - UPDATED GENERAL FUND FINANCIAL FORECAST INCLUDING PROPOSED BUDGET CHANGES IN 2022/23 ALONG WITH BUDGET PROPOSALS FOR 2023/24**

Cabinet considered the updated financial forecast, including budget changes in 2022/23 and budget proposals for 2023/24 for consultation with the Resources and Services Overview and Scrutiny Committee.

Cabinet was aware that a 'live' 10-year forecast was maintained and reported to Members throughout the year and that the most up-to-date position in December each year was translated into the detailed budget for the following year for consultation with the Resources and Services Overview and Scrutiny Committee.

As part of maintaining a 'live' forecast, this Portfolio Holder report 'built' on the last position that had been presented to Cabinet on 4 November 2022. With this in mind, further adjustments had been identified for 2022/23 and 2023/24 as set out in Appendix A to this Portfolio Holder report.

As set out in the earlier reports to Cabinet, this year had seen a number of emerging issues both nationally and globally that had had a significant impact on the Council's own financial position e.g. inflation, supply chain disruption, energy cost increases, commodity price increases along with associated secondary impacts.

However, the Council had maintained a prudent and sustainable approach to its long term plan, which had provided the 'platform' against which it could consider its financial position in response to the very challenging economic position it now faced.

It was reported that further changes to the long-term forecast had been made since 4 November 2022, with a revised position set out in Appendix B.

In comparison with the position reported to Cabinet on 4 November 2022, the net overall position had improved by £68,100 and £646,530 for 2022/23 and 2023/24 respectively. However, it was not proposed to make corresponding adjustments to the funding identified to balance the budget as set out in Section 3 of Appendix A at the present



time, as more changes were expected before final budget proposals were presented to Cabinet in January 2023.

Members were informed that a review of reserves had also been undertaken, which had highlighted the need to continue to maintain a number of reserves to support key actions / activities as part of the Council's overall prudent and sustainable approach to managing its finances.

Cabinet was made aware that, at the time of this meeting, the Local Government Finance Settlement for 2023/24 had yet to be announced. Therefore, any changes emerging from the settlement would be reflected in the forecast that would be reported to Cabinet in January 2023 when it considered its final budget proposals for recommending to Full Council in February 2023.

Members were advised that the budget included a Council Tax levy increase of 3%, with this level of increase expected to be confirmed as part of the wider finance settlement announcements. No revenue support grant had been included in the budget for 2023/24 at this stage.

Once the final position for 2023/24 was determined, the remaining years of the 10-year forecast would be revised, set against the budget position for 2023/24 and would be reported to Members later in the budget setting process.

In addition to the above, the Portfolio Holder's recommendations included an acceptance of Tendring District Council's allocation of the Shared Prosperity Fund (including the Rural England Prosperity element) upon receiving Government sign-off of the submitted investment plan, along with a delegation to the Portfolio Holder for Business and Economic Growth to agree expenditure from that overall funding allocation.

In order to set out the latest financial position for the Council; respond to emerging issues in 2022/23 and also to develop the budget and long term forecast from 2023/24:-

It was moved by Councillor G V Guglielmi, seconded by Councillor Stock OBE 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 its Appendices;
- b) requests the Resources and Services Overview and Scrutiny Committee's comments on this latest financial forecast and proposed position for 2023/24; and
- c) accepts the funding made available to the Council as part of the Shared Prosperity Fund (including the Rural England Prosperity Fund element) and authorises the Portfolio Holder for Business and Economic Growth to agree any associated expenditure.

**85. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING PORTFOLIO HOLDER - A.4 - UPDATE ON SPENDELLS HOUSE AND REVIEW OF BUDGET**

Cabinet considered a report of the Housing Portfolio Holder (A.4), which updated it on progress with Spendells House following the decision taken on 26 June 2020 and to seek continued support for the site being retained and reconfigured for the provision of temporary housing accommodation, subject to the business case being revisited.

Cabinet recalled that at its meeting held on 26 June 2020 it had taken the decision to bring Spendells House in Walton-on-the-Naze back into use as temporary accommodation. Since that decision had been taken Officers had secured planning consent for the change in use and had completed the removal of all asbestos from within the building using appropriately licensed contractors.

It was reported that a tender exercise had now been undertaken for the remaining conversion works with the lowest and successful tender coming in at £1.25m. This figure was somewhat higher than the original 2020 estimated cost of £0.6m, of which £0.149M had already been spent on the asbestos removal works. Furnishing the scheme was now estimated to cost in the region of £0.06m based on recently obtained prices. This would bring the total estimated expenditure to set the scheme up ready to use to £1.4m. Given ongoing rises in inflation it was now prudent to consider a total estimated budget of £1.4m.

Those increases in cost had to be set against continued high levels of homelessness presentations and consequent temporary accommodation use and therefore the original principals of the June 2020 decision remained.

In light of the above, it was proposed by the Housing Portfolio Holder that Cabinet continued to support the Spendells house site being retained and reconfigured for the provision of temporary housing accommodation in principle, subject to the original financial appraisal / business case and funding proposals being revisited for approval by the Portfolio Holder for Corporate Finance and Governance and the Portfolio Holder for Housing.

In order to progress the provision of council owned and managed temporary housing accommodation:-

It was moved by Councillor P B Honeywood, seconded by Councillor G V Guglielmi and:-

**RESOLVED** that Cabinet -

- a) notes the update on progress and continues to support, in principle, the Spendells house site being retained and reconfigured for the provision of temporary housing accommodation;
- b) requests that Officers revisit and update the original financial appraisal / business case; and
- c) delegates the decision to proceed or otherwise to the Portfolio Holder for Corporate Finance and Governance and the Portfolio Holder for Housing subject to:-
  - i) the updated financial appraisal / business case remaining financially advantageous and value for money to the Council in terms of the overall provision of temporary accommodation; and

- ii) the identification and approval by Full Council of the necessary funding as part of the separate HRA budget setting process.

**86. CABINET MEMBERS' ITEMS - JOINT REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER AND THE HOUSING PORTFOLIO HOLDER - A.5 - PURCHASE OF THE LEASEHOLD INTEREST IN A RESIDENTIAL PROPERTY IN DOVERCOURT**

Cabinet considered a joint report of the Corporate Finance & Governance Portfolio Holder and the Housing Portfolio Holder (A.5), which sought its approval, in principle, from Cabinet for the purchase of the leasehold interest in a two-bedroom house in Dovercourt.

Members were aware that the Council was committed to increasing its housing stock in order to meet rising demands for high quality, affordable housing in the District. Those homes would be acquired or built via a range of approaches.

It was reported that this proposal was to purchase the leasehold interest in a two bedroom property in Dovercourt. The property was currently leased under the Council's Do It Yourself Shared Ownership scheme and the Council already had a 25% share of the lease and was the freeholder.

The Council had Section 106 affordable housing contribution capital receipts that would be used for this purchase. On completion the Council would have 100% ownership of the property.

The property had scored highly on the acquisition matrix, which formed part of the Acquisitions and Development Policy adopted by Cabinet in October 2020.

In June 2022 Portfolio Holder approval had been obtained to initiate the Council's Property Dealing Procedure, to obtain an independent valuation of the property and to negotiate a price with the owners.

An independent market valuation had subsequently been obtained and negotiations with the executor of the lessee's estate had been completed satisfactorily, to enable the purchase to be progressed to a conclusion. Purchasing this property would add an additional property to the Council's housing stock in the Housing Revenue Account.

In order to provide an additional dwelling for the Council's housing stock to meet local need and generate rental income whilst recognising that the purchase of the 75% leasehold interest in this property carried a financial cost:-

It was moved by Councillor P B Honeywood, seconded by Councillor G V Guglielmi and:-

**RESOLVED** that Cabinet –

- (a) authorises, in principle, the purchase of the 75% leasehold interest in this property; and
- (b) subject to its decision later in the meeting on terms, authorises the Corporate Director (Operations and Delivery), in consultation with the Assistant Director

(Governance), to enter into a contract and transfer deed to complete the purchase of the property as set out in the related Part B (private and confidential) report.

87. **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 2023/24**

Cabinet considered a joint report of the Housing Portfolio Holder and the Corporate Finance & Governance Portfolio Holder (A.6), which set out and sought its approval of an updated Housing Revenue Account HRA Business Plan, which included proposed changes in 2022/23 along with budget proposals for 2023/24.

Members were aware that, similarly, to the General Fund's long-term forecast, a 'live' HRA Business Plan was maintained on an on-going basis, with the most up to date position in December each year being translated into the detailed budget for the following year for consultation with the Resources and Services Overview and Scrutiny Committee.

It was reported that a number of changes had been made to the business plan for 2023/24 onwards that largely reflected increased inflationary pressures. Those pressures were also being experienced in 2022/23, with corresponding adjustments set out accordingly.

Cabinet was reminded that, as part of the existing guidance from the Regulator for Social Housing, rents were permitted to be increased by CPI + 1% each year. However, the Government had intervened for 2023/24 due to the significantly high CPI rate at the present time. To 'protect' existing tenants, whilst balancing the impact on Local Authorities, the Government had set a rent increase 'cap' of 7% for 2023/24. Although Councils could set lower increases, this would be a very difficult approach to adopt in terms of the future sustainability of the HRA business plan, given the 'telescopic' impact this would have. Such an impact had been previously experienced when the Government had required Councils to reduce rents by 1% over the 4 year period from 2016/17 to 2019/20 that continued to have an impact over the long-term life of the business plan.

Based on the above, the average weekly rent proposed for 2023/24 was £93.68 (£87.55 in 2022/23).

Members were informed that after taking into account the various adjustments set out in Appendix A and discussed in more detail later on in this report, there were estimated budget deficits of £195,548 and £278,839 in 2022/23 and 2023/24 respectively.

Cabinet was advised that one approach to reduce those deficits to enable a balanced budget to be set would be to consider reducing an expenditure budget, such as the money that was used for capital investment. However, the Council remained focused on its overall commitment to balance the investment in the existing homes of tenants and building / acquiring homes for local people. It was also important to acknowledge that asking tenants to pay higher rents whilst reducing the investment in their homes would be a difficult balance to justify and should be avoided as far as was financially possible.

In light of the above, it was proposed by the Portfolio Holders to fund the estimated deficits for 2022/23 and 2023/24 by calling on money from HRA balances as an alternative to reducing expenditure.

It was reported that HRA General Balances were currently estimated to total £3.777m at the end of 2023/24 (after taking account of the use of balances highlighted above) that remained available to support the 30 year Business Plan and associated risks to the forecast. The proposed HRA Capital Programme for 2023/24 reflected the commitment to maintain the necessary investment in existing stock as mentioned above.

Members were advised that 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, which also took into account the refinancing of an historic loan via an internal borrowing approach.

Cabinet was informed that, in addition to requesting comments from the Resources and Services Overview and Scrutiny Committee, it was also proposed to consult with the Tenant's Panel during January 2023, with the outcome reported to Cabinet later that month, when the final HRA budget proposals would be considered for recommending onto to Full Council in February 2023.

In addition to the above, the Portfolio Holders' recommendations also reflected the associated procurement decisions associated with the purchase of a new IT system that supports the efficient / effective administration of the in-house housing repairs function.

In order to enable Cabinet to propose the most up to date HRA Business Plan, which set out a revised position for 2022/23, along with the proposed HRA budget for 2023/24, for consultation with the Resources and Services Overview and Scrutiny Committee:-

It was moved by Councillor P B Honeywood, seconded by Councillor G V Guglielmi and:-

**RESOLVED** that Cabinet -

- a) approves the updated HRA 30 year Business Plan, which includes the proposed revised position for 2022/23 along with budget proposals for 2023/24;
- b) requests the Resources and Services Overview and Scrutiny Committee's comments on this latest HRA financial forecast, including the proposed changes in 2022/23 and proposed position for 2023/24; and
- c) agrees to an exemption from the Procurement Procedure Rules along with the associated purchase of the Oneserve IT system covering a period of 3 years from January 2023 in order to support the effective administration of the housing repairs function.

**88. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.7 - DETERMINATION OF A NOMINATION TO REGISTER AN ASSET OF COMMUNITY VALUE: ST JOHN'S AMBULANCE HALL, 55 STATION ROAD, MANNINGTREE**

Councillor G V Guglielmi declared for the public record that he was a local Ward Member for Manningtree but that he did not in any way consider himself to be pre-determined in this matter.

Cabinet considered a report of the Partnerships Portfolio Holder (A.7), which sought its determination as to whether the St Johns Ambulance Hall met the criteria set out in the Localism Act 2011 (“the Act”) and the Assets of Community Value (England) Regulations 2012 (“the Regulations”) following its nomination as an Asset of Community Value by Manningtree Town Council. No other criteria were pertinent.

It was reported that a valid nomination to register an asset of community value had been received from Manningtree Town Council.

Cabinet was reminded that if a local authority received a valid nomination, it must determine whether the land or building nominated met the definition of an asset of community value as set out in Section 88 of the Localism Act 2011 and The Assets of Community Value Regulations 2012.

Members were advised that the Government’s non statutory guidance defined an asset of community value as: “Building or other land whose main (i.e. “non-ancillary”) use furthers the social wellbeing or social interests of the local community, or has recently done so and is likely to do so in the future”. The Portfolio Holder’s report provided an assessment of the nomination.

Cabinet was aware that it should consider the content of the nomination against the statutory criteria (and no other factors) and determine whether the asset should be included within the Council’s List of Assets of Community Value.

Taking the evidence provided into account it was considered by the Portfolio Holder that the building nominated did meet the criteria set out in Section 88 of the Localism Act 2011. Accordingly, it was recommended by the Portfolio Holder that the criteria were met and that the building should be listed as an Asset of Community Value.

Cabinet recalled that it had adopted the formal procedure for administering Assets of Community Value in January 2015, when the legislation and the supporting procedures were new to local government. The Council had thus been operating within this procedure for 7 years and it was considered appropriate for a review to be undertaken, taking into account the experiences of past applications, case law around the subject matter, the strict criteria applied in making such determinations, the number of successful community bids and reviews requested. Cabinet Members had previously expressed informal support for Officers to be provided with the appropriate delegations to enable applications to be determined quicker within the strict legislative framework. However, the formal procedure would require amendment and due to the time passed since its adoption, a thorough review of operating procedures was suggested, including how reviews would be undertaken if the decisions were delegated to Officers.

Having taken into account the following:-

- (1) the site had for many years been used by the community. As well as serving the needs of St John’s Ambulance, the building had been regularly used by local groups over many years for meetings and other social events. Those groups included: Manningtree Museum, Photographic Club, the Town Council, First

Responders, Manningtree & District Royal British Legion, Yarn & Thread (informal craft & social group) and Stour Valley Men's Probus Club; and

- (2) Officers considered the building to have been recently (between 18 and 24 months) used for community purposes. Although a fundraising group might not be off the ground it was reasonable to conclude that they planned to do it or that someone else might buy and run it for some community purpose. Government guidance indicated that authorities should lean towards the potential for some group to acquire properties even if one was not immediately in a position to do so.

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

**RESOLVED** that Cabinet -

- (1) agrees that St John's Ambulance Hall, 55 Station Road, Manningtree CO11 1EB meets the definition of an Asset of Community Value, as set out in Section 88 of the Localism Act 2011, and that the asset be added to the Council's list of Assets of Community Value; and
- (2) requests that the formal procedure for administering Assets of Community Value, adopted by Cabinet in 2015, be reviewed to enable determinations to be made by Officers under delegated powers and the appropriate review mechanism proposed for consideration.

**89. MANAGEMENT TEAM ITEMS**

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

**90. EXCLUSION OF PRESS AND PUBLIC**

It was moved by Councillor Stock OBE, seconded by Councillor G V Guglielmi 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 17 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.

**91. CABINET MEMBERS' ITEMS - JOINT REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER AND THE HOUSING PORTFOLIO HOLDER - B.1 - TERMS FOR THE LEASEHOLD PURCHASE OF A PROPERTY IN DOVERCOURT**

**RESOLVED** that Cabinet -

- (a) approves the terms for the leasehold purchase, as attached to the Portfolio Holders' joint private and confidential report; and
- (b) authorises the Corporate Director (Operations and Delivery), in consultation with the Assistant Director (Governance) to enter into a contract and transfer deed to complete the purchase of the property on the terms set out and subject to such other terms that he considers necessary.

The Meeting was declared closed at 12.04 pm

**Chairman**



## CABINET

27 JANUARY 2023

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

#### A.1 SCRUTINY OF THE BUDGET

(Report prepared by Keith Durran and Keith Simmons)

##### **BACKGROUND**

In accordance with the requirements of the Budget & Policy Framework Procedure Rules the Resources and Services Overview and Scrutiny Committee undertook its scrutiny of the budget for the Council. Prior to its meeting on 11 January 2023, the Members of the Committee, met informally on 4 January 2023 with senior officers of the Council as well as the Portfolio Holder for Corporate Finance & Governance. The informal meeting aided the Members of the Committee in developing key lines of inquiry for its formal scrutiny meeting that was held on 11 January 2023.

At the Committee's formal meeting on 11 January, it heard how the General Fund and the Housing Revenue Account (HRA) Budget proposals for 2023/24 had been considered by Cabinet on 16 December 2022.

The Committee had been provided, as part of the material for them to consider, the following:

- 1) Updated General Fund Financial Forecast Including Proposed Budget Changes in 2022/23 along with Budget Proposals for 2023/24 – the report considered by Cabinet on 16 December 2022.
- 2) Updated Housing Revenue Account Business Plan and Budget Proposals 2023/24– the report considered by Cabinet on 16 December 2022.

The format for the meeting provided for the following elements:-

11.00am - 11.30am	- Private meeting of Members of the Committee to make final arrangements for the rest of the meeting.
11.30am - 12.00noon	- Public meeting opens and a presentation by the Section 151 Officer on an introduction to the 2022/23 current budget position, the proposals for 2023/24 and the MTFs
12.00noon - 12.30pm	- Cllr Alex Porter, Portfolio Holder for Leisure and Tourism
12.30pm - 1.00pm	- Cllr Michael Talbot, Portfolio Holder for Environment and Public Space
1.00pm - 2.00pm	- Adjourn for lunch
2.00pm - 2.30pm	- Cllr Paul Honeywood, Portfolio Holder for Housing
2.30pm - 3.00pm	- Cllr Carlo Guglielmi, Portfolio Holder for Corporate Finance & Governance (Deputy Leader of Council)
3.00pm - 3.30pm	- Cllr Neil Stock OBE, Leader of the Council

A series of questions were asked by the Committee and responses were provided in writing to the Committee. The Minutes of the meeting record those questions and responses in an Appendix. Further supplementary questions were asked of Cabinet Members and responses provided.

During the dialogue with individual Cabinet Members, the following commitments to written responses being provided were given to the Committee:

- Cllr Alex Porter, Portfolio Holder for Leisure, and Tourism - regarding the implemented measures to reduce energy costs in leisure facilities and the envisaged pay back position in cash terms for those measures and the CO<sub>2</sub> savings generated, the Council's position on sea defences at the Naze in Walton-on-the-Naze and, separately, about past and future surveys of relevant beaches in relation to the need for future recharges of sand on those beaches.
- Cllr Paul Honeywood, Portfolio Holder for Housing – in relation to empty Council housing stock, its liable for the same Council Tax premiums as a private dwelling and, how many empty Council homes were subject to the different premium levels levied for Council Tax.
- Cllr Carlo Guglielmi, Deputy Leader of the Council and Portfolio Holder for Corporate Finance and Governance - question regarding the premium council tax rate on empty homes, how many empty homes were there at the start of the year versus how many at the end of the year and if he considers the levying of the premium to be a success.

The Committee expressed their gratitude to the Council's Section 151 Officer for his support for the budget scrutiny process, and more generally in respect of the budgetary position of the Council. In addition, the Committee thanked the Members of Cabinet and the officers who had assisted the process of the review over the days leading up to the meeting, and on the day of its meeting in considering the questions posed by the Committee and providing responses.

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

**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) concurs 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.

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

**PORTFOLIO HOLDERS' COMMENTS**

The comments of the Corporate Finance & Governance and Housing Portfolio Holders (as appropriate) will be submitted to Cabinet at the meeting, to be considered as part of items 10 and 11 of the agenda, which are the General Fund and HRA final budget proposals.

**RECOMMENDATIONS TO CABINET:**

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.

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## CABINET

27 JANUARY 2022

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

#### A.2 Freeport East Progress and Agreement of Memorandum of Understanding

##### PART 1 – KEY INFORMATION

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

To update Cabinet on progress with Freeport East, and draw Cabinet's attention to the obligations placed on the Council by the Freeport East Memorandum of Understanding (MOU).

To recommend that authority to agree the final Freeport East MOU, on behalf of the Council, acting as Billing Authority, be delegated to Cllr Guglielmi, as the Deputy Leader of the Council and Portfolio Holder for Corporate Finance & Governance.

To set out the new Tendring District Council Freeport East Business Rates Retention Policy; and agree a Freeport Business Rates Relief Policy.

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

###### **Background**

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

###### **Update**

###### Business case

The Freeport East Outline Business Case was submitted to Government on 10 September 2021 and the Full Business Case was submitted to Government on 14 April 2022. The Full Business Case sets out how Freeport East will deliver its objectives, bring forward investment in the tax sites, and invest in infrastructure development on tax sites and wider regeneration of the Freeport East area. During 2022 Freeport East has responded to the 'critical actions' to refine the business case as requested by Government.

The final version of the Full Business Case with the response to these actions was assessed by HM Treasury at the end of November 2022, which was approved on 10 January 2023, with a number of outstanding actions for completion.

###### Company

Progress has been made setting up Freeport East Ltd ("the Company") as an independent

company. At the Portfolio Holder Working Group meeting on 31 August 2022 it was recommended that the Working Group recommends to the Leader that the Council joins the Freeport East Company as a founding Member; that the Council enters into a Members' Agreement with other partner organisations in Freeport East; and that the Leader joins the Board of the Company as the Member representative Company Director from Tendring District Council. Freeport East Ltd. was formally incorporated as a company on 6 December 2022. Cllr Neil Stock OBE was appointed to Freeport East's board of directors, in line with the Cabinet recommendations, with the Chief Executive Ian Davidson as his alternate.

### Senior roles and groups

Freeport East has appointed a Chief Executive Officer, Stephen Beel, who started in this role on 21 September 2022, and a new Chairman, Mark Lemmon, who chaired the first meeting of the new company Board on 7 December 2022. The company is 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 will develop future proposals for Freeport East. These include groups on skills, innovation, and trade and investment. TDC will be represented by officers on the Management Committee and Theme Groups.

### Investment Zones

An Expression of Interest (EOI) was 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 Government's Investment Zone policy is unclear, and there is no expectation that submitted EOIs will be considered.

## **1. Memorandum of Understanding**

Government requires Tendring District Council in its role as a Billing Authority to sign the Memorandum of Understanding (MOU) with them. The MOU governs 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 delivering the Freeport; and
- East Suffolk Council, Mid Suffolk District Council, Tendring District Council as the Billing Authorities responsible for collecting business rates in Freeport Tax Sites.

The MOU contains generic clauses across all eight Freeports. However, the final version of the MOU is 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 was shared by Government with Freeport East on 5 January 2023. When the MOU is finalised and signed it will be made available in the public domain. The salient points are available in this report.

The MOU is not legally enforceable. However, Cabinet is asked to note a number of obligations that will be placed on TDC following the approval of the MOU. These are set out in detail in the 'Background' section of this report.

## **2. Business rates policy**

As has been set out in previous reports (and in the finance section below) the Council will retain rates from new business on the Freeport Tax site in Tendring, over the baseline. These rates will be spent in three areas, or pots.

- Pot A: to ensure local authorities do not lose out from the local tax reliefs available to

businesses through Freeport.

- Pot B: to fund the Freeport infrastructure to develop the sites, for example to pay for land reclamation or other required infrastructure. Proposals from the site owner will be agreed by Freeport East and Tendring District Council for the Harwich Tax site, as the local Billing Authority.
- Pot C: To support public benefit in the sub-region, including economic development, skills and innovation. This fund is administered by the lead authority, East Suffolk Council, and decisions on its use will be determined by the Freeport East Company.

The attached Tendring District Council Freeport East Policy for Managing Retained Business Rates codifies these proposals. It includes the proportional split between the pots: Pot A, local authorities, receives 5 percent. Of this, four percent will be for Tendring District Council (TDC) and one percent for Essex County Council (ECC). Pot B, infrastructure, receives 70 percent; and Pot C, regeneration, receives 25 percent.

Without Freeport East, very limited development would come forward on the Harwich Tax site, so the Council is not losing out by taking a lower share (5 percent) than is typical (20 percent) for Pot A. The Government expects councils where development was not planned before Freeport to forgo Pot A. The split between TDC and ECC reflects the typical 40% / 9% split in funds received from business rates.

Pot B and C for all three Billing Authorities can be spent across the whole of Freeport area, so it could be that funds raised in Essex are spent in Suffolk, and vice versa.

Flexibility is especially important on the split between Pot B and C, as the business modelling for the Harwich Tax site will continue to develop as the commercial proposition matures. The Council remains open to reviewing this policy as further information on the Harwich Tax site develops.

### **3. Business rates relief policy**

A Freeport Business Rate Relief Policy is set out in Appendix C, which reflects the associated Government guidance, with no additional local discretionary elements proposed. The 'cost' of the scheme will be fully met by the Government via associated grant funding.

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

- Business rate relief will 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 will be available for five years from the date it is first claimed. Businesses will 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 expand after moving into the Freeport site (whether into new or existing buildings) will, in addition to any existing relief, be eligible for relief on any additional hereditaments they occupy in the Freeport tax site.

The recommendations above provide for the flexibilities to administer the policy along with making any necessary changes that may emerge as the wider project develops, which will

include responding to the new Subsidy Control requirements that came into force on 4 January 2023.

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

**It is recommended that Cabinet:**

- (a) notes the progress made with the Freeport East Programme as set out in this report;**
- (b) delegates 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 TDC's Freeport East Policy for Managing Retained Business Rates attached as Appendix B for adoption;**
- (d) approves the Freeport Business Rates Relief Policy attached as Appendix C for adoption;**
- (e) delegates authority to the Assistant Director (Finance & IT) to implement and administer the Business Rates Relief Policy as agreed; and**
- (f) delegates authority to the Assistant Director (Finance & IT) to amend the scheme to reflect any emerging Government guidance / legislation in consultation with the Portfolio Holder for Corporate Finance and Governance and the Portfolio Holder for Housing.**

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

The Council is 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. Delegating the decision to Cllr Guglielmi, as the Portfolio Holder for Corporate Finance and Governance, ensures that the Council will not be responsible for any delay in the process of establishing Freeport East's day-to-day operation until the next Cabinet meeting.

It is considered appropriate to request the Portfolio Holder for Finance and Deputy agree to the MOU to provide a separation from the Leader of the Council, Cllr Stock OBE, because he also occupies a position on the Freeport East Company Board. The Council is required to enter into the MOU as a Billing Authority for the area.

The Council is 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.

#### **ALTERNATIVE OPTIONS CONSIDERED**

The alternative option is for the Council not to sign the MOU however this would prohibit TDC from becoming a Billing Authority with Freeport East and therefore prevent it from becoming part of the Freeport East development. It would also mean that the Bathside Bay development could not proceed as planned as the retained rates generated within the Freeport East programme are expected to be required to make the site viable.



## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

The Council’s priorities as set out in the Corporate Plan 2020 – 2024 include ‘A Growing and Inclusive Economy’:

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

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

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

The Economic Strategy also identifies Clean Energy as a growth sector which should be targeted. Freeport East’s planned focus on Net Zero complements this objective, and TDC’s Shared Prosperity Fund investment plan, which has been signed off by Government, includes funding for a feasibility study for an Emerging and Enabling Technologies Innovation Centre to complement the Freeport East development at Bathside Bay.

### OUTCOME OF CONSULTATION AND ENGAGEMENT

The Freeport East Portfolio Holder Working Party is a key mechanism to enable engagement across the Council on Freeport East, which has helped to shape Council policy on the Freeport. A meeting of the working party took place on Monday 16 January 2023. The Working Party recommended to the Leader of the Council that he takes the MOU, the Freeport Business Rates Relief Policy, and the Freeport Business Rates Retention Policy to Cabinet for approval and adoption, with any appropriate delegations required.

As part of Tendring District Council’s Business Fortnight, an event on Freeport East and Green Skills was held at the Arts and Heritage Centre in Harwich on the 12 October. Partners came together to discuss opportunities for the Freeport, particularly relating to business, skills, and green energy.

A well-attended Parliamentary event took place to launch Freeport East on 10 January 2023. Following the approval of the Full Business Case on 10 January, a Freeport East local launch event is planned, expected in February 2023.

Freeport East have been informed of the intended business rates split.

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

Is the recommendation a Key Decision	YES	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000
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(see the criteria stated here)		<b>expenditure/income</b> ■ <b>Is otherwise significant for the service budget</b>
	<b>And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)</b>	<b>11 November 2022</b>

Under paragraph 39(1) (designation of areas) of schedule 7B to the Local Government Finance Act 1988 – local retention of non-domestic rates, the Freeport tax sites are to be classed as a designated area with effect from 1 April 2023 for a fixed term of 25 years from the date the tax site was designated for the purposes of tax relief. The Billing Authorities, signatory to the MOU, will retain 100% of the collectible business rates in excess of a baseline to be agreed between DLUHC and the Billing Authorities prior to the tax sites being designated in the regulations for business rates retention purposes. That baseline will be fixed in the regulations. DLUHC reserves the right to not designate the Freeport tax sites for the purposes of business rates retention until further satisfactory detail has been provided on the intended use of retained rates where this has been requested.

**Freeports business rates relief:**

Central Government is not changing the legislation relating to the reliefs available to businesses and has produced guidance for all local authorities that use their discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief to those ratepayers who are eligible.

A billing authority in England, when making a decision under subsection (3) of S47 of the Local Government Finance Act 1988 must have regard to any relevant guidance issued by the Secretary of State. The policy proposed therefore reflects the principles set out in the associated Government guidance.

The ‘cost’ of awarding reliefs under S47 of the Local Government Finance Act 1988 will be fully reimbursed by the Government via S31 grants under the Local Government Act 2003.

**Subsidy Control Act 2022 is covered elsewhere in the report.**

<b>X</b>	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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The Monitoring Officer has been involved in drafting the report and their comments and advice has been picked up through reviews of the content contained throughout.

**FINANCE AND OTHER RESOURCE IMPLICATIONS**

The funding for Freeport comes from:

- the approved £1m capacity funding from Government,

- £25m capital seed funding which will be disbursed once the see Full Business Case is approved this Autumn, with the Tax Sites receiving: Felixstowe £12m; Gateway 14 £6m; and Harwich £7m.
- Contributions from partners: £0.8m-£1m of revenue prior to business rates income being received in 2024/25 - this funding is to be undertaken on a one-fifth share for each of the five authorities (including TDC), equating to £160,000 in total each, £80,000 in the financial years 2022-23 and 2023-24, with the funding now transferred for 2022/23; and
- Business rates retained locally from new developments within the three Tax Sites.

As has been set out in previous reports, the business rates are split into three 'pots'. Further information on the breakdown of the pots can be seen in the appendices.

- Pot A: to ensure local authorities do not lose out from the local tax reliefs available to businesses through Freeport. Councils allocate this funding to their general fund and can spend it as they see 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 is administered by the lead authority, East Suffolk Council, and decisions on its use will be determined by the Freeport East Company. Proposals will be put forward by Freeport East's sub committees, and agreed via the Management and Board, with decisions actioned by East Suffolk Council as the Lead authority.

The MOU includes action the Government could take if Freeports persist in non-compliance with the Freeport policies, including removing 'policy levers'. Should the retention of business rates be reviewed if a Freeport Company does not comply, this would have financial implications for TDC. Routine monitoring and dialogue with DLUHC should enable any potential issues to be identified early.

### **Subsidy control**

Section 3.6.1 of the MOU states: 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") came into effect from 4 January 2023 and will need to be considered at the appropriate time, as the legislation provides a new framework and regulates the award of financial assistance, as a subsidy, by public authorities and their agents to organisations which are engaged in economic activities.

Statutory Guidance for the United Kingdom Subsidy Control Regime has 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 explains the legal obligations on public authorities under the domestic subsidy control regime and provides a framework for designing and awarding subsidies in a way which is consistent with the Act. This guidance is designed to help public authorities award subsidies in a way which minimises any negative impacts to competition and investment, as well as promoting the effective and efficient use of public

money. Those in public authorities responsible for giving subsidies should read this guidance and assure themselves that they understand the requirements set out in this document.

The Statutory Guidance refers to Streamlined Routes and primary public authority schemes in paragraphs 12.42-12.43. Streamlined Routes (referred to as Streamlined Subsidy Schemes in the Act) are a particular type of subsidy scheme, made by Government for the benefit of public authorities. Transparency requirements apply to Streamlined Routes and they will therefore appear on the database alongside other subsidy schemes and will have associated subsidy awards. Primary public authorities can 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 were made for Freeports to become a 'streamlined route' due to their policy objectives and could therefore apply to other Freeports nationally. Currently, this is not the case, with the four streamlined routes under consideration by the Government; however, there is always the potential for a streamlined 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 is 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 is given at the point at which the taxpayer becomes entitled to the subsidy.

### **Harwich Tax Site**

The Harwich Tax Site at Bathside Bay remains a key focus of the Council. Previous financial modelling within the Outline Business Case for the Harwich Tax Site indicated total gross retained business 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 demonstrates the potential for over £100m of business rates income from the site, which would make the site viable.

As set out in the risk section of this report below, the Harwich Tax site is 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 sets out how retained business rates in Pot B can be used to pay for development costs of the Harwich Tax site. However the Council is 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.

As highlighted within the Legal Section above, the 'cost' of awarding business rate relief via the proposed Freeport Business Rate Relief Policy will be fully reimbursed by the Government with no 'cost' therefore falling to the Council.

It is 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 is that seed capital funding for this site will be withheld until a detailed funding plan for the site has been provided to DLUHC by Freeport East Ltd. Further information on this is set out in the 'associated risks and mitigation' section, below.

<b>X</b>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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The Section 151 Officer has contributed to and supports this report.

**USE OF RESOURCES AND VALUE FOR MONEY**

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

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

Autumn 2022 - Designation of Freeport  
 10 January 2023 – announcement of approval of Full Business Case  
 16 Jan – 2 Feb 2023 – MOU finalised by DLUHC  
 22 February 2023 – final MOU approved by the Freeport East board

The Government intends to offer Stamp Duty relief on land purchases within Freeport tax sites in England where that property is to be used for qualifying commercial activity. It is intended that this relief will apply from 1 April 2021 until 31 March 2026. For the Harwich Tax Site, Bathside Bay the forecast is for units to become live commencing 2024/25 and full build out in 15 years. The aim is that from 2025-2026 Business rates 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 flow to central government, rather than locally.

## **ASSOCIATED RISKS AND MITIGATION**

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

The MOU also states in section 7.3, that: DLUHC's support for the Freeport is contingent on compliance with the MOU, Appendices, and Schedules. DLUHC support of the Freeport may be withdrawn where there are significant concerns with the Freeport, and sets out a number of scenarios which is not an exhaustive list. The ongoing dialogue with DLUHC and other Freeport East partners, coupled with the regular check ins with DLUHC, should reduce the risk of DLUHC's support being withdrawn.

Financial risks. The main financial risk of forward funding development of Bathside Bay site has been ruled out in the Full Business Case. However, the Council has been asked to contribute £160,000 to projects within the Freeport, and it is possible that the expected business rates funding to repay this investment does not come forward. In addition, as the MOU with Government is finalised, there are risks that Government could sanction the Council if the agreement is not adhered to.

The final draft of the MOU states that seed capital funding for the Harwich Tax site will be withheld until a detailed funding plan for the site has been provided to DLUHC. This could lead to delays in development of the site. The responsibility for putting forward a funding plan for the site rests primarily with HPUK.

Further to the above, the MOU states in section 3.2; *'the Governing Body commits 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'*. If the Freeport does not become self-funding at the time stated, further funding from additional sources will need to be identified and secured.

Risk to reputation of not delivering Freeport East. There are reputational risks of being part of the Freeport East Company if Bathside Bay is not delivered. The Council is clear that it will do everything in its power to support Bathside Bay, but ultimately the Harwich Tax site is a commercial proposition and a Government policy; Tendring District Council can only play its part in the programme, for example through our Planning and business rates policies. The Council cannot develop out the site ourselves, or invest heavily in it.

In section 4.2.1 the MOU places responsibility for the delivery of the tax sites onto Freeport East Ltd, and stipulates delivery prior to October 2026. This is a challenging timescale given the scale of the requirement at the Harwich Tax site.

DLUHC will at all times have discretion to intervene if the Freeport fails to meet its obligations, the ultimate sanction for persistent failure being DLUHC's right to withdraw/withhold funding and/or other Freeport benefits.

The Council is not currently exposed to any financial risk as an investor or developer, beyond two £80,000 capacity payments as previously agreed. However, if no business rates come forward then TDC will have to contribute to overhead costs as required.

### **EQUALITY IMPLICATIONS**

As set out in the previous cabinet report, an equality impact assessment has been completed the Council's involvement in this programme. It has two main findings. As a jobs programme, Freeport East will impact primarily on people of working age, or younger people who will become of working age. It is not targeted at older people. However, there is no need to change the operation of the programme, which legitimately primarily benefits people of working age. Green energy sector jobs are predominantly taken up by men. The International Renewable Energy Agency states that "Wind energy sector is male dominated, with women representing just 21% of the workforce" in its 2020 Annual Review, page 13. As such, there will be a need to be a focus on supporting women's entry into the workforce. The Full Business Case highlights that Freeport East aims to have a workforce that is representative of the local community. Freeport East will publish a diversity statement and an annual report to the Supervisory Board on progress in encouraging diversity and will nominate a diversity champion from the board to embed diversity across Freeport East to ensure objectives are met.

Sections 2.4.1 and 2.4.2 of the MOU set out the requirement for the Freeport East Governing Body to commit to devoting appropriate resources to the delivery of a full Equalities Impact Assessment.

### **SOCIAL VALUE CONSIDERATIONS**

As set out in the previous cabinet report, there is very significant social value potential with the Freeport programme. The development has the potential for 3,500 jobs at the Harwich Tax site, and a skills development programme that will help residents to learn the skills to access the jobs. The Freeports are able to spend business rates for a period of 25 years locally, on the development of the infrastructure to create the sites in the first place (Pot B) and on local regeneration schemes, including skills development so people can access the jobs (Pot C). The economic strategy submitted as part of the recent Planning process associated with Bathside Bay includes 10 day local advertising to give residents an opportunity to access jobs ahead of competitors from outside the District.

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

As set out in the previous cabinet report, the shift to the UK becoming Carbon neutral by 2050 - in part - relies on shifting energy use from petrol and gas to electricity, and shifting electricity production from carbon intensive means, like gas fired power stations, to renewables, like wind, solar and nuclear. The development of off shore wind farms in the north sea is a crucial part of the government's strategy to reach net zero by 2050. In addition, some larger forms of transport like shipping, aircraft and lorries, may find it difficult to move from petrol to electric power given the amount of energy needed to move them. As a result hydrogen may become a means to power larger transport.

The Clean Energy Hub at the Harwich Tax site is designed to support the expansion and management and operations of wind turbines in the north sea. As such it is part of the effort to

shift the country's energy supply towards net zero. The development of hydrogen technology is another route to supporting the energy transition needed to deliver the UK's climate ambitions. The carbon that is used now to develop the Clean Energy Hub is supporting the move away from fossil fuels and towards renewable energy, which is a key part of the overall national climate change approach.

**OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS**

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

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



## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

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

A report in April 2021 set out to Cabinet the objectives of the Government's Freeport policy and an outline of the bid which Freeport East submitted. The Government announced the formation of eight new Freeports to become innovative hubs, boost global trade, attract inward investment and increase prosperity in the surrounding area by generating employment opportunities. Freeports offer tax and customs benefits to boost economic growth.

At the Freeport East Portfolio Holder Working Group meeting held on 16 March 2022, it was recommended that the Working Party gives its support to the Leader as Portfolio Holder for Freeport East in recommending to Cabinet endorsement of the Freeport East Full Business Case and makes recommendations it considers appropriate to the Leader on the implementation of Freeport East. At the above meeting the group were also updated on the Full Business Case which was submitted on 14 April 2022.

At Cabinet on the 25 March 2022 it was recommended that Cabinet:

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

Further detail on the Freeport offer and how Freeports work, including governance, can be found in the March 2022 Cabinet paper.

At the Portfolio Holder Working Group meeting on 31 August 2022 it was recommended that the Working Group recommends to the Leader that:

- the Council joins the Freeport East Company as a founding Member;
- the Council enters into a Members' Agreement with other partner organisations in

Freeport East; and

- he joins the Board of the Company as the Member representative Company Director from Tendring District Council.

At the Portfolio Holder Working Group meeting on 16 January 2023, the Working Party recommended to the Leader of the Council that he takes the MOU, the Freeport Business Rates Relief Policy, and the Freeport Business Rates Retention Policy to Cabinet for approval and adoption, with any appropriate delegations required.

Items for Cabinet to note in the Freeport East 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. There is an action to provide a more detailed funding plan for the Harwich tax site. Seed capital for this site will be withheld until this is further developed.
- Section 1.1.10: the MOU is not legally enforceable.
- Section 2.2.5: TDC will be accountable to DLUHC for the management of the retention of business rates and will be responsible for allocating all business rates collected on the Freeport tax sites to the decision-making process and purposes outlined in the Full Business Case
- Section 2.2.7: all parties are required to manage any disputes in relation to the above through a locally agreed process.
- Section 2.2.6: All parties are expected to work collaboratively and proactively to manage any action or perceived conflicts of interest. The Governing Body, Accountable Body and the Billing Authorities are required to manage any disputes in relation to Section 2.2 through a locally agreed process.
- Section 3.2: The Governing Body commits 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 should be noted that if the Freeport does not become self-funding at the time stated, further funding from additional sources will need to be identified and secured.
- Section 3.7 Collected business rates: this should be read in conjunction with the appended business rates policies.
- Section 5.4.1 (h) responsibility of delivery of tax sites (including Bathside Bay) rests with Freeport East Ltd. This includes the stipulation that delivery of the tax sites should be complete prior to October 2026.
- Section 6.1: DLUHC will 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 will come into effect upon signature by the Parties and will remain in effect until it is 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 will commit to discussion aimed at resolution.
- Section 7.3: Freeport delivery will be managed through the processes set out in the Freeports Framework. Should an issue arise, DLUHC will first attempt to resolve it in collaboration with the Governing Body and if applicable the Accountable Body. For persistent issues which are recorded at the annual review or are the result of other assurance activities DLUHC will seek to agree a tailored improvement plan with the Governing Body and the Accountable Body as outlined in the Freeports Framework.

The Freeports Framework sets the approach to performance monitoring, security audit and

assurance of Freeports in England. It sets out what is expected of local authorities and Freeport governing bodies in receipt of government funding and other support in order to provide government, stakeholders and the public.

Key risks from the MOU are highlighted in the 'associated risks and mitigation' section above, however the MOU also identifies a number of opportunities which align with TDC's priorities, as follows:

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

### **Freeport Business Rate Relief Policy**

The proposed policy attached as Appendix C reflects the associated Government guidance, with no local discretionary elements proposed.

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

- Business rate relief will 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 will be available for five years from the date it is first claimed. Businesses will 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 expand after moving into the Freeport site (whether into new or existing buildings) will, in addition to any existing relief, be eligible for relief on any additional hereditaments they occupy in the Freeport tax site.

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

### **PREVIOUS RELEVANT DECISIONS**

April 2021 Freeport East Cabinet Paper

September 2021 Freeport East Update and Business Rates Retention Cabinet Paper

March 2022 – Cabinet Paper: Freeport East Full Business Case

March 2022 Freeport East Portfolio Holder Working Group

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

**APPENDICES**

**Appendix A: Business Rates Retention Policy**  
**Appendix B: Business Rates Relief Policy**

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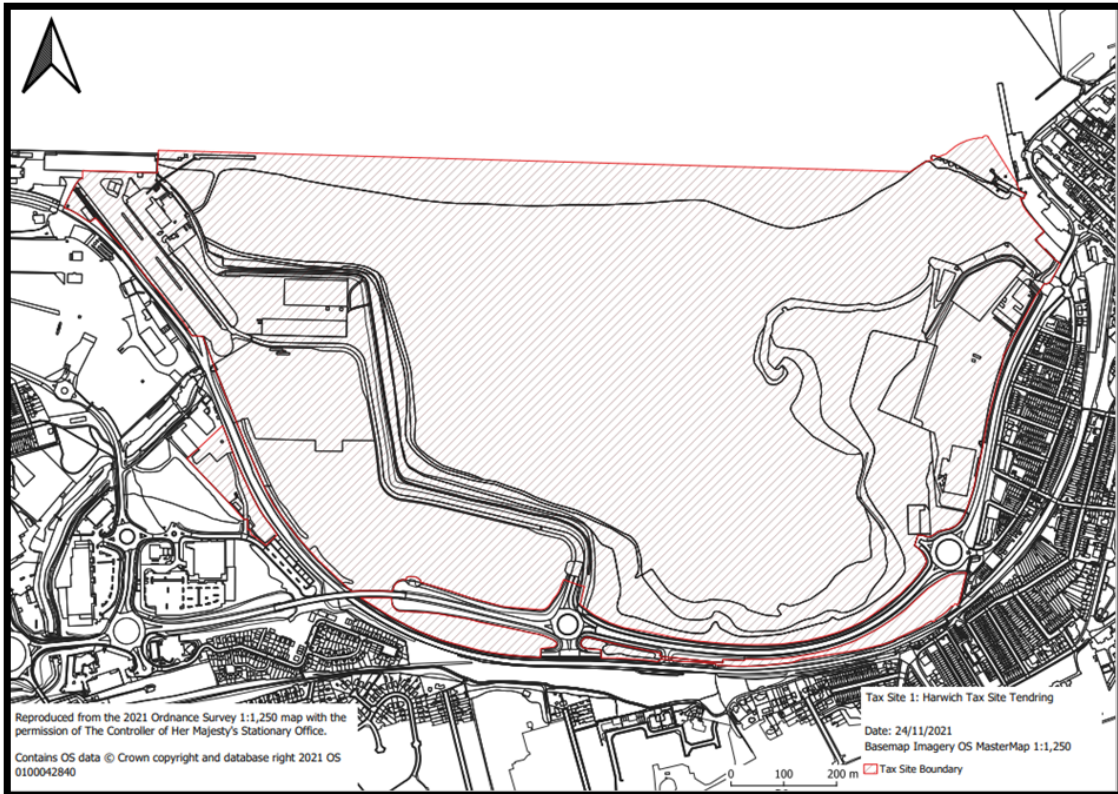
**A.2 Appendix A: Freeport East Draft Policy for managing Retained Business Rates**

## 1. Purpose of the Policy

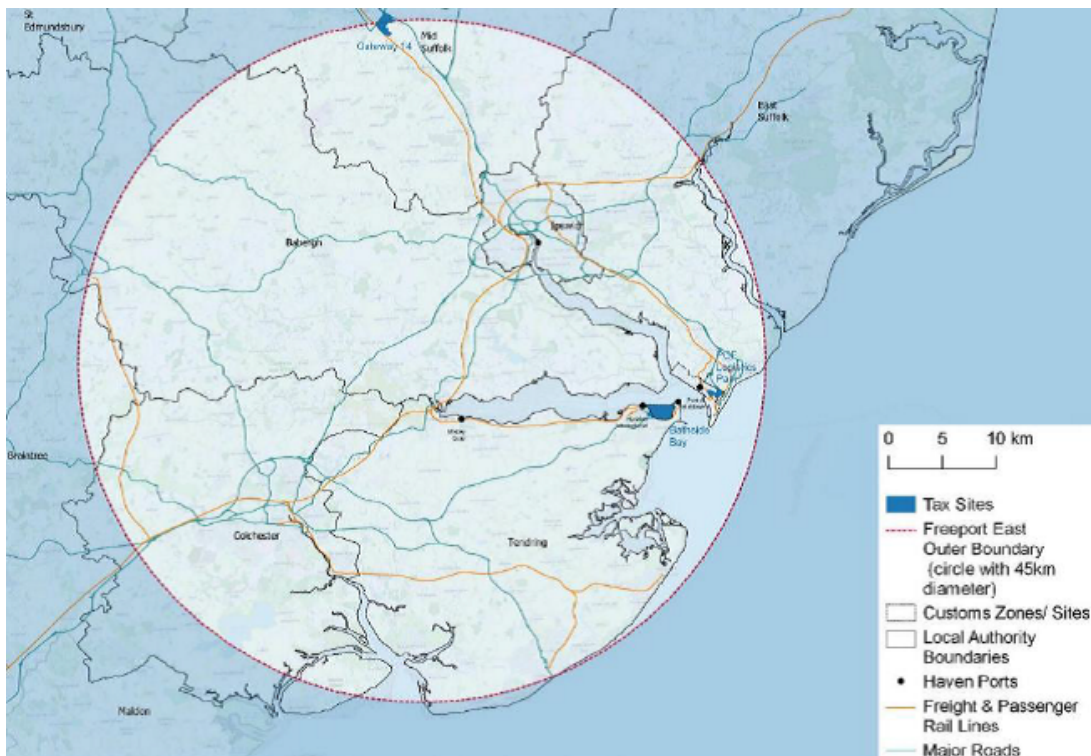
- 1.1 The purpose of this policy is to set out Tendring District Council's arrangements for managing retained business rates generated in the district as a result of the Freeport East Initiative.
- 1.2 The document outlines how the retained business rates will be apportioned into different 'pots' which will enable Freeport East to deliver against the objectives set out in the Full Business Case. It will also set out the decision making and governance process associated with the expenditure of retained business rates in each of the 'pots'.

## 2. Freeport East Tax Sites and Retained Business Rates

- 2.1 The Freeport East Tax Sites are the areas within the Freeport East Zone where a comprehensive range of tax reliefs will apply for new business growth. These include:
  - 100% relief from **Stamp Duty Land Tax**
  - 10% enhanced rate of **Structures and Buildings Allowances**
  - 100% **Enhanced Capital Allowances (ECA)** for use in Freeport tax sites
  - 0% **Employer National Insurance Contributions (NICs)** rate relief up to nine years and up to £25,000
  - 100% relief from **Business Rates** for five years within Freeport tax sites.
- 2.2 It is only on these Tax Sites where new or growing businesses can apply for up to 100% business rate relief and where the relevant billing authorities (East Suffolk Council, Mid Suffolk District Council and Tendring District Council) can retain 100% of the business rate growth above an agreed baseline. The retained rates will be guaranteed for 25 years to encourage investment in regeneration and infrastructure development to support further sustainable growth. Rate relief and retained rates can only be awarded and generated on new investment within a tax site.
- 2.3 The Freeport East Tax Site within Tendring District Council's area is the Harwich Tax Site. The Tax Site was designated by the Government on 30 December 2021.
- 2.4 The Harwich Tax Site can be seen in detail on the Government Website [[Link](#)], and is shown below:



- 2.5 New business growth on the tax site can benefit from the reliefs outlined in 2.1 above.
- 2.6 The whole 45km diameter Freeport East Zone can benefit from funding for regeneration. This zone is set out on the map below.





### 3. Retained Business Rates ‘Pots’

3.1 The government has modelled the Freeport business rate relief and retained rates incentives policy on the Enterprise Zone policy. Billing Authority’s retained rates policies within Freeport East mirror this model.

3.2 Ahead of any allocation of retained rates Freeport East’s operational costs will be ‘top sliced’ from all rates income generated by the three Tax Sites across the Freeport East zone. The amount of funding required to cover both Freeport East’s and Tendring District Council’s costs will be reviewed annually. The remaining retained rates will then be split into the following four pots:

**Pot A1 – 4% of retained rates.** This pot will partially reimburse TDC for the foregone income it would have received if this investment had taken place in the absence of the Freeport initiative. It is noted that without Freeport East no, or very limited, development would be expected at the Harwich tax site.

**Pot A2 – 1% of retained rates.** This pot reimburses the County Council again for ‘lost’ income it would have gained in the absence of the Freeport initiative.

**Pot B – 70% of retained rates.** This pot will be used to develop tax sites in a way which maximises business investment and thereby maximise future retained rates generation. Broadly, this pot will fund infrastructure investment or projects which support the acceleration and maximisation of business investment on any/ all of the tax sites as well as on adjacent areas, with priority access to the Pot for the site on which the monies are generated. Use of this Pot is subject to project approval by Freeport East to ensure that it is used to deliver on Freeport East objectives.

**Pot C – 25% of retained rates.** This pot is for use across the whole of the Freeport East 45 km economic area to deliver the objectives of the Freeport East initiative as set out within the Full Business Case. These include but are not limited to enhancing trade and inward investment, enhancing workforce skills, infrastructure investment, achieving net zero and promoting business innovation.

The geographical focus for each pot is as follows:

- Pot A1 – East Suffolk, Mid Suffolk and Tendring billing authorities
- Pot A2 – Essex and Suffolk County Councils
- Pot B – For use on all tax sites and local initiatives that will provide wider benefit to these sites and the businesses within them with priority access given to the site on which the monies are generated.
- Pot C – Focused on the wider Freeport East economic area (45km), supporting interventions that aim to support projects and programmes including inward investment, skills, innovation, trade, net zero, levelling up and regeneration.

3.3 **Pot B principle:** As stated above Pot B retained rates will focus on infrastructure and other investment which accelerates and maximises inward investment. Priority access to this fund will be given to the site on which the monies are generated. All projects that are put forward for Pot B funding will



have to develop a full business case which will be assessed by the Freeport East before funding is confirmed.

#### **4. Governance and decision making on retained rates spend**

- 4.1 Legal agreements between Freeport East, the Billing and County Council authorities will be established to provide the legal basis for the pots, A1 A2, B and C. These will detail definitions, commencement and term, fund splits, escalation, freedom of information, intellectual property, termination, change control and governing law and jurisdiction.
- 4.2 As stated above Pot A1 and A2 will be a simple reimbursement to the billing authorities and county councils for foregone business rates income. Decisions on Pot B and C expenditure will include an assessment process undertaken by Freeport East Ltd and the Accountable Body (East Suffolk Council).
- 4.3 East Suffolk Council, as Freeport East Accountable Body, will be required to approve Pot B and C spend to ensure it meets the Freeport policy objectives which are set out in the Memorandum of Understanding. East Suffolk Council, in its role as accountable body, will manage the Pot C pooled business rate contribution of all the Freeport East billing authorities.
- 4.4 In assessing the value and suitability of the projects to be approved for funding from Pots B and C, Freeport East Ltd will conduct an analysis that includes the Freeport East Monitoring and Evaluation criteria.

**A.2 Appendix B: Freeport East Policy for granting Discretionary Non-Domestic Rates Relief**



# **Freeport East Policy for granting Discretionary Non- Domestic Rates Relief**

## Contents

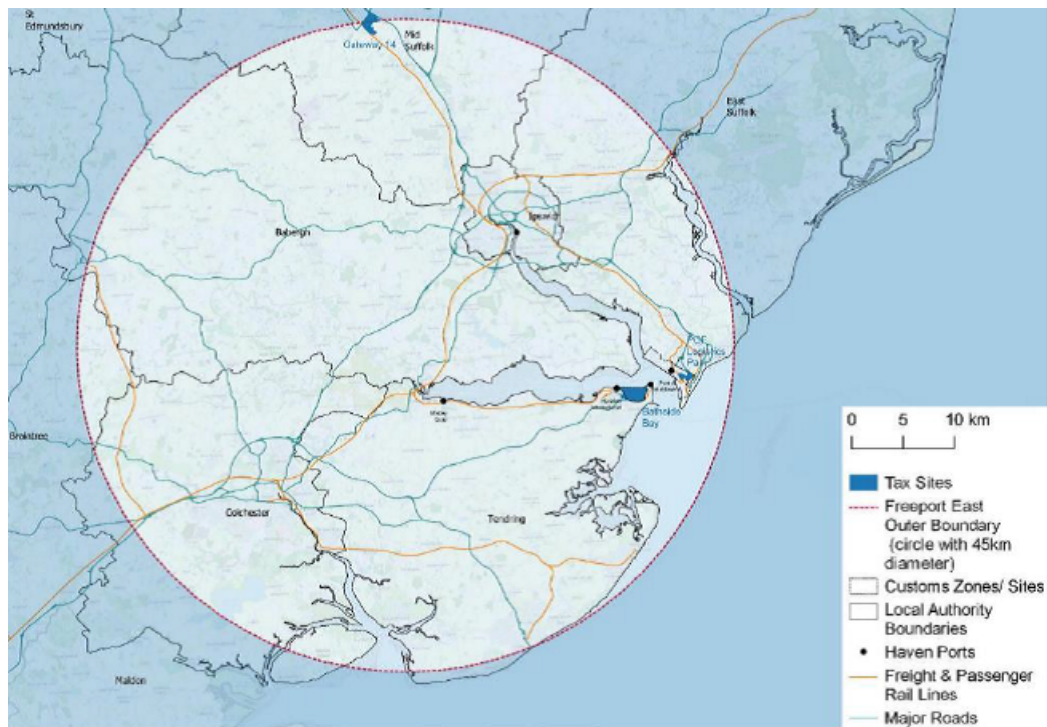
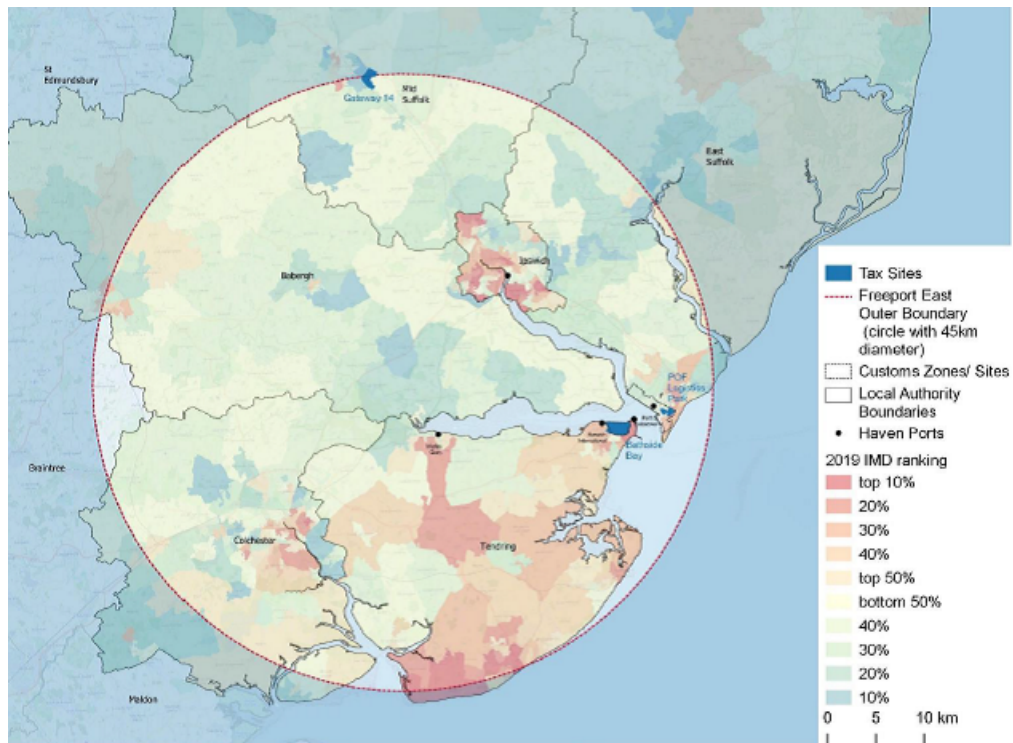
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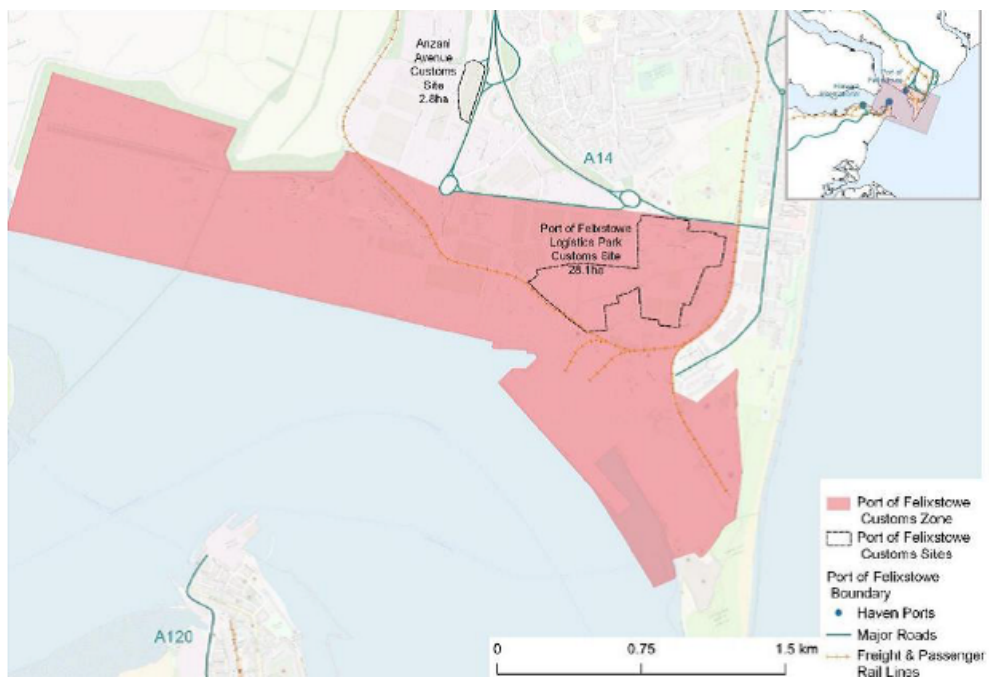
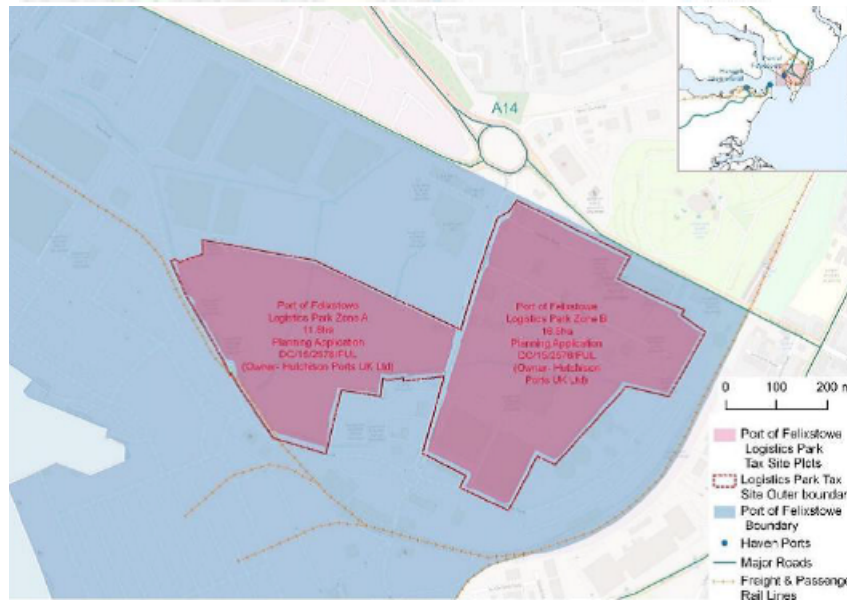
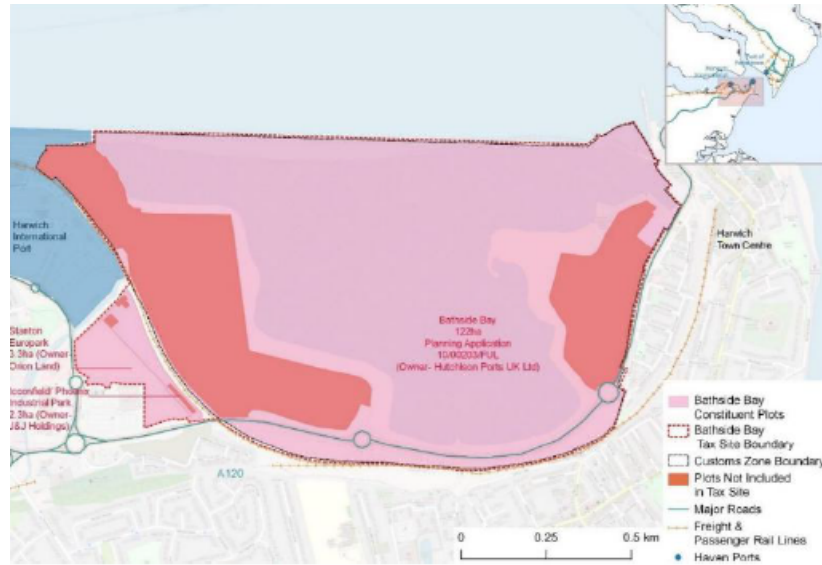
## **1. Purpose of the Policy**

- 1.1. The purpose of this policy is to determine the level of discretionary relief to be granted to certain defined ratepayers within the tax site located within the Council's part of the Freeport East area. The policy includes the criteria for granting the relief from the establishment of the Freeport area until 30 September 2026. A map of the Freeport area is available at the following link, and is also shown in appendix A:  
<https://www.gov.uk/government/publications/maps-of-freeport-east-tax-sites>
- 1.2. Central Government is not changing the legislation relating to the reliefs available to businesses and has produced guidance for all local authorities that use their discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief to those ratepayers who are eligible. This policy follows the principles in the government guidance.
- 1.3. Where relief is granted correctly, the government will fully reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme for the local share of the discretionary relief, using a grant under section 31 of the Local Government Act 2003.
- 1.4. This document outlines the following areas:
  - Details of the criteria for receiving Discretionary Reliefs under the Freeport scheme;
  - The Council's policy for granting the relief;
  - Guidance on granting and administering the relief;
  - Subsidy requirements including provisions for Subsidy Controls; and
  - The Council's Scheme of Delegation.
- 1.5. This document covers all aspects of the relief (subject to changes in legislation). Where businesses apply for the relief, they will be granted, or not granted, relief in line with the following policy. It should be noted that all applications for relief shall be considered taking into account the objectives of Freeport East as set out in the Freeport East Business Case.

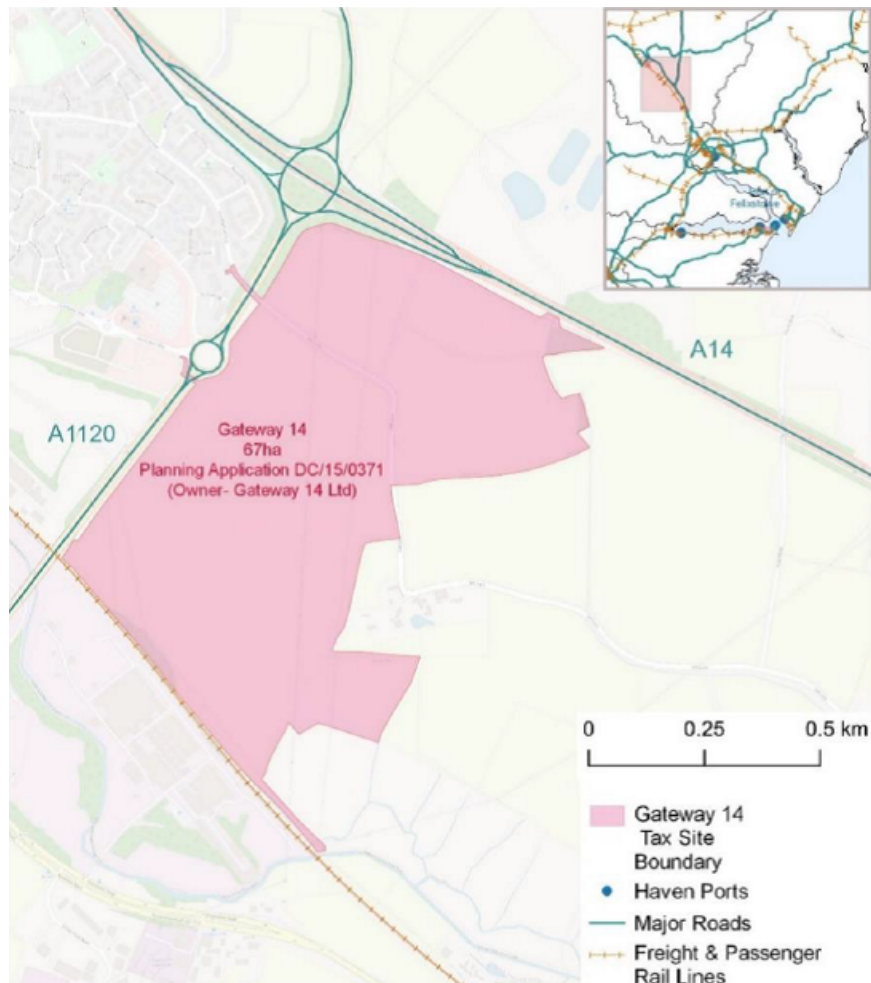
## **2. The Freeport East Tax Site**

- 2.1. The Freeport East Tax Site in the Council's area is the one labelled 'Harwich' which is set out in more detail by following the link in 1.1 above. For information the maps below show the other tax sites in Freeport East, and the wider Freeport east area. The Tax Site was designated by the Government on 30 December 2021.









### 3. Discretionary Relief – Legislative Background

- 3.1. The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to top up cases where ratepayers already receive mandatory relief.
- 3.2. Over recent years and particularly since 2011, the discretionary relief provisions as defined by section 47 of the Local Government Finance Act 1988 (as amended) have been used by government to provide assistance to certain specified categories of business ratepayers without the need to change the legislation. However, whilst government provides general guidance, it is for the Council to ensure that all relief is granted strictly in line with the primary legislation and the Non-Domestic Rating (Discretionary Relief) Regulations 1989.
- 3.3. Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council is obliged to carefully consider every application on its merits, taking into account the guidance provided by government.
- 3.4. The decision to grant or not to grant relief is a matter purely for the Council. There is no statutory review process against any decision made by the



Council, although as with any decision of a public authority, decisions can be reviewed by Judicial Review.

#### **4. Discretionary Relief – Freeport East**

- 4.1. Up to 100% discretionary business rate relief will be available to eligible businesses locating on tax sites within the Freeport area. Awards will be considered for new businesses moving into tax sites and certain existing businesses where they expand, on or before 30 September 2026.
- 4.2. Discretionary Relief under this policy will apply for a maximum of 5 years from the date which each beneficiary first receives relief. This means that if a business first received relief on 30 September 2026. The relief may be applied up to 29 September 2031.

#### **5. Eligibility Principles – Awarding relief to new businesses locating to tax sites within the Freeport**

- 5.1. Freeports business rates relief is available to new businesses moving into Freeport East after the date on which the Tax Site has been formally designated (30 December 2021), and on or before 30 September 2026, and occupying both existing and new hereditaments on the rating list.
- 5.2. Existing businesses within the Freeport area that seek to relocate onto a tax site in the Freeport area are unlikely to be eligible for the relief subject to consideration of paragraphs 5.6 and 6.6 below.
- 5.3. The business must occupy the hereditament and both existing and any new hereditaments must be shown on the local rating list.
- 5.4. New businesses which expand after moving into tax sites the Freeport (whether into new or existing buildings) will, in addition to any existing relief, be eligible for relief on any additional hereditaments they occupy within the Tax Site.
- 5.5. In considering what is a new business, the Council will lift the corporate veil and consider groups of companies to be single businesses.
- 5.6. The Council has discretion to apply additional tests as required on a case by case basis. The Council will look to avoid granting relief where businesses deliberately displace from within the Freeport East area in order to take advantage of the relief.

#### **6. Eligibility Principles – Awarding relief to existing businesses within the Freeport tax sites**

- 6.1. Subject to 6.3 to 6.6 below, full relief is available on a hereditament where a business has occupied the property comprising that hereditament for the first

time on or after the date on which the Tax Site is designated (30 December 2021), and on or before 30 September 2026. This, for example, would include existing businesses expanding into a further property.

- 6.2. Subject to 6.3 to 6.6 below, partial relief is available on a hereditament where a business has occupied a room or similar within a hereditament for the first time on or after the date the Tax Site is designated (30 December 2021), and on or before 30 September 2026. For example, where an existing business builds an extension or takes on new rooms or floors in their building leading to an expansion of the hereditament.
- 6.3. Ratepayers cannot generally claim Freeport Relief merely by expanding their use of an existing room or similar within a hereditament. However, partial relief is available to a business in respect of part of a hereditament on which they were already the occupier or owner prior to the date on which the Tax Site is designated, provided that the space is within an existing room of a building and has become useable for the first time following development commenced on or after the date on which the Tax Site is designated (30 December 2021), and on or before 30 September 2026. A typical example would be installation of a mezzanine or access/fire control improvements to bring an existing space into use.
- 6.4. Improvements to space already or previously in use by the business prior to the date on which the Tax Site is designated, are not eligible for discretionary relief, e.g. general refurbishment or improved services such as heating and aircon.
- 6.5. The Council will need to determine the value of any part of the hereditament where partial relief is to be granted. Where the Council is unable to reasonably ascertain the increase in rates liability attributable to these factors, no relief shall be awarded.
- 6.6. The Council will retain the discretion to apply additional tests for Freeport Rates Relief in order to avoid or not incentivise displacement of business activity from within the Freeport or the surrounding area. This may include reducing the award of relief in cases where a ratepayer's occupation of a space arises in whole or in part from them vacating another space in the Freeport or surrounding area.

## **7. Principles for establishing the value of the Freeports Business Rates Relief**

- 7.1 Subject to 6.3 below, the value of full relief for hereditaments falling within 5.1 above is 100% of the bill.
- 7.2 Subject to 6.3 below, the value of partial relief should be 100% of that part of the rates bill attributable to the part of the hereditament falling within 5.2 and 5.3 above where that increase is reasonably ascertainable. In establishing

the part of the rates bill attributable to the part of the hereditament falling within 5.2 and 5.3 above, the Council will may have regard to:

- the survey and rating valuation of the hereditament provided by the ratepayer if available (e.g., for hereditaments valued by area on the rental comparison basis).
- a change to the rateable value where it is clear that the change is solely due to the addition to the valuation of the parts of the hereditament falling within 5.2 and 5.3 above.
- any other information the Council deems appropriate to determine the extent of the parts of the hereditament falling within 5.2 and 5.3 above.

7.3 The Council may withhold or reduce the Freeports Rates Relief in cases of displacement (see paragraphs 5.6 and 6.6 above)

## **8. Sequence of Reliefs**

8.1 The relief will be applied after mandatory reliefs and other discretionary reliefs have been applied, excluding those where the Council has used its wider discretionary relief powers introduced by the Localism Act 2011. The Council may use its discretionary powers to offer further discounts outside this scheme, but where the Council applies a locally funded relief, this will be applied after the Freeport relief scheme.

## **9. Financing Reliefs**

9.1 The government has indicated that it will fully reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme for the local share of the discretionary relief, using a grant under section 31 of the Local Government Act 2003. However, this is not automatic, and the Council will ensure that relief is only granted strictly in line with government guidance.

## **10. Subsidy Control**

10.1 The [Subsidy Control Act](#) provides the framework for a new, UK-wide subsidy control regime from 4 January 2023. The new UK subsidy control regime will enable public authorities, including devolved administrations and local authorities, to:

- deliver subsidies tailored to local needs
- support government priorities such as driving economic growth
- reach net zero

10.2 The Council will administer Freeport Business Rates Relief in accordance with the Statutory Guidance and associated documents issued by the Government, which are linked to below:

[Statutory Guidance for the United Kingdom Subsidy Control Regime \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

## **11. Administration of Discretionary Relief - Applications and Evidence**

- 11.1 Relief must be applied for in writing by the ratepayer. The Council will ensure that the application forms for discretionary rate relief are made available to ratepayers upon request as well as through the Council's website.
- 11.2 Ratepayers are required to provide a completed application form plus any evidence, documents, accounts, financial statements, etc. necessary to allow the Council to make a determination. Application forms and guidance notes will set out the evidence requirements that need to be met for a decision to be made. Failure to provide the necessary evidence will delay the decision making process, could result in no relief being granted.
- 11.3 The Council's Revenue Department can provide assistance or advice to any organisation or business on the completion of applications. The Council will provide this service and any guidance free of charge. Ratepayers are encouraged to approach the Council direct and not pay for such services through third parties.

## **12. Administration of Discretionary Relief – Granting of Relief**

- 12.1 The Council will notify the ratepayer of all decisions made.
- 12.2 Where an application is successful, the rate relief will be awarded by means of a reduction in liability shown on the business rates bill issued to the ratepayer. Where this puts the account in credit for the year, a refund will be made by the Council if requested. A new Rate Demand Notice will be issued and the following will be notified to the ratepayer in writing:
- The amount of the relief granted and the date from which it has been granted;
  - If relief has been granted for a specified period, the date on which it will end;
  - The new chargeable amount;
  - The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
  - A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.
- 12.3 Where relief is not granted then the following information will be provided, again in writing:
- An explanation of the decision within the context of the Council's statutory duty; and
  - An explanation of the appeal rights (see section 16 below).
- 12.4 Discretionary relief is to be granted from the date of the qualifying event.

### **13. Administration of Discretionary Relief – Variation of a decision**

13.1 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased by the Council, from the date to be decided by the Council;
- Where the amount is to be reduced due to a reduction in the rate charge from the date of the decrease in the rate charge; and
- Where the amount is to be reduced for any other reason, to take effect at the expiry of a financial year, and so that at least one year's notice is given.

13.2 A decision might be revoked at any time and the change will take effect at the expiry of a financial year.

### **14. Scheme of Delegation – Granting, Varying, Reviewing and Revocation of Relief**

14.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011. However, section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees, or Officers.

14.2 The Council's scheme of delegation allows for the Revenues and Financial Support Manager to award, revise or revoke any discretionary relief applications. However any application which is considered to be of a significant nature, will be subject to consultation with the Section 151 Officer of the Council prior to final determination.

14.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

### **15. Scheme of Delegation – Reviews**

15.1 The policy for granting relief will be reviewed annually or where there is substantial change to the legislation or funding rules. The Council's Section 151 Officer has delegated powers, which enable changes to this scheme to either meet the Council's requirements or changes in legislation.

### **16. Scheme of Delegation – Appeals**

16.1 Where the Council receives an appeal from a ratepayer regarding the granting, refusal, or the amount of any discretionary relief, the case will be reviewed by the Revenues and Financial Support Manager. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.

### **17. Reporting changes in circumstances**

- 17.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and, in any event, not more than 21 days from the event occurrence.
- 17.2 This will be important where the change would result in the amount of the award being reduced or cancelled e.g. where the premises become unoccupied or are used for a purpose other than that determined by the Council as eligible for relief.
- 17.3 Where a change of circumstances is reported, the relief will, if appropriate be revised or cancelled. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

## **18. Fraud**

- 18.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

## CABINET

27 JANUARY 2023

### REPORT OF THE LEADER OF THE COUNCIL

#### **A.3 HIGHLIGHT PRIORITY ACTIONS 2022/23 TOWARDS CORPORATE PLAN THEMES – MONITORING REPORT AT THE THREE QUARTERLY POINT**

##### **PART 1 – KEY INFORMATION**

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

To provide the Cabinet 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.

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

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

Circumstances generally (and as individual highlight priority actions are progressed), there be issues that impact on the achievement of individual milestones associated with the highlight actions. This report invites Cabinet to realign (or further realign) those milestones as set out in the Appendix to this report where such circumstances have impacted on the timing of individual milestones.

In addition to the highlight priority actions, Cabinet also approved performance reporting arrangements for those actions. In accordance, with those arrangements, the detail of performance at the end of Quarter 1 (for April to June) was placed on the Council's website in the Transparency data section. All Councillors were advised by email of the data being placed there. Cabinet then received a report on the six month position at its meeting on 7 October 2022. The Q3 position on the highlight priority actions for 2022/23 is set out in this report. The final position at the end of 2022/23 in respect of the highlight priority actions for this year will also be reported in 2023/24.

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 on highlight priorities now could be seen as making commitments now that would bind the Council following the elections. This seems unnecessary and to run counter to the approach being taken in the budget process where the opportunity to leave allocation of the Revenue support grant and new Homes bonus to the Council's administration after 4 May. As such, it is proposed to use the start of the 2023/24 financial year to complete/progress the highlight priorities for 2022/23 where there are matters to be progressed/completed.

The Corporate Plan will continue to guide activity in that period. During this period and in advance of the administration following the election being confirmed formally, officers will 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 may be more restrictive than the current Corporate Plan due to the ongoing and future pressures on the Council.

In considering this report, it is also worth reflecting on the range of significant matters that the Council has delivered in these six months. It has been a busy six months and a range of the bids, and deliverables in that period are set out in the Background section of this report.

### **RECOMMENDATION(S)**

**That Cabinet:**

- (a) notes the contents of the report together with the highlighted realignment of particular milestones for particular highlight priority actions set out in the report; and**
- (b) authorises Officers 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.**

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

That the Cabinet can consider the progress with the highlight priorities adopted for 2022/23 and accommodate the mechanism for determining whether to adjust certain milestones associated with particular highlight priorities referenced in the report.

### **ALTERNATIVE OPTIONS CONSIDERED**

Not to submit the report to the formal meeting of Cabinet. This was discounted as it does not support the transparency commitments of the Council. It would also not facilitate the identified proposed adjustments to the milestones referenced in the report.

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

### **DELIVERING PRIORITIES**

The Council approved a Corporate Plan for 2020/24 and this established its strategic direction for those four years. That strategic direction itself seeks to reflect the issues that matter most to the local people, the national requirements from Government and the challenges that face the District over that time period. The Corporate Plan was adopted unanimously at the Council meeting on 21 January 2020 (Minute 78 refers).

The themes of the 2020/24 Corporate Plan are:

- Delivering High Quality Services
- Building Sustainable Communities for the Future
- Strong Finance and Governance
- Community Leadership through Partnerships
- A Growing and Inclusive Economy

The Corporate Plan shapes and directs the Council's work and an extensive range of actions



have been, are being and will be undertaken across the 2020-24 life of the Plan to deliver against its themes and priorities.

The Highlight Priority Actions adopted by the Cabinet on 25 February 2022 seek to take forward the Corporate Plan. This meeting of Cabinet provides the opportunity to review progress with the Highlight Priority Actions adopted and realign (or further realign) the milestones for certain of those Highlight Priority Actions in view of the circumstances that now require this.

**OUTCOME OF CONSULTATION AND ENGAGEMENT**

Prior consultation with individual Portfolio Holders has taken place on individual highlight priorities as relevant to responsibilities of those Portfolio Holders.

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

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

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

The legal implications of individual actions are assessed when they are brought forward for formal decisions to be made. A number of these decisions will be designated 'Key' Decisions. Consideration of legal implications can then require additional steps to be undertaken which could impact on approved milestones and require them to be realigned.

**FINANCE AND OTHER RESOURCE IMPLICATIONS**

The highlight actions set out at Appendix A includes the delivery of the financial savings target within the Medium Term Financial Strategy. In considering all matters it is vital that the balance of resources can be accommodated by this Council and that it does not put further strain on the Council being able to balance its budget each year.

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

No further comments to those set out in the Appendix in respect of the budget position.

<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The linkage between the approval regime for the highlight priorities and the budget for the same year ensures that sustainability is considered.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The consultation prior to adopting the highlight priorities seeks to ensure that Cabinet has the relevant information available to it when it makes decisions on these priorities.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The focus of the organisation on its Corporate Plan and delivering highlight priorities each year seeks to embed learning within the organisation around the associated performance regime.
<b>MILESTONES AND DELIVERY</b>	
These are set out in the Appendix to this report for the individual highlight priorities.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
The risks relevant to each of the highlight priorities is reflected in the decision making arrangements for those priorities together with mitigation measures.	
<b>EQUALITY IMPLICATIONS</b>	
Due consideration of the public sector equality duty has been given in the preparation of this report. Equality Impact assessments will be undertaken in respect of each of the highlight priorities.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The Council will seek, within the legislative and policy frameworks that are relevant to the individual highlight priorities, to deliver positive social value to the District through the activities referenced in the highlight priorities.	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
The action plan of the Council towards being net zero is itself a specific highlight priority for 2022/23. As such, progress is reported in the Appendix to this report.	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
<b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b>	
<b>Crime and Disorder</b>	Such considerations and significant issues are addressed within the arrangements for the individual highlight priorities referenced in the Appendix to this report.
<b>Health Inequalities</b>	Such considerations and significant issues are

	addressed within the arrangements for the individual highlight priorities referenced in the Appendix to this report.
<b>Area or Ward affected</b>	Such considerations and significant issues are addressed within the arrangements for the individual highlight priorities referenced in the Appendix to this report.

## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

The Q3 position on the delivery of the highlight priority actions for 2022/23, and the related milestones, are set out at Appendix A to this report.

In considering this report, Cabinet is also reminded that in this quarter alone (Q3) 2022/23 has seen the following significant matters:

**Tendring4Growth Business Fortnight to Champion Local Firms** – A series of business events are being held by Tendring District Council (TDC) this Autumn.

The TENDRING4GROWTH Business Fortnight will see seminars, networking events and a skills fair take place to champion different sectors and fantastic hidden businesses from across the district.

In total nine events will be held across 11 days in October, with full details available at

[www.tendringdc.gov.uk/business](http://www.tendringdc.gov.uk/business). Events are free, but attendees are asked to book in advance; while some events can be joined virtually.

**New Rubbish Bags for Community Litter Picks** – New rubbish bags are now available for groups doing community litter picks.

Tendring District Council (TDC) supports such events by supplying bags and pickers, as well as arranging collection of the waste picked-up by the volunteers.

Now new purple bags are being given out to community groups, to make their efforts more visible and allow better waste management by TDC – also preventing people dumping household waste at the collection point.

**OFSTED Reports Good Progress in Apprenticeship Provider** - An Ofsted report has found good progress is being made at Tendring District Council's (TDC) apprenticeship provider.

Career Track was rated as "requires improvement" following an inspection in November 2021, and Ofsted inspectors visited the provider in October this year to check on steps taken to improve.

Inspectors assessed four key areas, and found that "reasonable progress" was being made in each – giving them assurance about the work being carried out.

**Gold Award For Council As Positive Employer Of Armed Forces Community** – Tendring District Council (TDC) has received a gold award for its work to support employment of people from the Armed Forces family.

The council has been recognised for its work in the Ministry of Defence Employer Recognition Scheme, with officials collecting the award at an event in London last week (29 September).

Cllr Chris Amos, TDC's Armed Forces Champion, said: "We have done a lot of work to ensure we are a Forces-friendly employer, and that has been reflected in the feedback from our staff who come from this community."

**Learning From Junior Ambassadors Showcased At Celebration Event** – Young people took to the stage to show off what they had learned during this year's Tendring Junior Ambassadors Project, with a showcase event at the Princes Theatre.

The Tendring Junior Ambassador Project, run by Tendring District Council (TDC), sees Year Five and Six pupils from a number of Tendring schools take part in various activity workshops exploring cultural awareness, throughout the summer and autumn terms.

It encourages young people to learn more about the communities around them and encourages inclusiveness and diversity.

**Panto Beats Box Office Record Again – OH YES IT DOES!** - This season's pantomime at Clacton's Princes Theatre has once again broken the box office record.

In all, more than 14,000 people came to watch Cinderella, starring George Sampson and the rest of a stellar cast, with ticket sales up by more than £31,000 on the previous year. Theatre goers also enjoyed more than 1,500 ice creams during the interval!

Not only is the figure up on last year's panto, but is considerably higher than the 2009/10 season when professional pantomime came to the Princes Theatre for the first time, which saw just over 5,600 people come to see the show

**Investment Plan Approved For Almost £1.2Million Spending In Tendring** – Government has signed off on spending plans for almost £1.2million in Tendring.

Tendring District Council (TDC) has received £1.18m from the UK Government through the UK Shared Prosperity Fund (UKSPF), spread across the rest of this financial year and the next two. Neil Stock OBE, TDC Leader, said that following last week's announcement the funding agreement had now been signed and returned.

**Funding Given To Demolish Disused Town Centre Building** - More than £400,000 has been awarded to Tendring District Council (TDC) to demolish a disused town centre building.

The council has received the grant of £420,000 from phase two of the Brownfield Land Release Fund to allow for demolition of Carnarvon House – and prepare the site for future re-development.

The office building, in Carnarvon Road, is owned by TDC and in recent years was leased to the NHS as office space until it was no longer needed.

#### **PREVIOUS RELEVANT DECISIONS**

Cabinet on 17 December 2021 (Minute 98) – considered draft highlight priorities for 2022/23  
Cabinet on 25 February 2022 (Minute 132) – determined the highlight priorities for 2022/23 and the associated milestones for this year.

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

None

#### **APPENDICES**

A – Q3 Position on the Highlight Priority Actions approved by Cabinet February 25 2022

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

<b>Name</b>	<b>Keith Simmons</b>
<b>Job Title</b>	<b>Head of Democratic Services and Elections</b>
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**TENDRING DISTRICT COUNCIL MONITORING REPORT FOR THE HIGHLIGHT PRIORITY ACTIONS FOR 2022/23**  
(Please refer to the Key Priority Actions Report for Full Details of the actions, budget and intended outcomes)

**REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2022 (Q3)**

OVERALL KEY PRIORITY ACTION RAG STATUS	The Quarterly Milestones RAG Status uses the following:
Green – There is a LOW risk the Key Priority Action will not be delivered Amber – There is a MEDIUM risk the Key Priority Action will not be delivered Red - There is a HIGH risk the Key Priority Action will not be delivered	Green – 66% or higher Amber – 33% - 65% Red – 32% or less

*Note: Where Milestone dates preceded the start of the financial year they have been included in Q1 for reporting purposes.  
Likewise, milestones after the end of the financial year have been added into Q4.*

*Where circumstances now require realignment of milestones these are shown highlighted yellow in both the Milestones and the Commentary columns. Where the original milestone is to be deleted it is shown as 'struck through' and where it is inserted in its new realigned position it includes the word REALIGNED.*

Relevant Corporate Plan Priority Theme	Relevant Corporate Plan Priority	Portfolio Holder	Key Actions to support the Corporate Plan Priority in 2022/23	Overall key Actions RAG Status	Quarter	Milestones	Quarterly Milestones RAG Status	Commentary
Delivering high quality services	A3 Minimise Waste; Maximise Recycling	Cllr. Michael Talbot	<p>The Council implemented a substantially different waste and recycling collection service in 2019. The new service brought with it a number of challenges and opportunities that saw recycling rates increase.</p> <p>The objective through the course of this year is to further develop and consolidate the service to ensure it continues to deliver a good recycling rate whilst providing a good level of satisfactory for residents.</p>	Green	Q1	Officers will work with the Council's waste collection contractor to identify areas where the waste collection and recycling service can be developed and refined. This will focus on increasing recycling rates where possible and further improving customer satisfaction.	Amber	The key plank of identified activity is the introduction of in cab technology to allow drivers on the spot information on collection points, special needs, missed collections and customer details. The technology is available and the teams are currently working on data cleansing issues in order to facilitate roll out. This should speed up response to missed bin reports and confirm green waste bin collections.
					Q2	Where possible and within existing budgets additional opportunities for recycling will be explored and implemented.	Green	<ul style="list-style-type: none"> <li>Additional Tetrapak recycling sites deployed on a Rolling Programme in Q1/Q2</li> <li>Proposals for textile kerbside collection prepared for consideration by Portfolio Holders. Prepared in August 2022 and Portfolio Holder decision anticipated in October</li> <li>Coloured bag provision for community litter picking agreed and to be deployed in October 2022</li> <li>Early stage consideration of glass kerbside collection and wider range of plastic recyclate.</li> </ul>
					Q3	<b>Implementation of the improvements and opportunities identified in Q1 &amp; Q2.</b>	Amber	<ul style="list-style-type: none"> <li><b>Work is ongoing on the introduction of in-cab technology to allow drivers on the spot information on collection points, special needs, missed collections and customer details.</b></li> <li><b>Additional Tetrapak sites were deployed. As a rolling programme across Q1 and Q2. At the following sites; Brightlingsea Community Centre, Clacton-on-Sea Tesco Brook Park, Little Clacton Morrisons, Manningtree CoOp and Parkeston Morrisons.</b></li> </ul>

							<ul style="list-style-type: none"> <li>Proposals for textile kerbside collection prepared for forthcoming Portfolio Holder consideration.</li> <li>Coloured bag provision for community litter picking deployed in October.</li> <li>Proposals for glass kerbside collection and wider range of plastic recyclate are being finalised for member consideration.</li> </ul>	
					Q4	Implementation of the improvements and opportunities identified in Q1 & Q2.		
Delivering high quality services	A6 Effective regulation and enforcement	Cllr. Giancarlo Guglielmi	The Covid response work continues, alongside a commitment to Enforcement. As agreed at the Corporate Enforcement Group the Community Ambassadors are being trained to respond to three key offences using Fixed Penalty Notices. The areas of priority are dog fouling, littering and fly tipping. The Community Safety Team continue to use the powers available to the authority in the Anti-Social Behaviour (ASB) 2014 Act. These powers are usually used in conjunction with partners such as Essex Police or Housing Associations.	Green	Q1	Prepare for and commence the Summer Plan 2022 and Ambassadors to focus on the three priority areas identified by the Corporate Enforcement Group.  Maximise capacity within the approved establishment of 5 Ambassadors and an ASB Case Officer (with a view to maintaining that position throughout the year). Subject to approval of the funding.	Amber	<p>The Summertime Plan 2022 has been prepared and Councillors have been briefed via an All Member Briefing on 12 May 2022. The plan has been circulated to all Councillors in May 2022. A separate underpinning delivery plan has been prepared for partner agencies.</p> <p>Approval has been given, in May 2022, to appoint 5 Ambassadors and a Case Officer. Three posts are filled and as the team lacks full capacity, agency staff are being utilised to provide cover during peak periods.</p>
					Q2	Commence a review of the Strategic database to ensure consistency of recording of instances and relevant cases given to ASB Case Office for litigation.	Green	A review of the Strategic Database has taken place and a new system put in place, and no inconsistencies in recording identified. However as yet no complaints suitable for litigation. The new recording system – Dynamics 365 - allows officers to log complaints, risk assess the information and conduct a full investigation using its functionality. From initial complaint / contact to disposal – also creating a report of outstanding cases and an audit trail. As at 15 September there were 277 cases in the database.
					Q3	<b>Evaluation and All Member Briefing to review the success of the Summertime plan. This will include a 'lessons learnt' document.</b>	Amber	<p><b>Presentation updates were given as follows:</b></p> <p><b>25 Oct 2022 – Operational Enforcement Group</b></p> <p><b>8 Nov 2022 – Corporate Enforcement Group</b></p> <p><b>16 Nov 2022 – All Member Briefing</b></p> <p><b>The Summertime plan was a success. Case studies and data were provided within the updates to demonstrate success.</b></p> <p><b>The “lessons learnt” was not written this year due to the work across the team being very different from last year ,especially the response to emergency planning incidents over the summer. Full details of this work was provided at the All Member Briefing on 16 Nov 22.</b></p>



					Q4	Report back to Cabinet and/or an update at an All Member Briefing. Progress to also be reported back to partners including the Office of the Police Fire and Crime Commissioner as part of the annual review.		
Delivering high quality services	A7 NET Carbon Neutral by 2030	Cllr. Michael Talbot/Cllr. Alex porter	The Council has pledged to become carbon neutral by 2030 from the Council's own activities and from the electricity it uses. The Council has an Action Plan 2020-2023 to help it make progress towards this goal, and it will continue to deliver actions within the Action Plan. In particular, the Council will focus on improving the efficiency of the Council's estate, and engaging externally with partners with common interests in climate action.	Amber	Q1	Develop options for consideration by the Portfolio Holder for building improvements to reduce carbon emissions, based on energy audits.	Red	At the Q2 point, the Cabinet will be asked to formally approve the amendment to this highlight priority to reflect that the commitments have always been to net carbon neutral.  Energy audits are not yet complete. Additional resource is needed to create the capacity to complete the audits, which is likely to be a call on the climate fund. Q4 completion of improvement projects is at risk.
					Q2	<del>Decide on TDC's low-carbon electricity purchase.</del>	Red	<b>It is proposed to AMEND the highlight priority to reflect that the commitment has always been to be net carbon neutral.</b>  Further opportunities are being explored as part of the Council's annual contract renewal considerations, which will be finalised during Q3. <b>On this basis it is proposed to REALIGN the "Decide on TDC's low-carbon electricity purchase" from Q2 to Q3.</b>  <b>It is proposed to REALIGN the New electric vehicle charging points installation from Q3 to Q4.</b>  In respect of the Q1 Milestone the Energy audits are now complete. Additional resource is needed to create the capacity to complete the reporting and prioritisation of audit actions, which is likely to be a call on the climate fund. Additional resources to complete the actions listed have been requested through the Corporate Investment Plan. Q4 building improvement outcomes continue to be at risk.
					Q3	<b>REALIGNED - Decide on TDC's low-carbon electricity purchase.</b>  <del>New electric vehicle charging points installed in the District.</del>  Report on the District Council's annual carbon emissions data.	Green	<b>Electricity purchase:</b> As we reach associated procurement milestones during the year, the Council will continue to take the opportunity to ensure the electricity used across our various sites is delivered from carbon neutral sources.  <b>Report on carbon emissions.</b> An update report submitted to Members of Resources and Services Overview and Scrutiny Committee in an 'off-Agenda' report and shared with all members.  Comprehensive data analysis for the year to the end of March 2022 commissioned from APSE to report in

							<p><b>Q4.</b></p> <p>The Action Plan will be reviewed during 2023 for the Net Carbon Neutral objective from 2024 onwards. The report is expected to be completed to provide options in the summer for the new Administration.</p> <p>£60,000 to address resources issues identified in Q1 around energy audits has been allocated. Recruitment for a surveyor is underway.</p> <p><b>Electric Vehicles.</b> During 2023 Eight EV charging points will be installed in the Starlings carpark in Dovercourt in 2023. The review of EV options for TDC Car Parks and Leisure Centres and TDC's EV strategy and charging policy will be complete in Q4. ECC is expected to publish its draft strategy for on-street EV points.</p> <p>A proposal has been submitted to government to allocate funds from the Rural Prosperity Fund to provide EV charging points in rural locations in 2024/25.</p> <p><b>There is a need to FURTHER REALIGN “New electric vehicle charging points installed in the District” from Q4 2022/23 to Q1 2023/24 due to the delay in completing the Starlings project as a result of tackling site contamination.</b></p>
					<p>Complete building improvement projects to reduce carbon emissions.</p> <p>Review progress against the Carbon Reduction Action Plan 2020-23 and develop a new plan for 2024 onwards assessing how to reach the 2030 net zero goal.</p> <p><b>REALIGNED – New electric vehicle charging points installed in the District.</b></p>		



<b>Building Sustainable Communities</b>	<b>B1 North Essex Garden Communities</b>	<b>Cllr. Giancarlo Guglielmi</b>	Working in partnership with Colchester Borough Council (CBC) and Essex County Council (ECC) to develop both the planning framework and a long-term stewardship model for a new Garden Community of 7,000-9,000 homes with associated employment opportunities and infrastructure. The Tendring-Colchester Borders (TCB) Garden Community will be an exemplar development that incorporates the very highest standards of design, architecture, planning and carbon reduction measures and delivery of the scheme will require positive cooperation with the lead development partners Latimer	<b>Green</b>	Q1	Completion of public consultation on Draft Development Plan Document (DPD) for the Garden Community (Regulation 18 stage) – subject to agreement from the joint TDC/CBC/ECC Committee.	Green	Consultation completed in March/April 2022 resulting in 193 representations raising 620 matters for consideration. A report of consultation results was presented to the Joint Committee on 18 <sup>th</sup> July 2022 (Q2 and so on plan) Working forward further work is required to inform the Councils' decision on how to address key issues in the DPD. Essex County Council application to Homes England to extend Housing Investment Fund funding for link road construction still awaiting decision and could have a bearing on timetable going forward.
					Q2	Reporting results of consultation on Draft Development Plan Document to the Joint Tendring-Colchester Committee.	Green	The Tendring/Colchester Border Garden Community Joint Committee on 18 July 2022 received a report on representations made in response to the regulation 18 consultation and next steps. Officers are commissioning and working on evidence that will inform key decisions on the direction of the Garden Community going forward, in light of the representations that have been received.
					Q3	<b>Revisions to and completion of final draft DPD and associated evidence base ready for Council approval and submission to the Secretary of State.</b>	Amber	<b>Emerging evidence subject of report to the (cancelled) 13<sup>th</sup> December 2022 Joint Committee meeting. Final draft DPD and associated completed evidence to be considered by the Joint Committee and Full Council in February/March 2023 with likely submission to the Secretary of State and associated Regulation 19 consultation in Q1 2023/2024 following local elections.</b>

Page			Clarion and Mersea Homes and continuous engagement with both existing and future communities. Priority action is for the new joint TDC/CBC/ECC Planning Committee to agree to the publication of the first draft Development Plan Document (DPD) for public consultation in line with Regulation 18 of the statutory plan-making process.		Q4	Final consultation on the DPD (Regulation 19) and submission to the Secretary of State.		
Building Sustainable Communities	B2 Jaywick Sands – more and better housing	Cllr. Paul Honeywood	Working with the community of Jaywick Sands and other stakeholders to develop a long-term strategic plan for the area which will provide both a basis for making future planning decisions and a strategy for seeking and securing external private and public funding towards ongoing rejuvenation of the area and tackling deprivation. Key matters to address will include improving housing conditions, provide access to training and employment opportunities,	Green	Q1	<p><u>Jaywick Workspace and Covered Market</u> Start on Site. [Subject to receiving external funding]</p> <p><u>Jaywick Sands Place Plan</u></p> <ul style="list-style-type: none"> <li>Coastal Community Team reformed as a multi-agency stakeholder group to feed into the work on the Place Plan and to include representation from the community.</li> <li>Preparation of Draft Place Plan and Design Guide material ready for public consultation.</li> </ul>	Green	<p><u>Jaywick Workspace and Covered Market</u> External funding was received from Essex County Council to deliver the project, and the contractor started on site in April 2022. The contractor has been carrying out ground works and site preparation.</p> <p>The current completion date is planned for February 2023. Works may be subject to delay due to the availability of materials in the current climate, and the impact of ground conditions, such as asbestos.</p> <p><u>Jaywick Sands Place Plan</u> Coastal Community Team reformed to become a multi-agency stakeholder group as plans progress. The First meeting of the Coastal Community Team was held on 8<sup>th</sup> July (Q2) Initially restarted with TDC &amp; ECC with discussions taking place as to identify the appropriate future stakeholders. This group will feed into the work on determining the Place Plan and will include representation from the community.</p> <p>Draft Place Plan and Design Guide approved ready for consultation to be held in September.</p>

			improving community facilities and infrastructure and, perhaps most challenging of all, providing a long-term sustainable future of the community in the face of climate change and the increased likelihood and risk to life and property associated with of coastal flooding.	Q2	<p><u>Jaywick Workspace and Covered Market</u></p> <p>Enter contract with operator to market and operate the building.</p> <p><u>Jaywick Sands Place Plan</u></p> <p>Consultation on Design Guide and preliminary Place Plan work and consideration of responses.</p>	Amber	<p><u>Jaywick Workspace and Covered Market</u></p> <p>Following discussions, the operator has requested that the Council run the centre in-house; the Council is reviewing this option. A formal decision on the recommended option will then follow. This building was “topped out” in September.</p> <p><b>It is proposed to REALIGN Commencement of Marketing to potential occupiers of the building from Q3 to Q4.</b></p> <p>In view of the proposed realignment of the milestone around marketing of the Jaywick Workspace and Covered Market it is further proposed to remove this milestone from this year that the building will be “Fully Operational”. However, this milestone can be replaced by “Build Complete” in Q4.</p> <p><u>Jaywick Sands Place Plan</u></p> <p>The Place Plan consultation is underway with an online survey and face to face meetings. (Albeit that the face to face meetings were rearranged and the consultation period extended by 10 days in respect for the period of National Mourning. The consultation ends on 27 October.</p>
					Q3	<p><u>Jaywick Workspace and Covered Market</u></p> <p><del>Commence Marketing to potential occupiers of the building.</del></p> <p><u>Jaywick Sands Place Plan</u></p> <p>Adoption of Design Guide as a Supplementary Planning Document and continued work on the Place Plan.</p>	Red

							continue into 2023/24.	
					Q4	<p><u>Jaywick workspace and Covered Market</u></p> <p>Fully Operational. <b>Build Complete</b></p> <p><b>REALINGED Commence Marketing to potential occupiers of the building.</b></p> <p><u>Jaywick Sands Place Plan</u></p> <p>Preparation of Draft Place Plan for Councillor scrutiny and approval ahead of formal public consultation exercise.</p>		
Building Sustainable Communities	B4 Building and Managing our own homes	Cllr. Paul Honeywood	<p>Working in partnership with procurement specialists at Essex County Council in order to run a tender exercise for the design and construction single storey homes suitable for older and disabled persons. The procurement exercise will result in a high profile redevelopment of around 20 bungalows at the Honeycroft site.</p> <p>The redevelopment will seek to provide homes achieving appropriate energy efficiency and lifetime homes standards along with meeting other industry benchmarks for quality and design. Options for the use of Modern Methods of Construction will be included along with offering the opportunity to Small &amp; Medium size Enterprise (SME) developers. The overall design is to recognise current landscape</p>	Green	Q1	<p><u>Honeycroft:</u></p> <p>Undertake procurement of design and build contractor.</p> <p><u>Acquisitions</u></p> <p>As and when opportunities arise - Continue with a programme of property acquisitions where suitable existing (such as ex Right to Buy stock) or new build occurs.</p>	Amber	<p><u>Honeycroft:</u></p> <p>The tender documents are largely complete and are being finalised for tender issue at the time of writing.</p> <p><u>Acquisitions</u></p> <p>Acquisitions continue with one former Right to Buy property having been purchased during the quarter.</p> <p>13 new properties were gifted to the Council during the quarter from developers in accordance with planning obligations.</p>
					Q2	<p><u>Honeycroft:</u></p> <p>Report to Cabinet to appoint contractor. Contractor appointed and scheme design prepared for consultation.</p> <p><u>Further HRA sites:</u></p> <p>Surveyor employed to assess sites and prepare proposals for redevelopment.</p>	Amber	<p><u>Honeycroft:</u></p> <p>The tender documents have been issued and the tender period is ongoing at the time of writing.</p> <p><u>Further HRA Sites</u></p> <p>The contract of a temporary surveyor has been extended in order to build wider capacity to complete the assessments.</p>
					Q3	<p><u>Honeycroft:</u></p> <p><b>Completed consultation on scheme design and Planning application submitted.</b></p> <p><b>Scheme costs determined and report presented to Cabinet/Full Council seeking approval on the funding.</b></p> <p><u>Further HRA sites:</u></p> <p><b>Scheme proposals presented to Cabinet for approval.</b></p>	Red	<p><u>Honeycroft:</u></p> <p><b>Tenders for development on the Honeycroft site have been invited and received. Decision on appointment of contractor and funding options now proposed for Q4 to allow for lifecycle costing and specific financial appraisal. The relevant report is set out elsewhere in the Agenda for this meeting (27 January 2023).</b></p> <p><b>Due to the changed procurement proposal to design and build (in order to optimise the use of internal resources) there is a need to REALIGN the milestones for "Planning Application Determined" and "Building work commence onsite" from Q4 2022/23 to Q2 2023/24.</b></p> <p><u>Further HRA sites:</u></p> <p>Initial contact with procurement team and a</p>

			<p>constraints and provide a secure yet welcoming micro community that supports independent living and quality lifestyle.</p>				<p>framework agreement begun as an alternate delivery mechanism. It is proposed to progress exploratory discussions in Q4.</p> <p><b>There is a need to REALIGN the milestone “Scheme proposals presented to Cabinet for approval” from Q4 2022/23 to Q2 2023/24.</b></p>
			<p>Further to the redevelopment of Honeycroft site, two further sites held within the Housing Revenue Account (HRA) will be progressed to design and tender phase such that construction can follow on once Honeycroft is completed, or in parallel if funding permits. These sites could deliver a total of ten additional council homes for rent.</p> <p>Discussions with Councillors will be facilitated on a range of further potential development sites identified within the HRA and General Fund estates. Proposals around a range of disposal or development options will touch on a spectrum of priority themes and balance financial and service considerations.</p> <p>All of the above will be subject to appropriate (further) Cabinet and Full Council level decisions on scheme design, cost and funding.</p>	<p>Q4</p>	<p><u>Honeycroft:</u></p> <p>Planning application determined</p> <p>Building works commence on site.</p> <p><u>Further HRA sites:</u></p> <p>Planning applications submitted.</p>		



<b>Strong Finances and Governance</b>	<b>C2 10 Year Financial Plan</b>	<b>Cllr. Giancarlo Guglielmi</b>	To continue the development of a zero based approach to deliver the required savings over the remaining years of the long-term forecast.  This will need to be balanced against the level of cost pressures that may emerge over the same timescales along with the delivery against the emerging Corporate Investment Plan.  Updates will be included within the quarterly financial forecast reports during 2022/23	<b>Amber</b>	Q1	Establish the budget areas to which the Zero based approach to budget setting will apply for 2023/24.	<b>Amber</b>	Discussions have taken place with key members of the Finance Team, to identify a pragmatic process to develop the approach further in 2022/23. This will involve the identification of key cost drivers linked to service outcomes / key service standards along with reducing / eliminating unnecessary or avoidable activities. It is proposed to undertake consultation with Senior Managers during Q2 to enable the necessary work to be undertaken over the second half of the year and monitored in accordance with the milestones.
					Q2	In – year performance against the budget at end of Q1 reported to Cabinet with progress against £450k ongoing saving target.	<b>Red</b>	The effect of recent financial challenges seen at a National and Global level are now impacting on the Council's own financial position, with a number of related issues now emerging. With this in mind, a review of the wider financial position of the Council in response to these emerging challenges is in progress and further details will be included within separate Financial Performance Reports.  Notwithstanding the issues highlighted above, the key principles behind zero based budgeting remain relevant and important going forward. How they can be deployed will therefore form part of the separate future financial performance reports when the major financial challenges facing the Council become clearer.
					Q3	<b>In – year performance against the budget at end of Q2 reported to Cabinet with progress against £450k ongoing saving target.</b>	<b>Green</b>	<b>Three financial update reports have been presented to Cabinet this year (7 October, 4 November and 16 December). Net savings achievable for 2023/24 are currently estimated at £616k, with further updates to be presented as part of the on-going budget processes.</b>
					Q4	In – year performance against the budget at end of Q3 reported to Cabinet with progress against £450k ongoing saving target.		
<b>Strong Finances and Governance</b>	<b>C3 Effective and Positive Governance</b>	<b>Cllr. Giancarlo Guglielmi/ Cllr. Lynda McWilliams</b>	The Council continually seeks to improve and enhance its governance arrangements and in 2022/23 further enhancements will be made. This includes actions from the Centre for Governance and Scrutiny's Scrutiny Development Review	<b>Green</b>	Q1	Implement action plan ongoing from CFGS review in 2021.  Prepare a revised community engagement strategy for the Council.	<b>Green</b>	The CFGS recommended more scrutiny work be undertaken through task and finish groups, enquiry days, briefing notes etc. This approach has informed the work programme prepared by the two Overview and Scrutiny Committees. A meeting has been held on the 17 May 2022 including the two Chairmen on the Committee with the Leader and Deputy Leader and a second is to be held in Q2.  A revised Community Engagement Strategy has been prepared and submitted to Management Team. The Strategy will be presented to Cabinet in September 2022.

			<p>of the Council and actions to keep the Constitution and Councillor training opportunities up to date.</p> <p>Through this highlight priority the progress with such activities such as the development of a revised strategy for Inclusion and Equality will be captured. The revised Strategy, including an updated People Impact Assessment is aimed at securing robust governance arrangements are in place across the organisation.</p> <p>The Council is also reviewing the way it engages with the Community and a draft strategy is also being developed for approval.</p>		<p>Q2</p> <p>To take a draft Inclusion and Equality strategy to Cabinet and authorise consultation on it.</p> <p>To take a draft Community Engagement Strategy to Cabinet for approval.</p>	Green	Draft strategies prepared and published for consideration by Cabinet on 7 October 2022.
					<p>Q3</p> <p><b>Report on the outcome of consultation on the draft Inclusion and Equality strategy and invite appraisal of a strategy.</b></p> <p><b>Following adoption, roll out of the Community Engagement Strategy across the organisation.</b></p>	Green	<p>Consultation completed and report to be presented back to Cabinet on 27 Jan 2023.</p> <p><b>The Community Engagement Strategy was agreed by Cabinet in Oct 2022 and an Officer group has been established to ensure that the Strategy meets the needs of residents and also Council services. Different levels of engagement are required across services e.g. statutory engagement through to lived experience.</b></p>
					<p>Q4</p> <p>Commence of the new Inclusion and Equality strategy training and embedding through the organisation.</p> <p>Undertake annual review of the Councils Constitution. Prepare for post-election 2023 Council.</p> <p>Induction plan and revised Allowances for Councillors.</p>		
Strong Finances and Governance	C5 use assets to support priorities	Cllr. Giancarlo Guglielmi	<p>Appropriately disposing of land at the redundant Weeley Office Site in support of priorities.</p> <p>To facilitate member decision on a range of potential development sites identified within the Housing Revenue Account and General Fund estates. Propose a range of disposal or development options that touches on a spectrum of priority themes and balances financial and service considerations.</p>	Green	<p>Q1</p> <p><u>Weeley Council Offices</u></p> <p>Agree terms for disposal of the Weeley site.</p> <p><u>Other Sites</u></p> <p>Prepare long list of potential disposal/development sites for Portfolio Holder shortlisting.</p>	Red	<p><u>Weeley Council Offices</u></p> <p>Potential disposal terms are being formally reviewed in relation to statutory and governance criteria prior to further progression.</p> <p><u>Other Sites</u></p> <p>The Portfolio Holder elected to refer the listed properties to the Cabinet for wider strategic consideration. At the time of writing the decision to progress consideration of all of the sites was made by Cabinet on 15 July 2022 and further action is pending the expiry of the call-in period.</p>
					<p>Q2</p> <p><u>Weeley Council Offices</u></p> <p>Planning application submitted for Weeley site.</p> <p><u>Other Sites</u></p> <p>Report to member's short list of potential development/disposal sites for direction and prioritisation.</p>	Red	<p><u>Weeley Council Offices</u></p> <p>Best consideration aspects potentially resolved. Ongoing discussion on detailed contractual terms, in accordance with the framework agreed by Cabinet. An application for Planning permission will follow.</p> <p><u>Other Sites</u></p>

			To ensure that the Council's general fund assets support in the delivery of the Council's key priorities including the provision of modern high quality buildings for customers and staff along with a commitment to carbon neutrality.				69 Sites reported to Cabinet. All approved to be progressed. A public petition against the proposals has been initiated.	
				Q3	<p><b>Weeley Council Offices</b></p> <p><b>Complete disposal of the Weeley Office site or equivalent contractual venture.</b></p> <p><b>Other Sites</b></p> <p>Consolidate list of energy audit actions identifying funded, fundable and aspirational projects and options for Portfolio Holder consideration.</p>	Red	<p><b>Weeley Council Offices</b></p> <p>Current discussions on detail terms are pertaining to an option agreement. If progress matches anticipation the option agreement may be finalised in Spring 2023 with a planning application and decision in summer 2023 and development agreement prior to the end of the calendar year. Ultimately disposal will only occur when houses to be retained by TDC are completed, potentially this may be some time beyond the transfer of occupational control of the site.</p> <p><b>There is a need to REALIGN the milestone "Complete Disposal of the Weeley Office site or equivalent contractual venture" from Q3 2022/23 to Q3 2023/24.</b></p> <p><b>Other Sites</b></p> <p>A long list of actions has been prepared. Funding has been approved for an interim surveyor to assist with prioritisation and procurement of measures. Recruitment is under way</p>	
				Q4	<p><u>Other Sites</u></p> <p>Complete a review of options for depot accommodation for member consideration.</p>			
A growing and inclusive economy	D1 Develop and attract new businesses	Cllr. Neil Stock OBE	Partners have submitted a successful Outline Business Case for Freeport East, with the potential to bring investment and jobs to the Port at Harwich. On 7 December 2021 the Government formally designated the Freeport tax sides within Freeport East (including at Harwich). The Council will be an effective partner in the Freeport East	Green	Q1	Freeport East submits Final Business Case.	Green	The Full Business Case for Freeport East was submitted in April. Government is engaging with Freeport East on the business case over the summer, ahead of final sign off expected in the Autumn.
					Q2	Decide on governance structure for Freeport East. * Further milestones to be determined from Freeport East Final Business Case.	Green	Governance Structure agreed to be a company in August 2022. The final memorandum and articles are in draft. NEW Q3 and Q4 targets have been included following the assessment of Freeport East Final Business Case.
					Q3	<p><del>To be determined based on the Freeport Final Business Case.</del></p> <p><b>NEW Treasury Fund approves Full Business Case</b></p>	Green	<p><b>The HM Treasury Panel met towards the end of November to assess the Full Business Case and Freeport East's responses to additional actions requested by Government. Informal feedback is positive and formal approval was announced on 10 January 2023.</b></p> <p>The Council is required to sign a Memorandum of</p>



			programme, working with other local authorities and the Port to support efforts to bring forward Bathside Bay. The Council will work with Essex County Council and other partners to develop future proposals for the regeneration benefits that Freeport East could bring to District of Tendring.				<b>Understanding (MoU) with Government as a Business Rates Billing Authority once the Full Business Case if formally approved. A report is scheduled to come to Cabinet on 27 January 2022 on the MoU.</b>	
				Q4	Options for regeneration proposals from Freeport developed (subject to the Final Business Case). <b>NEW Capital seed funding released to sites.</b> <b>NEW Business rates policy for Freeport agreed by the Council.</b>			
<b>A growing and inclusive economy</b>	<b>D2 Support existing businesses</b>	<b>Cllr. Mary Newton</b>	The Council has the opportunity to seek government funding to invest in its major town centres in Clacton and Harwich through the Levelling Up Fund. The Council will develop a pipeline of projects to support the District's town centres, working with partners, and seek funding for them.	<b>Green</b>	Q1	Review Government guidance for the Levelling Up Fund and consult with partners.  Construction commences on the Starlings Project.	Amber	Guidance reviewed and agreement made to submit two bids to the levelling up fund ahead of the deadline on 1 August. Work on the bids is underway.  Construction of the Starling project has commenced. However, land contamination, changes required the water attenuation, and delays in the booking of road closures by UK Power Networks will delay completion to quarter 4.
					Q2	To be determined based on Levelling Up Fund bidding process.  Support provided to Clacton Town Centre Working Group.	Green	Two Levelling Up Fund bids submitted for Harwich, Dovercourt and Clacton-on-Sea Town Centres.  Survey of Town Centre Business in Clacton-on-Sea distributed to review issues for the Town.  UK Shared Prosperity Fund prospectus submitted to Government including funding line to support town centres.  <b>The milestone "Complete the Starlings Project" is proposed to be REALIGNED from Q3 to Q4.</b>
					Q3	<b>Complete the Starlings Project.</b>  <b>Options for a pipeline of future Tourism projects proposed.</b>	Amber	<b>Given the financial challenges facing councils, TDC's efforts on tourism projects are focused on securing external funding. The Council has submitted proposals to government as part of the Rural England Prosperity Fund for a trail in Manningtree and St Osyth's on the history of the persecution of women as "witches". The Council is developing full costed external funding bids to secure the future of the Leading Lights in Harwich.</b>  <b>The Starlings Project has faced significant ground condition challenges, including the discovery of two petrol tanks, one of which had leaked to contaminate an area of soil next to the new drainage</b>

							<p>system. As a result significant additional work was required. This work is now complete. However, it has pushed the expected timeline for completion back to April / May 2023. A risk of further delay remains as the drainage system awaits approval from Essex Highways linked to land registration issues.</p> <p><b>There is a need to FURTHER REALIGN the completion of the Starlings Project from Q4 2022/23 to Q1 2023/24.</b></p>
					Q4	<b>REALIGNED Complete the Starlings Project</b>	
A growing and inclusive economy	D4 promote Tendring's tourism, cultural and heritage offers	Cllr. Alex Porter	<p>Tourism is a major industry for District of Tendring. The sector is worth almost £402 million to Tendring, with the industry responsible for almost 9,000 jobs, equivalent to 17.9% of the District's employment. Most recently Clacton 150 has demonstrated the capacity of the Council to bring forward events and animate the seafront. The Council's Tourism Strategy aims to grow the value and volume of tourism for the wider benefit of the District, with a 10 point plan. The Council will co ordinate a programme of events including the Clacton Airshow and celebrations of the Queen's Platinum Jubilee, and bring forward proposals to support the visitor economy.</p>	Green	Q1	<p>Motor Rally – Support First British Championships Rally of the season to take place in Tendring April 2022.</p> <p>Support a schedule of Platinum Jubilee events.</p> <p>Review the Tendring Beach Hut Strategy.</p> <p>Develop the Tendring District Sport and Leisure Strategy.</p>	<p>Green</p> <ul style="list-style-type: none"> <li>The Motor Rally took place successfully in April.</li> <li>Events took place across the district in support of the Platinum Jubilee, including a beacon lighting in Clacton.</li> <li>The Tendring beach hut strategy is out to consultation and due to Cabinet in October, with implementation of any changes by April 2023.</li> <li>The Sport and Activity Strategy is under development, and is due to Cabinet in September.</li> </ul>
					Q2	<p>Promote LoveTendring App.</p> <p><del>Report on the Tendring District Sport and Leisure Strategy.</del></p> <p>Host the Clacton Airshow.</p> <p>Promote TDC at the Tendring Hundred show in July 2022.</p>	<p>Green</p> <p>LoveTendring App included in Summertime Plan Campaign. Further development work was undertaken to improve the functionality.</p> <p>Sports and Activity Strategy moved back to December Cabinet. <b>It is proposed to REALIGN the consideration of the report on the Tendring District Sport and Leisure strategy from Q2 to Q3</b></p> <p>Clacton Airshow successfully ran in August 2022.</p> <p>The Council was represented at the Tendring Hundred show in July 2022</p>
					Q3	<p>Plant trees to create a new Jubilee/Clacton 150 legacy woodland funded by the Heritage Lottery Fund.</p> <p><b>REALIGNED Report on the Tendring District Sport and Leisure Strategy.</b></p>	<p>Green</p> <p><b>The Council planted a new woodland of 150 native trees on the open space next to Burrs Road, Great Clacton. The new woodland will include a contemplation and chatty bench, as well as information boards to be installed in the New Year.</b></p> <p><b>A substantial evidence base for the Sports Strategy has been developed and collated by external consultants funded via the Garden Community programme, which will support that Development Plan Document. Publication of the evidence base is due in the New Year. Given the significant change in the financial position of councils due to inflation in recent months, the Council will complete the Sports and Leisure Strategy once wider Council finances</b></p>

							<p>have been reviewed.</p> <p>The Council does not expect to bring forward the Illuminate Festival in Q4, to allow a wider consideration of what future events to stage in the District. Illuminate has previously taken place every few years and this hiatus will allow consideration of a refresh of this event to be considered, against the wider context of decisions on the full programme. It has also been taken into consideration that one of the headline acts from previous Illuminate Festivals has performed in Tendring, over recent weeks.</p> <p><b>There is a need to FURTHER REALIGN “Report of the Tendring District Sport and Leisure Strategy” from Q3 2022/23 to Q1 2023/24.</b></p>
					<p>Coordinate Illuminate Festival</p> <p>Bring forward proposals for tourism and seafronts to underpin the District Wide Tourism Strategy in 2023/24</p> <p>Agree a priority places plan with the Arts Council for joint work in Tendring.</p>		
<p><b>Community Leadership through Partnerships</b></p>	<p><b>E1 Health and wellbeing – for effective services and improved public health</b></p>	<p><b>Cllr. Lynda McWilliams</b></p>	<p>The Council has agreed a number of health Memoranda of Understanding primarily to support the work around health inequalities across the District. At the current time the evaluation framework is being constructed with a view to recruiting additional post holders on a temporary basis to move this work forward across communities. For example, an additional Family Solutions worker is to be recruited to support families in</p>	<p><b>Green</b></p>	<p>Q1</p> <p>Support the delivery of health and wellbeing work programme by commencing recruitment to additional posts. Key Performance Indicators to be established to underpin the Memoranda of Understandings with CCG and ESNEFT.</p>	<p>Green</p>	<p>Key indicators have been agreed in consultation with health partners to underpin the Memoranda Of Understandings for the use of the funds in June 2022. Recruitment commenced to the additional posts and the posts are being filled.</p> <p>Looking forward to the Q2 milestones, induction is progressing and partner links developing</p>
					<p>Q2</p> <p>Induction programmes for new postholders completed and links with the relevant partners established, including feedback to the North East Essex Health and Wellbeing Alliance Board.</p>	<p>Amber</p>	<p>Additional Family Solutions Officer for Harwich appointed, start date/induction week 26<sup>th</sup> September 2022.</p> <p>Note: Further text on links with relevant partners and feedback to NEEHW Board envisaged.</p>
					<p>Q3</p> <p><b>Monitor Key Performance Indicators across the health inequality work streams.</b></p>	<p>Green</p>	<p><b>Allocation of funding going through the Council and Alliance governance processes which includes outcomes for all funding projects prior to implementing funding proposals. Proposals include officer supporting for hospital discharge, housing and benefits support to families, Family Solutions, fuel poverty and Careline support.</b></p>

			the Harwich area. This work will be completed with communities, stakeholders, statutory and voluntary bodies.		Q4	Report back to Cabinet on progress of Health Memoranda of Understandings, Key Performance Indicators and delivery.		
Community Leadership through Partnerships	E2 Education – for improved outcomes	Cllr. Lynda McWilliams	Working with Education partners including Essex County Council, local schools, universities and business to address the Tendring Education Strategic Board's four key work streams – teacher recruitment, retention, school attendance and Post 16 opportunities. This work is in line with the Council's Children and Young Person's Strategy.	Green	Q1	Memoranda of Understanding to be agreed between Tendring Education Strategy Board partners. A presentation to be given to the Alliance Board to improve the links between the two Boards.	Green	Memoranda of Understandings agreed and a presentation given to Alliance Board to improve the links between the Tendring Education Strategic Board and the Alliance in May 2022.  In respect of Q2 successful event fully showcasing work which occurred in the Princes Theatre with strong attendance
					Q2	Tendring Education Strategy Board (TESB) celebration event in June 2022, showcasing the work of Tendring students and teachers throughout the pandemic.	Green	TESB Celebration event held on 16 <sup>th</sup> June 2022 and received very positive feedback. A great example of Essex County Council, this Council and local schools working in partnership, showcasing Tendring children and young people and a variety of projects.
					Q3	<b>Review and evaluation of work across the Board, including the four work streams.</b>	Green	<b>A new Memoranda of Understanding has been agreed for the TESB , which has slightly updated the work streams. An All Tendring Headteachers meeting took place on 29 November 2022, which included updates on the work streams, alongside the work of the main Board.</b>
					Q4	Report back to Cabinet on the progress of the Tendring Education Strategy Board.		
Community Leadership through Partnerships	E5 – Joined up public services for the benefit of our residents and businesses	Cllr. Neil Stock OBE	Through their day to day practices, Anchor institutions are usually large organisations which are local to place that have the leverage to maximize social value through their role as workforce developers, employers and procurers, their core business (health and education for instance) and linkages to the place they operate. They are large, typically non-profit	Green	Q1	Analyse procurement spend across the authority, with support from EELGA consultants.  Commence work around the integration of the green agenda into the Anchors approach.	Green	An East of England LGA funded exercise to analyse procurement spend has been completed. The Council is awaiting full analysis results from the exercise.  The green agenda integration into Anchors was considered by Management Team
					Q2	Support various recruitment initiatives across the Anchor partners including reverse job fairs, highlighting job opportunities with them.	Green	Reverse Jobs Fair supported by this Council's HR team on 16 September 2022. A further Reverse Jobs Fair planned to focus on apprenticeship opportunities across Anchors.  An EELGA/NHS led Anchors meeting took place on 20 September 2022 to review the Green Agenda across Anchors.
					Q3	<b>Report to Cabinet on the progress with the Essex Anchors initiative, including specific work relating to the District of Tendring.</b>	Red	<b>Cabinet report prepared and will be presented to Cabinet on 27 January 2023.</b>

organisations like hospitals, local councils, and universities. They have:

- 'Sticky capital' (i.e. are unlikely to move given their connection to the local population)
- Significant influence on the health and wellbeing of a local community through their sizeable assets.

Anchor organisations can shape local place by:

- Workforce Developer
- Procurement of goods and services
- Employer
- Local business and VCS incubator
- Estates and Environment

Q4

Determine, with Anchor partners, priorities for 2023/24 and provide an update via an All Members' Briefing.

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## CABINET

27 JANUARY 2023

### 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

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

To enable Cabinet to:

- Consider the updated financial forecast, including budget changes in 2022/23 and budget proposals for 2023/24.
- Agree the latest financial forecast / budget proposals and council tax amount for 2023/24 for recommending to Full Council.
- Approve 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.

###### EXECUTIVE SUMMARY

- At the meeting on the 16 December 2022, Cabinet considered the updated financial forecast, which included budget changes in 2022/23 and budget proposals for 2023/24.
- The Updated Financial Forecast was subject to consultation with the Resources and Services Overview and Scrutiny Committee, which met on the 11 January 2023, and their comments are considered elsewhere on the agenda.
- Since the Cabinet’s meeting on 16 December 2022, additional changes have been required, primarily as a result of new or revised information becoming available which includes the Government’s Financial Settlement announcements.
- The changes required result 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**, along with comments set out later on in this report, provide 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 is proposed to transfer the remaining balance of funding of **£1,643,290** as set out within **Appendix A** to the Forecast Risk Fund. This is required to support the forecast across 2024/25 to 2026/27 based on the updated estimated position set out in **Appendix B**.

- To enable the detailed estimates along with the various resolutions / 'technical' appendices required for Full Council in February to be finalised, a delegation to the Portfolio Holder for Corporate Finance and Governance is included below. A further delegation is also included 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 financial year.
- This report also sets out a proposed Council Tax Support Fund Scheme, which reflects the associated Government guidance, with a recommendation included below.
- The recommendations also include 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**.
- The budget position set out in this report will change, as further adjustments will be required as part of finalising the budget for presenting to Council on 14 February 2023, with a further delegation included in the recommendations to reflect this.
- Based on the final proposed budget for 2023/24, the Council Tax requirement is **£9.603m**, which is based on a **3% (£5.47)** increase for this Council's services, with a Band D council tax of **£188.11**. These figure will remain unchanged and therefore will be reflected in the various budget resolutions / 'technical' appendices proposed to be delegated to the Portfolio Holder for Corporate Finance and Governance.
- The Council's annual budget and the district and parish elements of the council tax will be considered by Full Council on 14 February 2023, with approval of the 'full' council tax levy for the year being considered by the Human Resources and Council Tax Committee later in February 2023.
- 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 is recommended to be delegated to the Portfolio Holder for Corporate Finance and Governance.

## **RECOMMENDATION(S)**

**It is recommended 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 this report and Appendices and recommends to Full Council:**
  - (i) **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 subject to b) above, in consultation with the Leader 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;
- (f) approves / adopts the proposed Council Tax Support Fund Scheme as set out within this report 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.

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

To set out the latest financial position for the Council and to respond to 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.

#### **ALTERNATIVE OPTIONS CONSIDERED**

This is broadly covered in the main body of this report.

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

#### **DELIVERING PRIORITIES**

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

The forecasting and budget setting process will have direct implications for the Council's ability to deliver on its objectives and priorities. The current 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. The approach set out in this report continues to be set against this wider context.

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

Internal consultation is carried out via the Council's approach to developing the budget as set out within the Constitution. External consultation also forms part of developing the budget, and is carried out early in the year as part of finalising the position for reporting to Full Council in

February.

The Resources and Services Overview and Scrutiny were consulted on the budget proposals with their response that was agreed at their meeting on 11 January 2023, set out elsewhere on the agenda.

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

Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days.

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.

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.

In-line with the Government guidance, the Council Tax Support Fund Scheme proposals set out elsewhere in this report are required to be agreed using discretionary powers under S13A(1)(c) of the Local Government Finance Act 1992.

Subject to Government guidance, 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. Where reimbursed by the Government, this is done via S31 of the Local Government Act 2003.

Under Section 25 of the Local Government Act 2003, the Chief Finance Officer (S151 Officer) must report to Council, as part of the budget process, on the robustness of estimates and adequacy of reserves. The proposed approach can deliver this requirement if actively managed

and will be an issue that remains 'live' over the course of the forecast period and will be revisited in future reports to members as part of developing / approving the budget.

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.***

<b>Yes</b>	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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Although there are no additional comments above those set out in this report, it is important to highlight that further decisions may be necessary to take a number of actions forward, such as those associated with the items set out in **Appendix A**.

### **FINANCE AND OTHER RESOURCE IMPLICATIONS**

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.

The general approach set out in this report has been discussed with the Council's External Auditor, albeit informally. There were no major concerns raised and they will undertake a more detailed review as part of their usual commentary on the Council's use of resources.

<b>Yes</b>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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The Section 151 Officer is the author of this report.

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

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This is addressed in the body of the report.
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B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
<b>MILESTONES AND DELIVERY</b>	
This report forms part of the Council's wider budget setting processes, with final budget proposals being set out in this report for recommending to Full Council on 14 February 2023.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
<p>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. Wider economic risks have also increased in 2022/23, which are likely to continue into 2023/24. These could have an impact on income streams such as from Council Tax and Business Rates along with the 'cost' of the Local Council Tax Support Scheme. The Council's initial / short-term response is set out in the body of this report and will continue to be addressed as part of the future financial reports.</p>	
<p>The approach of refocusing existing budgets and reserves also adds additional risks as it reduces the ability of the Council to access such funding to underwrite further risks etc. going forward.</p>	
<p>As set out in <b>Appendix B</b>, the Forecast Risk Fund remains a key element of the long-term plan approach. However, it is important to note that the Council still prudently maintains reserves to respond to significant / specific risks in the forecast such as <b>£1.758m</b> (NDR Resilience Reserve) and <b>£1.000m</b> (Benefits Reserve), which can be taken into account during the period of the forecast if necessary. The Council also holds <b>£4.000m</b> in uncommitted reserves, which reflects a best practice / risk based approach to support its core financial position.</p>	
<p>As highlighted in earlier reports, money has been set aside 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 <b>£1.269m</b> has therefore been maintained for this purpose and the use of this fund can be considered as part of and/or outside of the annual budget setting cycle via separate decision making processes.</p>	
<p>As highlighted within earlier reports, the Chief Executive continues to chair the regular Budget, Performance and Delivery meeting of Senior Managers where any emerging issues are highlighted / discussed.</p>	
<b>EQUALITY IMPLICATIONS</b>	
<p>There are no direct implications that significantly impact on the financial forecast at this stage. 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.</p>	
<p>An impact assessment will be undertaken as part of any separate budget decisions such as those that will be required to deliver savings.</p>	

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.

#### **SOCIAL VALUE CONSIDERATIONS**

There are no direct implications that significantly impact on the financial forecast at this stage.

However, such issue will be considered as part of separate elements of developing the budget as necessary.

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

There are no direct implications that significantly impact on the financial forecast at this stage.

However, such issue will be considered as part of separate elements of developing the budget as necessary.

#### **OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS**

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

<b>Crime and Disorder</b>	Please see comments above
<b>Health Inequalities</b>	
<b>Area or Ward affected</b>	

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

#### **BACKGROUND**

The long-term forecast is updated on an on-going basis, which is reported to Members on a regular basis as part of the financial performance / annual budget cycle, with the most recent position being reported to Cabinet at its 16 December 2022 meeting.

In respect of the forecast and budget proposals for 2023/24, the above report included the following two key appendices:

- 1) Cost Increases / Corporate Investment Plan Items 2022/23 and 2023/24
- 2) Updated Long Term Financial Forecast

This report therefore provides a further update on the above two items (set out within Sections 1 and 2 respectively below).

Similarly to last year, a recommendation is included above that delegates approval of the more detailed budget information and associated appendices, which will be presented to the Full Council meeting in February, to the Portfolio Holder for Corporate Finance and Governance. It is important to highlight that the more detailed position delegated to the Portfolio Holder will only be a reflection of the updated high level forecast set out in this report.

For completeness, the more detailed / technical information proposed to be delegated to the Portfolio Holder for Corporate Finance and Governance for approval, will include the

following:

- *Detailed General Fund revenue estimates, capital programme and reserves 2023/24*
- *Special Expenses 2023/24*
- *Requisite Budget Calculations 2023/24*
- *District Council Taxes for All Areas 2023/24*
- *Precepts on the Collection Fund – District Amounts 2023/24*
- *District Council Tax Amounts 2023/24 (excluding Council Tax amounts for Town and Parish, County, Fire and Police services)*
- *Calculation of Estimated Surplus on the Collection Funds for 2023/24*
- *Prudential Indicators 2023/24*

The formal approval of the ‘full’ council tax levy for the year including the District amount approved by Full Council in February along with the Essex County Council and Police / Fire precepts will be considered by the Human Resources and Council Tax Committee later in February 2023.

## **SECTION 1 - COST INCREASES / CORPORATE INVESTMENT PLAN ITEMS 2022/23 AND 2023/24**

**Appendix A** attached replicates the appendix considered by Cabinet at its 16 December 2022 meeting with any changes since that report highlighted in ‘green’.

A summary of the changes are set out in the table below:

<b>Section of Appendix</b>	<b>2022/23 Change</b>	<b>2023/24 Change</b>	<b>Comments</b>
<b>Section 1</b> – Corporate Items	Increased from £1,193,400 to £1,219,970 (an increase of £26,570).	Reduced from £2,136,000 to £1,042,970 (a reduction of £1,093,030)	Further details are set out within <b>Appendix A</b> , with the most significant change reflecting the additional funding made available by the Government via the Local Government Finance Settlement.
<b>Section 2</b> – General Operational Items	No Change – remains at £2,127,570	Increased from £1,296,170 to £1,444,170 (an increase of £148,000)	Please see <b>Appendix A</b> for further details.
<b>Section 3</b> – Proposed	No Change – remains at	Increased from £4,078,700 to	Although the cost pressures have changed as highlighted in

Funding Approach	£3,389,070	£4,088,900 (an increase of £10,200)	Sections 1 and 2 above, no changes to use of the identified funding are proposed. Further comments are set out immediately below this table and relate to transferring the remaining balance to the Forecast Risk Fund.
<b>Section 4</b> – Items that can be funded from associated / specific budgets and/or fees and charges	It is proposed to utilise £250,000 from the Asset Refurbishment and Replacement Reserve to provide the flexibility to fund a number of climate change projects.	No Change	Please see further comments in <b>Appendix A</b> along with an associated recommendation above.

As set out in **Appendix A** and summarised in Sections 1,2 and 3 in the table above, the total level of net cost pressures has reduced to **£41,530** and **£1,601,760** in 2022/23 and 2023/24 respectively. However, given the impact of the required changes to later years of the forecast, it is proposed to transfer this funding to the Forecast Risk Fund as it is expected to be required to support a balanced budget in 2024/25 to 2026/27. The updated forecast set out in **Appendix B** reflects this change with a contribution of **£1,643,290** to the Forecast Risk Fund now included in 2022/23 and 2023/24.

In addition to the above, the cost pressure included to meet the cost of homelessness in 2023/24 has been reviewed in light of current demand. An initial amount of **£150,000** was included for 2023/24. This has remained unchanged, as the Government have recently confirmed the continuation of associated grant funding that totals **£803,885**, which will therefore be available in 2023/24 to complement existing budgets.

## **SECTION 2 - UPDATED LONG TERM FINANCIAL FORECAST AND BUDGET PROPOSALS 2023/24**

**Appendix B** sets out the latest financial forecast from 2023/24 that reflects changes since Cabinet considered the earlier position at its 16 December 2022 meeting.

The changes required reflect an improved position – a net reduction of **£0.946m** in the annual forecast deficit (from **£3.433m** to **£2.487m**), which primarily reflects the grant funding made available by the Government as part of the Local Government Financial Settlement. However, it remains prudent to treat this as a one-off amount, which has therefore been ‘reversed out’ in 2024/25. Along with telescopic impact of the changes highlighted in Section 1 above, this has had a knock-on impact to the forecast, as the level of savings previously identified would still be required along with being supported by the forecast risk fund.

Work still remains on-going across a range of budget items such as business rates, fees and

charges and HRA / GF recharges. These will be finalised and included in the final budget proposals to be considered by Full Council on 14 February 2023.

However the following table provides commentary on the changes that have been made to the forecast as set out in **Appendix B** (excludes items where there has been no significant change to the relevant line of the forecast considered by Cabinet on 16 December 2022):

Item in the Forecast	Change since forecast was considered on 16 December 2022	Comments
<b><i>Underlying Funding Growth in the Budget</i></b>		
<b>Line 3</b> – Growth in Business Rates – Inflation	Income reduced by <b>£0.134m</b>	Following the Government’s confirmation of ‘freezing’ the business rates multiplier for 2023/24, no additional income is included within this line of the forecast. However the Government have committed to reimbursing the Council the ‘cost’ of this change which is reflected in the general Government funding in Line 8 below along with the wider changes to business rate income that will be finalised for reporting to Full Council in February 2023.
<b><i>Net Cost of Services and Other Adjustments</i></b>		
<b>Lines 8</b> – Revenue Support Grant Funding	Income increased by <b>£1.461m</b>	Initial forecasts expected that the Government would not be providing local authorities with any general revenue support in 2023/24. However, as part of the Governments Local Government Financial Settlement, additional funding for this Council has been confirmed.
<b>Lines 12</b> - LCTS Grant to Town and Parish Councils	Expenditure Increased by <b>£0.041m</b>	This reflects the ongoing commitment to ‘passport’ grant funding to Town and Parish Council’s in line with the Council’s own revenue support funding mentioned above.
<b>Line 17, 18 and 19</b> Inflation and Unavoidable Cost Pressures / CIP Items	Net Expenditure increased by <b>£0.341m</b>	This reflects the changes for 2023/24 as set out in <b>Sections 1 and 2 of Appendix A.</b>

*The above position excludes changes to indirect costs such as internal recharges within the General Fund and technical accounting adjustments that do not have an overall net impact on the budget. However, the full detailed budget, reflecting the above changes, will be presented to Full Council on 14 February 2023.*

In addition to the above, the Government also confirmed the provisional New Homes Bonus Grant due to the Council in 2023/24. A total of **£1.224m** will be receivable in 2023/24. It is proposed that his money remains uncommitted to ensure that it remains available to the New



Administration from May this year to support the delivery of the long-term forecast / priorities going forward.

### **Sensitivity Testing**

Work remains in progress to update the usual sensitivity testing approach, with the outcome planned to be presented to Full Council on 14 February 2023 alongside the detailed budget proposals for 2023/24.

### **Corporate Investment Plan**

As highlighted in earlier financial performance reports, the Corporate Investment Plan will continue to play an important role in supporting the response to the financial challenges ahead. Given the scale of the on-going financial challenge faced by the Council, the Corporate Investment Plan remains under review, but it is planned to be presented to Cabinet in 2023 once the Council's underlying financial position has become clearer before further investment opportunities can be considered.

## **ADDITIONAL INFORMATION**

### **Council Tax Income / Levy 2023/24**

As part of the recent Local Government Finance Settlement, the Government confirmed that District Councils can increase council tax by up to 3% without the need to hold a local referendum. An increase of 3% had already been included in the forecast, so subject to agreement by Cabinet / Council, no further changes are required.

A **3%** increase results in a council tax for a Band D property of **£188.11** in 2023/24 (an increase of **£5.47** over the 2022/23 amount of **£182.64**) with a Council Tax Requirement of **£9.603m**.

The property base is **51,050**, as reported to Cabinet in December 2022, which is an increase of **1,157.8** over the 2022/23 figure of **49,892.2**

Alongside the Local Government Finance settlement and in recognition of the expected increase in council tax amounts across the country, the Government introduced a Council Tax Support Fund. The fund totals £100m and is aimed at supporting Councils to deliver additional support to those households already receiving local council tax support, whilst also providing the flexibility to determine local approaches to support other vulnerable households. In terms of this Council's share of the £100m fund, a provisional allocation of **£325,376** has been made, which remains subject to the final financial settlement announcements.

The associated Government guidance has been received, which sets out their expectations on how the fund should be used as follows:

- Local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support and automatically apply the discount.
- Council tax reductions should be applied from the beginning of the 2023/24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.

- Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.
- It is the Government's intention that any assistance provided from the Council Tax Support Fund will not affect the eligibility of recipients for other benefits.

With the above in mind, it is therefore proposed to provide a reduction of £25 to all households who are currently in receipt of LCTS. Where the council tax liability for the year is less than £25, then a lower figure will be awarded to reduce the household liability to nil. Subject to the recommendations above, this reduction will be reflected in the council tax bills that will be sent out in March. It is proposed that the scheme is based on the eligibility for LCTS on 1 April 2023, so no support will be awarded to households who may become eligible for LCTS during the year. Based on the current expected position at the 1 April 2023, **8,487** households would be eligible for support at a total cost of **£212,175**.

Although the above figure may change up until the time that the bills are produced and sent out, it is proposed that any remaining funding will be added to the Council's existing hardship scheme, which already provides the basis to support vulnerable households rather than introduce a further local discretionary scheme. This approach would also enable financial support to be considered for those who may not be receiving LCTS on 1 April 2023 but may be eligible during the year. Recommendations are set out above to enable a local scheme to be adopted and administered in-line with the Government guidance.

As set out in the Financial Report to Cabinet on 7 October 2022, the Council will continue to opt-in to the Council Tax Sharing Agreement with ECC if financially advantageous to do so. A revised scheme for 2023/24 has now been finalised by ECC, which is based on a higher 'fixed' investment element but a lower 'variable' incentive element. Although subject to the risk of changes in collection performance etc. during the year, based on current estimates, the revised scheme for 2023/24 will continue to provide a financial benefit to the Council. As set out in **Appendix A**, no additional net income has been included at this stage, but the position will be kept under review as part of the quarterly financial performance reports during 2023/24.

### **Business Rates Income**

No changes over and above those set out in the report to Cabinet on 16 December 2022 have been reflected in the updated forecast at this stage.

The Council remains a member of the Essex Business Rates Pool, with its continuing membership proposed for 2023/24. Unless a Local Authority withdraws from the Essex business rates pool, the pool will continue in 2023/24. In-line with previous years, the benefit from remaining a member of the Essex Business Rates Pool has not been reflected in the forecast at this stage. The Council is committed to remaining a member of the Essex Business Rates Pool in 2023/24 if it remains financial advantageous to do so.

Although no income generated from being a pool member is currently included in the forecast, it is proposed to continue to treat this income on a one-off basis during the year to support the Councils overall financial position, which will continue to evolve during 2023.

As part of continuing to provide financial support to businesses, the Government have announced a new business rates relief scheme. Although limited by a 'cash cap' of £110,000, the scheme enables business rate relief of up to 75% to be awarded to those businesses who operate within the retail, hospitality and leisure sectors. The Council is required to agree /

adopt a local scheme to enable relief to be granted to qualifying businesses. As the scheme is in effect a mandatory scheme prescribed by the Government with no local discretions applicable, the adoption of a scheme is therefore primarily a governance issue. With this in mind, a delegation is included within the recommendations above to enable an associated scheme to be agreed / adopted before the bills for 2023/24 are sent to businesses during February / March. The Government will fully reimburse the cost of providing these reliefs via associated grant funding.

As recently announced by the Government, the business property rating revaluation planned for 2023 will still go ahead, which will be supported by transitional relief alongside wider relief schemes. As highlighted earlier in this report, the Government have confirmed that the rating multipliers will be 'frozen' for 2023/24. The impact of these on the Council's own financial position is subject to on-going review, with the final business rate estimates for 2023/24 still to be finalised. It is now proposed to reflect the impact of the overall business rate calculations in the final budget proposals to Full Council on 14 February 2023.

A report set out elsewhere on the agenda includes references to business rates in the new Freeport tax site, including a proposed business rate relief policy. There are no required changes to the forecast at the present time.

### **Capital Programme**

No changes to the forecast have been required at this stage. The full multi-year Capital Programme will be included within the final budget proposals that will be presented to Full Council in February.

### **Reserves**

No changes over and above those set out elsewhere in this report have been required at this stage.

Although a detailed statement will be made by the Section 151 Officer that will be included in the report to Full Council in February, the current level of reserves remains adequate based on the latest review that was set out in the report to Cabinet on 16 December 2022.

### **Fees and Charges**

Fees and charges are agreed separately by the relevant Portfolio Holder and are reviewed within the framework of the financial forecast and therefore they will be considered against the following key principles:

- 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

Given the significant financial challenges faced by the Council, a key underlying principle is to consider inflationary increases wherever possible to support corresponding increases in the Council's own costs in delivering the associated service(s). The current rate of inflation (RPI) is in excess of 12%, with predictions of further increases going into 2023. With such a high rate of inflation it may not necessarily be practical / possible to 'translate' such an increase

into the actual fee increase proposed. Therefore, set against this inflationary context, any proposed increases in fees and charges must be balanced against other considerations / market conditions, whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges on a cost recovery basis.

Any changes to income will need to be considered as part of finalising the budget proposal for 2023/24. Only limited changes to the budget have been made at the present time as set out in **Appendix A**. As the remaining fees and charges are agreed, any impact will be included within the final budget proposals that will be presented to Full Council on 14 February 2023.

Although agreed separately, a full schedule of fees and charges will be provided to members ahead of the Full Council budget meeting in February 2023.

### **Treasury Strategy 2023/24**

In accordance with the Budget and Policy Framework, the Treasury Strategy is required to be considered by the Resources and Services Overview and Scrutiny, following which it will be reviewed by Cabinet for recommending to Full Council.

As has been the case in previous years, a recommendation is included earlier on in this report to delegate the approval of the Treasury Strategy 2023/24 to the Portfolio Holder for Corporate Finance and Governance, for consultation with the Resources and Services Overview and Scrutiny Committee.

### **Special Expenses**

No changes are proposed over and above those set out in the report to Cabinet on 16 December 2022, with the underlying principles remaining the same as 2022/23.

### **Annual Minimum Revenue Provision Policy Statement**

As set out in the report to Cabinet on 16 December 2022, where relevant, figures included in the 2023/24 budget are based on the following policy statement that was agreed by Full Council on 29 November 2022.

**In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, the Council’s policy for the calculation of MRP for 2023/24 shall be the Capital Financing Requirement Method for supported borrowing and the Asset Life (equal instalment) Method for prudential borrowing.**

There have been associated no changes required to the forecast since Cabinet’s meeting on 16 December 2022.

## **UPDATES TO THE FORECAST FOR THE PERIOD 2024/25 AND BEYOND**

Taking the most up to date position set out in this report, the expected annual position for each remaining year of the forecast is as follows:

<b>Year</b>	<b>Net Budget Position (including adjusting for prior year use of reserves etc. to balance the budget)</b>	<b>Forecast Risk Fund - Estimated Surplus Balance at the end of the year</b>
2024/25	£4.282m deficit	£1.137m

2025/26	£0.591m deficit	£0.796m
2026/27	£0.683m deficit	£0.361m

The above is after taking into account the overall savings target of over **£5.000m** over 2024/25 to 2026/27 and the contribution to the Forecast Risk Fund of **£1.643** highlighted earlier. A framework against which to identify and secure the necessary on-going savings will need to be considered during 2023/24. The level of savings required will also 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 as any increases in net costs will likely require a corresponding increase in the savings required.

#### PREVIOUS RELEVANT DECISIONS

Finance Update Report – General Update 2022/23 and 2023/24 – Item A.2 Cabinet 7 October 2022.

Financial Performance Report 2022/23 and 2023/24 – General Update at the end of Q2 – Item A.5 Cabinet 4 November 2022.

Updated General Fund Financial Forecast Including Proposed Budget Changes in 2022/23 along with Budget Proposals for 2023/24 – Items A.3 Cabinet 16 December 2022.

#### BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

#### APPENDICES

**Appendix A** – Cost Increases / Corporate Investment Plan Items 2022/23 and 2023/24

**Appendix B** – Updated Long Term Financial Forecast

#### REPORT CONTACT OFFICER(S)

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## Cost Increases / Corporate Investment Plan Items - 2022/23 and 2023/24

Description	Updated Position	Updated Position	Updated Position	Updated Position	Comments
	December 22 2022/23 £	January 23 2022/23 £	December 22 2023/24 £	January 23 2023/24 £	
	(1)	(2)	(3)	(4)	
<b>1. GENERAL / CORPORATE ITEMS</b>					
Employee Cost Inflation	863,900	863,900	2,031,000	2,116,920	This adjustment reflects the pay award agreed for 2022/23 and a further estimated inflationary increase of 4% in 2023/24. The figure has been subject to the necessary changes since reporting to Cabinet in December, to reflect the most up to date position, including restructures and other detailed salary changes.
Waste & Street Cleaning Contract Inflation	329,500	356,070	881,000	988,470	Increases in contract costs are linked to inflation, which could be as high as 13% to 14% when the next annual uplift is applied (January / February 2023). The figures have been increased to reflect the most up to date inflation forecasts.
Business Rates payable on the Council's Own Properties	0	0	22,000	22,000	The Government have now confirmed that there will be no general inflationary uplift on business rates in 2023/24. However there has been a general business rates revaluation which may have an impact on the amount payable. Work remains on-going to confirm the impact of the revaluation and so the figure has not been changed from that previously reported, but it will be updated as part of finalising the report to Full Council in February.
General Underlying changes in the Forecast (excluding Government Grant funding below)	0	0	(798,000)	(1,647,000)	This reflects the sum of other lines within the forecast. The revised figure for 2023/24 reflects a number of changes within the forecast that are set out in <b>Appendix B</b> and the main body of the report.
<b>NEW</b> - Increased Government Grant Funding receivable as announced as part of Local Government Financial Settlement	0	0	0	(441,260)	This amount is primarily made up of revenue support grant along with a funding guarantee grant. The total grant funding receivable in 2023/24 is £1.461m, with the figure included reflecting the change across years given a grant of £1.020m was receivable in 2022/23.
<b>NEW</b> - 'Passporting' Revenue Support Grant funding to Town and Parish Councils.	0	0	0	3,840	This adjustment reflects the existing commitment to award grant funding to Town and Parish Council based on the Council's own revenue support grant position. Therefore grant funding will be paid to Town and Parish Council's in 2023/24, which has been uplifted by the same percentage increase the Council has received.
<b>Total General / Corporate Items</b>	<b>1,193,400</b>	<b>1,219,970</b>	<b>2,136,000</b>	<b>1,042,970</b>	

Description	Updated Position December 22 2022/23 £	Updated Position January 23 2022/23 £	Updated Position December 22 2023/24 £	Updated Position January 23 2023/24 £	Comments
<b>2. GENERAL OPERATIONAL ITEMS</b>					
Crematorium - Loss of Income	740,000	740,000	0	0	This reflects the estimated net position following the crematorium remaining non-operational for the first half of 2022/23. The Cremators are now operational with income expected to return to previous levels over time.
Weeley Council Offices	60,000	60,000	50,000	50,000	A number of costs remain payable until the property is disposed off and liability for costs of ownership cease.
Skyguard Subscriptions - Lone worker safety devices	25,000	25,000	0	0	A number of additional devices have been required to reflect current working practices. No costs have been included in 2023/24 at the present time as a review will be undertaken to see if there are any alternative options
Street Cleansing	96,000	96,000	0	0	This reflects increased beach / town centre cleaning. The position for 2023/24 is under review to identify alternative options.
Office Transformation Project	130,000	130,000	0	0	Additional costs are expected in 2022/23 to finalise this major project.
Caroline - VAT Payable	74,540	74,540	0	0	An additional payment of VAT is due to be paid to HMRC following the incorrect VAT indicator being applied to associated fees and charges. A final figure has now been agreed with HMRC and the Council has managed to avoid an additional penalty payment.
Career Track - Net Costs	45,000	45,000	25,000	25,000	Although the Service remains committed to progressing towards a break even position, there is likely to be a higher net cost than currently budgeted for in the short term. An adjustment has been included in 2023/24 to reflect the expected on-going net cost of the service whilst the work continues towards a breakeven position, which may also be challenging in the longer term.
Carnarvon House	60,000	60,000	0	0	Costs continue to be incurred until such time as the property is demolished.



Description	Updated Position December 22 2022/23 £	Updated Position January 23 2022/23 £	Updated Position December 22 2023/24 £	Updated Position January 23 2023/24 £	Comments
Air Show	47,970	47,970	0	50,000	Additional costs were incurred that reflect the use of the in-house Engineering Team to support the delivery of the annual show in 2022. Following an initial review of the position in 2023, the Council remains committed to continuing to deliver this successful show looking ahead to 2023 and beyond, but it is recognised that this needs to be balanced against the financial challenges faced by the Council. With this in mind, a more detailed review will be undertaken to explore options to secure the longer term future of the show. However, in the interim period and given the relatively long lead in time to deliver a show in 2023 (which will be its 30th anniversary), additional funding has now been included in the 2023/24 budget to support the cost of this year's show.
Insurance Premiums	22,610	22,610	45,220	45,220	The figures reflect the impact of the latest renewal prices, with any further potential increases not known until the renewal terms are received from the insurers in the Autumn of 2023.
Waste and Recycling Bins and Boxes	0	0	20,000	20,000	Additional costs for 2022/23 were agreed by Cabinet at its 7 October meeting. The figure included for 2023/24 reflects the underlying need to supply bins / boxes to new properties within the District - this amount will therefore be an on-going item in the base budget.
Leisure Centre - Net Costs	150,000	150,000	150,000	150,000	Over recent years the net costs across the various Leisure Centres have been in excess of the base budget. As part of the emerging Leisure Strategy, opportunities to increase income will be explored but it is likely that it will take time to improve the net position when compared to the underlying base budget. The figures included therefore reflect the estimated impact in the shorter term.
Transport - Diesel Costs	27,700	27,700	27,700	27,700	The Government have restricted the use of red diesel, with this cost reflecting the necessary move across to 'regular' diesel, which is more expensive.
Transport - General Fuel Costs	20,000	20,000	20,000	20,000	In addition to the item above, the figures included reflect the general increase in fuel costs currently being experienced. Although the adjustment will be on an on-going basis, the position will be kept under review as part of future financial performance / budget reports.
External Audit Fees	25,000	25,000	25,000	25,000	This reflects expected increases from 2022/23. Following a retender of the External Auditor Contract by PSAA Ltd, it has been suggested that Council's should expect to see increases close to 150% from 2024/25 - this will therefore be kept under review as part of developing the forecast in future years.

Description	Updated Position December 22 2022/23 £	Updated Position January 23 2022/23 £	Updated Position December 22 2023/24 £	Updated Position January 23 2023/24 £	Comments
Homelessness Costs	450,000	450,000	150,000	150,000	This reflects the current demand for temporary accommodation. The Service is committed to exploring options to reduce costs along with the use of any available Government Funding going forward. The position for 2023/24 is now supported by additional grant funding made available by the Government with further details set out in the main body of the report.
Legal Costs - Benefit Fraud Case	35,000	35,000	0	0	This reflects the additional one-off costs incurred in pursuing fraud cases.
Replacement HR / Payroll System	80,000	80,000	24,500	24,500	The systems referred to 'expire' shortly with replacement systems therefore required. The costs included reflect estimated increased set up and on-going annual costs that will become clearer via the associated procurement processes that will commence in 2023.
Credit / Debit Card Payments System	24,250	24,250	4,250	4,250	This project was included within the potential phase 3 IT projects presented to Cabinet in March 2022. A replacement system is required to keep pace with Payment Card Industry Data Security Standards (PCI/DSS). A preferred option has been agreed, which enables the Council to be compliant with the relevant industry standards.
Contact Centre IT System - Increased Lines / Licences	14,500	14,500	14,500	14,500	This forms part of the project included within the potential phase 3 IT projects presented to Cabinet in March 2022, and will enable the Council to maintain adequate 'front line' capacity within the Contact Centre.
Northgate IT System Replacement	0	0	40,000	78,000	The current contract for the primary IT system used by Revenues and Benefits and Housing 'expires' at the end of 2022/23. A replacement system / new contract is therefore necessary from 1 April 2023 and Officers are currently working with the current supplier to develop the options available. The amount included is over and above the existing annual base budget of £195,000. The position has been revised since December to include additional modules that support the wider 'self-service' approach which cannot be delivered via the existing customer 'portal'. The proposed system supplier has indicated that if the additional modules are purchased then they would 'fix' the overall contract price for up to 5 years. Although the actual decision to purchase the replacement system will be subject to a separate report, the alternative option of not purchasing additional modules will attract annual RPI increases, so the proposed approach is expected to provide value for money within this context.

Description	Updated Position December 22 2022/23 £	Updated Position January 23 2022/23 £	Updated Position December 22 2023/24 £	Updated Position January 23 2023/24 £	Comments
Increase in Energy Costs	0	0	600,000	600,000	This has been included within the budget to reflect the potential on-going impact of energy price increases. Work remains in progress to identify the impact from the Government's recent announcement to extend energy support payments to businesses. Therefore this figure may be subject to change as part of finalising the position for reporting to Full Council in February and/or during 2023/24 as part of the regular financial performance reports.
Careline Net Costs	0	0	100,000	100,000	Although the service continues to work towards a break even position via a mix of increased demand and reviewing future fees and charges in the medium to longer term, there is likely to be additional net costs in the interim period, which is expected to extend into 2023/24 and potentially longer.
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 10px;">Page 97</div> <div> <p>EW - District Election Expenses</p> </div> </div>	0	0	0	60,000	Existing budgets reflect an annual contribution of £30k to a reserve to fund the District elections, which results in a total of £120k being available to meet the cost of the election every four years. Although this budget is supported by new burdens funding from the Government, following a recent review, it is recognised that the underlying cost of holding elections has increased. The figure now included therefore reflects the necessary inflationary uplift along with the cost of the various activities that are required to successfully deliver District Elections every four years. Although this budget adjustment reflects the estimated additional cost of the 2023 elections, the longer term position remains under review to inform the necessary increase to the annual contribution to the associated reserve each year to fund the 2027 District Elections.
<b>Total General Operational Items</b>	<b>2,127,570</b>	<b>2,127,570</b>	<b>1,296,170</b>	<b>1,444,170</b>	
<b>TOTAL OF SECTIONS 1 AND 2 ABOVE</b>	<b>3,320,970</b>	<b>3,347,540</b>	<b>3,432,170</b>	<b>2,487,140</b>	

Description	Updated Position December 22 2022/23 £	Updated Position January 23 2022/23 £	Updated Position December 22 2023/24 £	Updated Position January 23 2023/24 £	Comments
<b>3. Proposed Approach to Funding the items in Section 1 and 2 Above (on a one-off basis in 2022/23 and 2023/24)</b>					
Carry Forwards from 2021/22 Withdrawn / Not Approved	(336,980)	(336,980)	0	0	Following a review by the Portfolio Holder for Corporate Finance and Governance, in consultation with Services, a number of items originally requested by Services have not been agreed or have been withdrawn.
Draw down remaining balance on the Crematorium Reserve	(154,252)	(154,252)	0	0	This reflects the use of the remaining amount held in this reserve which helps offset the net loss of income highlighted above.
Savings - (for 2023/24 this is the amount over and above the £450k 'allowance' already included in the Forecast)	(609,000)	(609,000)	(201,598)	(201,598)	This adjustment primarily reflects increased investment income in both years, following recent / projected increases in interest rates.
Page 98 Council Tax Sharing Agreement - income recovery	(222,230)	(222,230)	0	0	In terms of 2022/23, this largely reflects deferred income during COVID, with income now recovering back. In terms of the position for 2023/24, the agreement with the Major Preceptors has been amended that 'shifts' more funding that becomes available via the agreement to a fixed amount rather than a variable amount linked to collection performance etc. Although this is a positive change, no adjustment has been made in 2023/24 at the present time given collection performance risks, such as the current cost of living issues.
Increased Parking Income	(40,000)	(40,000)	(40,000)	(40,000)	This reflects achievable income over and above the adjustment in section 4 below.
Increased Recycling Credit income	(25,000)	(25,000)	(25,000)	(25,000)	This reflects the annual increase in the 'poundage' rate rather than an increase in recycle at the present time.
Vacancy Provision	(100,000)	(100,000)	0	0	This reflects accrued vacancies including the on-going difficulties in recruiting to a number of posts across the Council.
Balance of Back 2 Business 'Reserve'	(217,608)	(217,608)	(39,392)	(39,392)	This is the remaining / uncommitted balance held within this reserve
Reduce the Garden Communities Budget	(500,000)	(500,000)	0	0	The current budget supporting this project is £1.3m. Based on the current project delivery approach, it is felt reasonable to reduce this by £500k to £800k
Balance of Corporate Investment Plan 'Reserve'	0	0	(1,433,000)	(1,433,000)	This is the remaining / uncommitted balance held within this reserve. There would be no money remaining in this reserve to support further projects at the present time.
Remove Rural and Urban Infrastructure Fund Budget	(1,184,000)	(1,184,000)	0	0	Its proposed to 'redirect' this budget to support to wider financial challenge faced by the Council.

Description	Updated Position December 22 2022/23 £	Updated Position January 23 2022/23 £	Updated Position December 22 2023/24 £	Updated Position January 23 2023/24 £	Comments
Draw down money held in the Building for the Future Reserve	0	0	(2,339,710)	(2,339,710)	This reserve has historically been used to fund upfront pension fund deficit payments that generate on-going revenue savings. It is currently expected that following the latest triennial review, no deficit payments will be required for 2023/24, 2024/25 and 2025/26. This reserve therefore becomes available to support the overall financial position in 2022/23 and 2023/24, but in the knowledge that it will therefore not be available if pension deficit payments arise in the future, which would have to be met from within the underlying budget.
<b>NEW - Income from Fees and Charges</b>	0	0	0	(10,200)	Although a number of fees and charges for 2023/24 remain subject to approval in consultation with the relevant Portfolio Holders, this figure reflects the net additional income forecast in 2023/24 from those fees that have now been approved.
<b>Total Funding Identified</b>	<b>(3,389,070)</b>	<b>(3,389,070)</b>	<b>(4,078,700)</b>	<b>(4,088,900)</b>	
<b>NET TOTAL of SECTIONS 1,2 and 3 Above</b>	<b>(68,100)</b>	<b>(41,530)</b>	<b>(646,530)</b>	<b>(1,601,760)</b>	

Description	Updated Position December 22 2022/23 £	Updated Position January 23 2022/23 £	Updated Position December 22 2023/24 £	Updated Position January 23 2023/24 £	Comments
<b>4. Additional Items that can be Funded From Specific Existing Budgets / Fees and Charges</b>					
Council tax court costs income reduced			100,000	100,000	This primary reflects deferred income as recovery action continues to recover from the COVID 19 period. It is proposed to use the money made available by the Government to support the two items above, which fall within the scope of recovering from the COVID 19 pandemic.
Use of COVID 19 New Burdens Grant to fund above			(100,000)	(100,000)	
Increase in Parking Merchant Acquirer Fees			36,000	36,000	This reflects the cost of taking card payments as an alternative to cash payments, which can be met from increased income.
Increased parking income being achieved			(36,000)	(36,000)	
NEW - Climate Change Projects	0	250,000	0	0	In-line with the current commitment associated with this reserve, an initial sum of £250k is proposed to be 'draw down' from the reserve to provide flexibility to respond timely to any opportunities that may emerge. An associated recommendation is included in the main body of the report to support this flexible approach.
NEW - Use of Asset Refurbishment/Replacement Reserve to fund above.	0	(250,000)	0	0	
<b>Total of Additional Items in Section 4 Above</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**UPDATED LONG TERM FINANCIAL FORECAST**

**APPENDIX B**

Line	Budget 2022/23	Estimate 2023/24	Estimate 2023/24	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	
		Reported to Cabinet 16 December 22	Revised Position January 23	Change Between December and January				
	£	£	£	£	£	£	£	
<b>Underlying Funding Growth in the Budget</b>								
1	Council Tax Increase 1.99%	(0.176)	(0.181)	(0.181)	0.000	(0.185)	(0.189)	(0.192)
2	Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.073)	(0.068)	(0.068)	0.000	(0.065)	(0.061)	(0.057)
2a	Council Tax Increase 3% (Revised referendum threshold announced in Autumn Statement)	0.000	(0.024)	(0.024)	0.000	0.000	0.000	0.000
3	Growth in Business rates - Inflation	(0.139)	(0.134)	0.000	0.134	(0.138)	(0.071)	(0.096)
4	Growth in Council Tax - general property / tax base growth	(0.259)	(0.217)	(0.217)	0.000	(0.106)	(0.109)	(0.111)
5	Growth in Business Rates - general property / tax base growth	(0.362)	(0.031)	(0.031)	0.000	(0.036)	(0.041)	(0.046)
6	Collection Fund Surpluses b/fwd - Ctax	(0.324)	(0.477)	(0.477)	0.000	(0.100)	(0.100)	(0.100)
7	Collection Fund Surpluses b/fwd - BR	3.516	(0.307)	(0.307)	0.000	0.000	0.000	0.000
		<b>2.183</b>	<b>(1.439)</b>	<b>(1.305)</b>	<b>0.134</b>	<b>(0.629)</b>	<b>(0.571)</b>	<b>(0.602)</b>
<b>Net Cost of Services and Other Adjustments</b>								
8	Change in RSG (including other financial settlement funding)	(0.589)	1.020	(0.441)	(1.461)	1.461	0.000	0.000
9	Remove one-off items from prior year	0.000	(0.352)	(0.352)	0.000	0.000	0.000	0.000
10	Remove one-off items from prior year - Collection Fund Surplus	(6.018)	(3.192)	(3.192)	0.000	0.784	0.100	0.100
11	First / Second / Third year impact of PFH WP Savings	(0.045)	0.000	0.000	0.000	0.000	0.000	0.000
12	LETS Grant To Parish Council's	0.001	(0.037)	0.004	0.041	(0.041)	0.000	0.000
13	Revenue Contrib. to Capital Programme	0.008	(0.012)	(0.012)	0.000	0.000	0.000	0.000
14	Specific change in Use of Reserves	2.622	3.233	3.233	0.000	0.073	0.000	0.000
15	On-going savings required	(0.223)	(0.450)	(0.450)	0.000	(1.150)	(4.250)	(4.450)
16	Other Adjustments	0.023	0.000	0.000	0.000	0.000	0.000	0.000
		<b>(4.221)</b>	<b>0.210</b>	<b>(1.211)</b>	<b>(1.420)</b>	<b>1.127</b>	<b>(4.150)</b>	<b>(0.350)</b>
<b>Cost Increases / Corporate Investment Plan Items</b>								
17	Inflation - Employee / Members Allowance Costs (including annual review adjustments)	0.605	2.031	2.117	0.086	0.776	0.570	0.579
18	Inflation - Other	0.198	0.903	1.011	0.107	0.271	0.210	0.216
19	Unavoidable Cost Pressures / CIP Items	0.618	1.296	1.444	0.148	0.250	0.250	0.250
		<b>1.421</b>	<b>4.230</b>	<b>4.572</b>	<b>0.341</b>	<b>1.297</b>	<b>1.030</b>	<b>1.045</b>
	Add back Use of Forecast Risk Fund in Prior Year	1.048	0.431	0.431	0.000	(0.000)	4.282	0.591
	Removal of Previous Years Use of Existing Reserves / Budgets / Income	0.000	0.000	0.000	0.000	2.487	0.000	0.000
	<b>Net Budget Position before Use of Existing Reserves / One Off Budgets / Income</b>	<b>0.431</b>	<b>3.433</b>	<b>2.487</b>	<b>(0.946)</b>	<b>4.282</b>	<b>0.591</b>	<b>0.683</b>
	Use of Existing Reserves / Budgets / Income to achieve a balanced position	0.000	(3.433)	(2.487)	0.946	0.000	0.000	0.000
	<b>Net Total</b>	<b>0.431</b>	<b>(0.000)</b>	<b>(0.000)</b>		<b>4.282</b>	<b>0.591</b>	<b>0.683</b>
	Use of Forecast Risk Fund to support the Net Budget Position	(0.431)	0.000	0.000		(4.282)	(0.591)	(0.683)

***Use of Forecast Risk Fund to Support the Net Budget Position Above***

Outturn b/fwd from prior years	<b>(3.205)</b>	<b>(3.274)</b>	<b>(3.316)</b>	<b>(5.168)</b>	<b>(1.137)</b>	<b>(0.796)</b>
Applied in year as set out in the forecast above	0.431	0.000	(0.000)	4.282	0.591	0.683
Additional contributions generated / required in year	(0.542)	(0.250)	(1.852)	(0.250)	(0.250)	(0.250)
<b>Balance to Carry Forward</b>	<b>(3.316)</b>	<b>(3.524)</b>	<b>(5.168)</b>	<b>(1.137)</b>	<b>(0.796)</b>	<b>(0.361)</b>



## CABINET

27 JANUARY 2023

### REPORT OF PORTFOLIO HOLDER FOR HOUSING

#### A.5 PROPOSED RE-DEVELOPMENT OF THE FORMER HONEYCROFT SHELTERED ACCOMMODATION SITE, WALDEGRAVE WAY, LAWFORD

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

1. To advise Cabinet of the proposals for redevelopment of the Honeycroft site following an open tender process.
2. Approval of the acquisition and redevelopment scoring/appraisal for use of the site for housing purposes for older purposes
3. To seek Cabinet's approval to proceed with the scheme and with the bid made by Rose Builders.
4. To seek Cabinet's recommendation to Council that funding from receipts is allocated to the proposals.
5. To authorise the Corporate Director for Operations and Delivery in consultation with the Housing Portfolio Holder to agree the final scheme.

###### EXECUTIVE SUMMARY

Following completion of the demolition of the former Honeycroft sheltered accommodation in June 2021, Cabinet took a decision on 16 July 2021 to seek proposals in respect of the redevelopment of the site and an open tender process has now been undertaken in conjunction with procurement partners at Essex County Council.

The specification for the scheme enabled bidders to propose their own designs and construction methods, however, it was requested that the scheme should be as energy efficient as possible and bidders were encouraged to be innovative in this regard. A range of local developers and builders were advised of the bidding opportunity as were a number of manufacturers and consortia who have contacted the Council over the recent past promoting their development and construction services.

Proposals have now been received back 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.

Three submissions were received. These were evaluated by officers on a combined price, quality and social value basis. The recommended bidder is Rose Builders who have put forward a scheme (proposed site plan attached at Appendix C) 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 incorporates many carbon reducing technologies set out in the following sections of this report, 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 is £2,828,717.05, however, there are a number of caveats to this which are listed in the Finance and Other Resource Implications section below and therefore the sum of £3,250,000.00 is requested as the budget for the scheme.

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

**It is recommended 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;**
- (c) approves 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) delegates authority to 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.**

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

The proposed development will provide specialist accessible properties that reflect the past use of the site and are much needed to meet the current housing demand (scoring under the Housing Acquisition and Development Assessment showed an aggregate score of 28).

The properties will be lifetime homes and will provide accessible living for later life and enable people to stay in their own community despite changing physical needs.

The scheme incorporates many carbon and energy saving measures to meet current and future energy efficiency demands, making them cheaper to run and therefore combatting fuel poverty.

Redevelopment supports many of the Councils current corporate priorities for 2020 – 2024 as well as the priorities in the Housing Strategy 2020 – 2025.

The proposal made by Rose Builders includes 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.

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

## **ALTERNATIVE OPTIONS CONSIDERED**

The following options were considered and eliminated:

- To do nothing and leave the cleared site as it is – There are 8 bungalows on part of the site that are fully occupied. The cleared site is currently fenced around. It is likely that weeds would regrow and the site would be fly-tipped on, subject to antisocial behaviour and becoming an eyesore for the local residents and a detriment to the surrounding area.
- To sell the land and let someone else develop it – This would be complicated based on the other occupied bungalows on the site that currently share the communal areas. To sell off an area of land without including the communal areas would reduce the amount of external and amenity space reducing the number of properties that could be constructed and therefore the value of the land on a sale.
- Accepting one of the other bids submitted - Other bids were either invalid or did not score as highly in the assessment.
- Retendering on a similar basis – Would involve delay and potential inflationary effects. No certainty of receiving any other bids.
- Redesigning and tendering on a more traditional basis – Would involve significant delay and potential inflationary effects. Direct costs would be incurred in design procurement and work. No certainty of receiving any other bids.

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

### **DELIVERING PRIORITIES**

This decision supports the following priorities in the Corporate Plan 2020 – 2024:

- Building Sustainable Communities for the Future: Building and managing our own homes.
- Community Leadership Through Partnerships: Health and wellbeing – for effective services and improved public health.
- A Growing and Inclusive Economy: Support existing businesses

The decision furthermore contributes to the following priorities in the Housing Strategy 2020 – 2025:

- Delivering Homes to meet the needs of local people
- Supporting people in their homes and communities.

This development will also directly support the aspiration in the Housing Strategy to deliver a further Council managed homes across the District.

The Highlight Priorities 2022/23 adopted by Cabinet at its meeting in March 2022 included under the Corporate Plan Priority of Building and Managing our own homes, the following

Highlight Actions to support the priority

B4: *Working in partnership with procurement specialists at Essex County Council in order to run a tender exercise for the design and construction single storey homes suitable for older and disabled persons. The procurement exercise will result in a high profile redevelopment of around 20 bungalows at the Honeycroft site. The redevelopment will seek to provide homes achieving appropriate energy efficiency and lifetime homes standards along with meeting other industry benchmarks for quality and design. Options for the use of Modern Methods of Construction will be included along with offering the opportunity to Small & Medium size Enterprise (SME) developers. The overall design is to recognise current landscape constraints and provide a secure yet welcoming micro community that supports independent living and quality lifestyle.*

**OUTCOME OF CONSULTATION AND ENGAGEMENT**

Existing residents on the site have been advised of proposals to redevelop. If Cabinet agrees to proceed with this development, then the current residents of the 8 bungalows on site will be consulted on the details of the scheme and advised of the progress of proposals along with the Tenants' Panel.

Planning permission will also be required and this will include the usual notice to statutory consultees and public consultation.

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

Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	21 October 2022

The assessment of tenders includes the statutorily required consideration of social value. The proposals include some variables and there is some scope for refining and a delegation to officers is proposed, in consultation with the Portfolio Holder, in order to facilitate negotiation and agreement of the final scheme details.

Section 9 of the Housing Act 1985 provides discretionary power for the construction of homes:

*“(9) Provisions of housing accommodation.*

*(1)A local housing authority may provide housing accommodation—*

*(a)by erecting houses, or converting buildings into houses, on land acquired by them for the purposes of this Part, or*

*(b)by acquiring houses.”*

The principle of Paragraph 11 of Schedule 5 of the Housing Act 1985 is to retain dwelling-houses determined as particularly suitable, having regard to its location, size, design, heating system and other features, for occupation by elderly persons. Therefore, the Right to Buy will not apply if the property is let to the tenant for occupation by a person who was aged 60 or more (whether the tenant or predecessor or another person).

The assessment of tenders included the statutory requirements of the Public Services (Social Value) Act 2017 to give consideration to how what is proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area and how, in conducting the process of the procurement, it might act with a view to securing that improvement.

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

The Scheme will still require planning permission to proceed and the process needs to be carefully managed, especially in light of the fixed price being linked to being on site by October 2023.

#### **FINANCE AND OTHER RESOURCE IMPLICATIONS**

The tender has been submitted on a fixed price cost of £2,828,717.05. There are however clarifications that it does not include the following:

- Any contamination of the site and removal of any foundations, services or obstructions should these have not already been removed by the previous demolition company;
- Any Section 106, CIL or infrastructure levy payments including legal fees (should these be required);
- Any utilities infrastructure upgrades, diversions, network reinforcements, sub-stations or off-site works;
- A start on site no later than October 2023;
- Any abnormal or additional planning conditions, reserved matters, or additional/revised applications required outside of the usual single planning application granted within 13 weeks; and
- Any abnormal items arising from the results of the surveys and reports carried out (ecology, highways, soil investigations, arboriculture etc.)

A contingency sum on top of the fixed tender price is therefore requested of just under 15%, taking the total development budget requested to £3,250,000.00.

The Housing Investment Programme has the capacity to fund this project and currently no external grants/funders have been identified. Potential funders are being explored and if any applications are successful, this will allow capacity for future projects.

Investigating the current market, there is only one bungalow currently for sale in Lawford, which is a 2-bedroom property on the market for £300,000.00. Over the last 6 months, three other bungalows in Lawford have been sold via the website Rightmove:

1 x 2 bedroom new build listed at £450,000.00  
1 x 2 bedroom re-sale at £350,000.00

1 x 2 bedroom re-sale at £285,000.00

As a comparison and taking the lowest price of these properties as an average for 1 and 2 bedroom bungalows, it would cost £3,705,000.00 to purchase 13 (if indeed it were possible to find that many on the market). In addition the proposed scheme also includes first floor flat and an onsite community building which will provide a flexible space that can be used for small social gatherings for residents of this and the neighbouring community, as well as for drop-in clinics for wellbeing and healthcare providers and TDC's own housing team.

In accordance with the Council's Housing Acquisition and Development Policy, a whole life costing exercise has been completed which is set out on Appendix D. As highlighted within the Appendix, a net surplus is anticipated to be produced over the 30 Year HRA business plan period, which primarily reflects the use of capital receipts rather than funding the scheme via borrowing, which would require principal and interest payments to be made each year. The on-going cost of the scheme can therefore be accommodated within the current HRA business plan without an adverse impact on the sustainability of the HRA in the long term.

In terms of utilising capital receipts, as discussed earlier in the year, the use of borrowing was discounted given the likely interest rate 'premium' that would be payable. It is therefore proposed to fund the full cost of the scheme (£3.250m) from capital receipts. At the present time, the level of uncommitted capital receipts totals £6.470m, so the estimated cost of the scheme set out above can therefore be accommodated, which would leave £3.220m still available for future investment opportunities.

Given the use of capital receipts at the level proposed above, the funding of the scheme would require a Full Council decision. Therefore, this has been included within the HRA Budget Proposals 2023/24 report that is set out elsewhere on the agenda. Therefore, the decision set out in this report would remain subject the Full Council agreeing the HRA Budgets for 2023/24 at its meeting on 14 February 2023. This timescale can be accommodated within the proposed project milestones.

There may be opportunities to maximise the benefit of the 1-4-1 capital receipts scheme given the proposals relate to new development. This will be reviewed during the year as part of the usual financial performance / outturn reports.

In line with the Council's climate agenda and carbon saving commitment, the specification put weight on carbon saving measures as part of the build. Rose Builders have therefore designed the properties utilising Structural Insulated Panels (SIPS), which are high performance when it comes to energy efficiency, widely advertised as being 50% more efficient than traditional timber frame. They are however more expensive than traditional construction methods and Rose Builders have given some saving options (shown in the following table) should the Council wish to compromise on the extent of energy performance for the buildings:

<b>Construction</b>	<b>Cost</b>
SIPS, ASHP, PV array, MVHR	100% of the tender cost
Timber frame, ASHP, PV array, MVHR	90% (indicative figure and in respect of the cost of the dwellings element of the build only, excluding the parking, landscaping, investigations, planning and external areas

	etc. cost)
Traditional brick and block, ASHP	85% (indicative figure and in respect of the cost of the dwellings element of the build only, excluding the parking, landscaping, investigations, planning and external areas etc. cost)

Glossary:

SIPS	Structural Insulation Panels
ASHP	Air Source Heat Pumps
PV array	Photovoltaics (solar panels)
MVHR	Mechanical Ventilation with Heat Recovery

Whilst the lower specification would still meet building regulation standards for energy efficiency, this development is an opportunity for Tendring to lead by example when it comes to climate action.

<b>X</b>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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No additional comments to make.

**USE OF RESOURCES AND VALUE FOR MONEY**

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>Provision exists in the Housing Investment Programme. Whilst the cost for the proposed development is a little higher than if it was constructed using traditional methods (see the Finance and Other Resource Implications section above), it will deliver on the Council's carbon saving aims and will provide bungalows that cost less to use than their traditionally built counterparts.</p> <p>Being specifically designed for older persons, these properties will not be subject to right to buy under the current guidelines.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>With every development there is a risk and this is one of the largest the Council has undertaken in recent years. Having a fixed price for the majority of the development helps to mitigate some of the risk, however doesn't eliminate it all together. The project will need to be well managed and communication between Rose Builders and the Council's project lead will need to frequent and good to identify and anomalies or deviations quickly so these can be resolved with as little additional cost or time delay as</p>

	possible.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The Council has aspirations to build and manage its own homes in order to meet community housing needs. This development provides the opportunity to work with an energy and sustainability consultant, in conjunction with a local college/university to learn and capture data both through the design and construction, but also afterwards when the properties are occupied. This will provide full life-cycle data and valuable information to inform future projects.

### **MILESTONES AND DELIVERY**

The timescale from placement of the contract to handover and occupation of the properties is anticipated to be 81 weeks. However, giving consideration on progress to date, it is unlikely that the milestones in the Corporate Priorities can be achieved and accordingly a revised programme will be set at a later stage.

October-December (Q3) - Honeycroft: Completed consultation on scheme design and Planning application submitted. Scheme costs determined and report presented to Cabinet/Full Council seeking approval on the funding.

January-March (Q4) - Honeycroft: Planning application determined Building works commence on site

Once the contract is placed, the anticipated timescale for delivery is as follows:

Detailed site investigations and facilitating work 6 weeks  
Pre-planning Phase 8 weeks  
Planning Phase 15 weeks  
Technical Design & Pre-construction Phase 8 weeks  
Construction Phase 40 weeks  
Handover 4 weeks

Based on the above timescale and the contract being placed in February 2023, the development should be fully completed by September 2024.

### **ASSOCIATED RISKS AND MITIGATION**

Financial – this development will require a substantial investment to complete and with funds needing to be borrowed it will be important for void periods to be kept to a minimum to ensure maximum income.

Right to Buy - Being built specifically for the occupation of older persons, these properties should be exempt from Right to Buy based on current guidance (*Paragraph 11, Schedule 5 of the Housing Act 1985*).

Reputational – this will be the largest development the Council has undertaken in some time and includes many energy saving materials and technologies in order to showcase by



example what can be achieved. The quality of the design, energy efficiency of the final product and the overall success of the end development will impact on the Council's reputation. In placing the contract with Rose Builders, whose offices are based in the Lawford area, they will be significantly invested themselves in the reputational aspect of the project.

Increasing costs – the costs of living, procurement and construction are all increasing on an almost weekly basis. The tender price received from Rose Builders is a fixed price, based on the conditions listed in the Finance and Other Resource Implications section. It will be important that the contract is well managed with any unforeseen items dealt with as swiftly and efficiently as possible to keep any additional costs and time delays to a minimum.

### **EQUALITY IMPLICATIONS**

These bungalows are designed specifically for older persons with the flexibility of lifetime homes in order for them to be adapted for future needs without the resident having to move from their community.

All units will be fully wheelchair accessible and meet the Building Regulations Part M Cat 3 – Dwellings for Wheelchair Users standards.

External and communal areas will be level and accessible, larger bays will be created within the parking area for use by larger or accessible vehicles.

A small community building has been included for the development that will allow the opportunity for social and community gatherings. This space is intended to be flexible to enable the option for service providers to use the space to bring their services directly to their service users.

### **SOCIAL VALUE CONSIDERATIONS**

A weighting for social value considerations was included within the tender exercise and the proposed development will provide the following social value:

Enhanced local community and environment – by way of new energy efficient homes well insulated for the winter and designed with shading to keep cooler in the summer. This represents a carbon saving over the lifetime of the home and a saving on the running costs as compared to a traditional build

Communal garden and pond – promoting local biodiversity and maximising co2 uptake as well as providing good quality usable outside space for the residents of the site and their visitors. Rose Builders have committed to donating a bench for the garden for residents to use. Bird boxes and bug hotels to also promote biodiversity will be installed.

Community room – providing a space for classes, social activities and visiting service providers as well as social activities to encourage the local community to interact and come together.

Grow your own space – an area of the external space will be allocated for vegetable beds to encourage those residents who want to plant and grow their own vegetables. This promotes physical activity, health and wellbeing.

Education – Rose Builders have committed to providing 2 x four week periods of work experience for those aged 16+ recruited from Colchester Institute, the local Jobcentre or direct application. They will also arrange 2 x STEM events during the construction period.

Local businesses – Rose Builders is a local business to Tendring and has committed to spend 75% of their materials supply chain budget for this build within Essex, supporting the local economy.

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

The homes are to include high efficiency standards and ecological features:-

Rose Builders have focused their design on the Tendring Climate Emergency Action Plan 2020 – 2023 in the following areas:

100% renewable energy – the buildings will have PV arrays with any excess energy produced sold to the grid. Air Source Heat Pumps will be used to supply space heating. The new homes will not use oil or gas.

Net zero emissions by 2030 for newly constructed council buildings and refurbishments – the proposed properties will achieve an EPC A rating, which is close to net zero.

Electric vehicle charging – All parking spaces will have EV charging points for residents and visitors.

Waste reduction – SIPS panels are manufactured to size reducing construction waste, they also have no plastic packaging. Rose Builders company have a policy to used plastic free packaging wherever possible. Rainwater butts will be included within the development to collect and store rainwater for watering vegetables and plants in the communal areas.

Trees – new trees planted will be the most efficient for carbon offsetting and have high Carbon Performance Certificates.

Further learning – there is the opportunity to work with an energy and sustainability consultant in the delivery of the scheme who will work with a local college/university to run a full lifecycle and embodied carbon assessment of the design and construction, along with 1 – 3 years of monitoring. This will provide data for TDC to inform future developments.

**OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS**

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

<b>Crime and Disorder</b>	The intention of the development is to create a small community on the site where neighbours will support and look out for each other reducing the opportunity for crime. There is currently an element of fly-tipping on the site and re-development here should stop that.
<b>Health Inequalities</b>	The bungalows have been designed as Lifetime

	Homes, aimed at older persons and being wheelchair accessible and fully adaptable to meet the future changing needs of a resident. This will enable to residents to remain in their home and continue to be a part of their local community even if their physical needs change in the future.
<b>Area or Ward affected</b>	Lawford, Manningtree and Mistley

### PART 3 – SUPPORTING INFORMATION

#### BACKGROUND

The main Honeycroft sheltered housing building was closed in 2018 and demolished in 2021. In July 2021 Cabinet agreed that proposals could be sought to redevelop the site with one and two bedroom bungalows to provide much needed accommodation for those in the area seeking to downsize from a larger property.

The Housing Register quoted at the time of the Housing Strategy shows that 53% of households registered for one bedroom accommodation are over the age of 60, being 507 households. This demonstrates a clear need for accommodation aimed at the older demographic, in practical terms, accommodation that is accessible and adaptable for future needs.

Demand in for housing in Manningtree, Mistley and Lawford is approximately 7% equating to 137 households. Whilst not as high as other areas, the current opportunity here provides the scope for the Council to create a blueprint for addressing demand in other areas.

In the report to Cabinet in July 2021 a desktop indicative layout was produced that showed 20 properties on the site. In investigating and specifying the scheme for tender, it was noted the large and established trees on part of the site, the removal of which would be unlikely to achieve a favourable planning decision and doesn't fit well with biodiversity net gain, or the climate agenda. The criteria for the tender was therefore adapted for a minimum of 12 bungalows to be provided in addition to the eight already present, with additional weight given if additional units above this benchmark were achieved.

#### CURRENT POSITION

Three submissions were received:

<b>Bidder</b>	<b>Financial</b>	<b>Number of units</b>	<b>Qualitative evaluation (%)</b>	<b>Overall evaluation (%)</b>
Bidder 1	Invalid	0	Invalid	Invalid
Bidder 2	£2,314,750.00	12	25	75
Bidder 3	£2,828,717.05	13	40	81

Officers recommend further negotiation and acceptance of the Bidder 3 (Rose Builders Ltd) proposal.

**PREVIOUS RELEVANT DECISIONS**

23 March 2018 – Cabinet decision to close the Honeycroft and Spendells sheltered housing schemes  
13 July 2018 – Cabinet decision to demolish the main scheme building at the Honeycroft site.  
16 July 2021 – Cabinet decision to seek proposals for the redevelopment of the Honeycroft site.

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

**APPENDICES**

Appendix A – Housing Acquisition and Development Assessment  
Appendix B – Summary Scoring Matrix  
Appendix C – Initial proposed scheme layout.  
Appendix D – Whole life costing

**REPORT CONTACT OFFICER(S)**

<b>Name</b>	Jennie Wilkinson
<b>Job Title</b>	Assets Surveyor
<b>Email/Telephone</b>	<a href="mailto:jwilkinson@tendingdc.gov.uk">jwilkinson@tendingdc.gov.uk</a> 01255 686935

## **A.5 APPENDIX A. LAND PURCHASE AND DEVELOPMENT CRITERIA**

As with the acquisition of existing homes the following set criteria will be considered in respect of the acquisition of new land for development or development on existing land owned by the Council.

Any land to be acquired or developed should meet all of the minimum criteria set out and achieve an overall risk/reward score of 20 points based on the assessment below:

<b>Criteria</b>	<b>Key Risk(s) Addressed</b>	<b>Minimum</b>	<b>Target/Scoring</b>	<b>Score</b>	<b>Commentary</b>
There must be a demonstrable need for housing in the location	Lack of demand will lead to extended void periods and rental loss	There must be a minimum of 20 households on the housing register seeking housing of the proposed type in that particular area.	High demand = 5 points Medium demand=3 points Low demand =1 point	3	The 2020 Housing Strategy indicates a total of 134 households as registered in need of social housing in the Mistley/Manningtree/Lawford area. The intended housing type is intended to partly restore the balance of older person provision following the earlier demolition of the sheltered scheme.
The proposed development location and configuration is attractive from a rentable perspective.	Lack of demand will lead to extended void periods and rental loss.	The development must be in a risk-free location e.g not in a flood zone and be built to an attractive standard.	High demand location = 5 points Medium demand location = 3 points Low demand location – 1 point	5	The location is sustainable: 120m from a bus stop, immediately adjoining a store, 260m from a primary care practice, outside of flood risk, The bid submissions show attractive dwellings of a general type already present on the site and historically fully let and desirable.

The projected rental yield should represent a rational balance between revenue returns and security.	Security of capital invested and providing value for money. The potential for selling some of the homes developed to offset the investment costs will be taken into account.	The possible rental yield (based on purchase price and development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points	5	The proposed scheme amounts to a cost of around £217,000 per dwelling which compares favourably with the market value of comparable dwellings on the market in the area at the time of writing. The proposed housing is designed for older persons and therefore does not carry a risk of loss through right to buy. The Proposed construction is consistent with the idea of funding social housing through disposals.
Tenancy management criteria	Ease of management, risks of ASB or other issues in neighbourhood	The development can be designed to reduce these risks to as low as possible – highest score should be achieved.	Low risk property = 5 points Medium risk property = 3 points High risk property = 1 point	5	The proposed houses will be of modern construction and sustainability principles. The homes will be designed in consultation with the Council to design out potential ASB and that the Council has other rental homes on the site.
Permissibility of development	Likelihood of gaining planning consent	Pre-application advice indicates that granting of consent is likely	5 points available if planning consent likely or already granted. 0 points if unlikely	5	The site is within settlement limits, outside of flood risk or other restricting designations. Its last use was as a sheltered housing scheme for older people.
Ease of development	Particular challenges presented by the development site	Site presents either few challenges or the challenges identified can be readily overcome	No particular challenges = 5 points Some challenges that can be overcome = 3 points Challenges are significant = 0 points	5	The proposed deal includes for the developer to complete all consents and construction.
TOTAL				28	

A.5 Appendix B - Honeycroft Summary Scoring Matrix

Question	Evaluation criteria	Aran Insulation		Oliver Construction Limited		Rose Builders Ltd		
		score	%	score	%	score	%	
<b>Capability / Track Record - 5%</b> Examples of previous projects carried out within the last 5 years, showing initial budgets and timeframes along with achieved timings and budgets.	Please provide up to three examples of previous projects carried out without the last five years, including initial budgets and timeframes along with achieved timings and budgets.		0	3	3	4	4	
<b>Number of Units - 10%</b> Please provide your design for this development, which must have a minimum of 12 homes and a community building.	A minimum number of 12 units plus the community building is expected as a minimum criteria. Developments with less than this will not be considered and those with more will score		0	3	6	4	8	
<b>Resources - 5%</b> Please demonstrate how you manage your supply chain to avoid unnecessary delay.	Demonstrate how, either by the choices used in the design or the company's management of supply chain for materials and labour, resources for the project will be available and project delays will be minimised.		0	3	3	5	5	
<b>Commitment - 5%</b> Please provide examples of your companies environmental policies and procedures.	Environmental policies and procedures that support them adopted by the company		0	3	3	5	5	
<b>Environmental Targets - 10%</b> Please provide up to three examples of previous projects you have carried out over the last ten years and how these have met or exceeded environmental targets in respect of planning and building regulations.	Track record of previous projects carried out over the last 10 years and how these have met or exceeded environmental targets in respect of planning and building regulations.		0	3	6	4	8	
<b>Innovation, Energy Saving and Added Value - 10%</b> TDC has made a commitment to be carbon zero by 2030. Please demonstrate how this development will support that through innovation and energy saving measures.	Based on the design and specification provided, including how many of the energy saving measures are included from the design brief and additional measures and innovations in the design - based on the effectiveness on carbon savings and sustainability projected figures included within the design.		0	2	4	4	8	
<b>Social Value, Part 1 - 2%</b> How will this project provide a benefit to local people and what commitments will the company make in this regard?	Please see scoring methodology.		0		0	5	2	
<b>Social Value - Part 2 - 3%</b> How will this project support environmental and carbon savings in the local community and what commitments will the company make in this regard?	Please see scoring methodology.		0		0		0	
	<b>Total</b>		0	0	17	25	31	40



## A.5 Appendix B - Honeycroft Summary Scoring Matrix

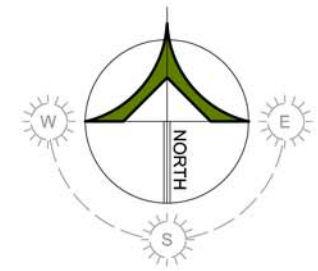
QUALITY QUESTIONS METHDODOLOGY	
In the context of the specific question concerned:	
<b>0</b>	<b>Wholly Unsatisfactory</b> No response or the whole response is irrelevant to all of the question and evaluation criteria.
<b>1</b>	<b>Unsatisfactory</b> The response only covers a minor element of the question and evaluation criteria and lacks relevant evidence regarding competence, capacity and ability to successfully fulfil the requirements of the question.
<b>2</b>	<b>Partially Acceptable</b> The response covers more than one element of the question and evaluation criteria but lacks relevant evidence regarding competence, capacity and ability to successfully fulfil the requirements of the question.
<b>3</b>	<b>Acceptable</b> The response addresses most of the question and evaluation criteria but some areas contain limited relevant evidence regarding competence, capacity and ability to successfully fulfil the requirements of the question.
<b>4</b>	<b>Very Good</b> The response fully addresses the question and evaluation criteria and provides relevant evidence regarding competence, capacity and ability to successfully fulfil the requirements of the question. added value will be provided.
<b>5</b>	<b>Outstanding</b> The response fully addresses the question and evaluation criteria and provides relevant evidence regarding competence, capacity and ability to successfully fulfil the requirements of the question and goes beyond expectations to offer an outstanding level of performance or an additional benefit which exceeds specified requirements.

SOCIAL VALUE QUESTION METHODOLOGY	
<b>EXCELLENT - 5</b>	Response provides full confidence in capability to deliver with excellent evidence that the Tenderer exceeds TDC's requirements.
<b>GOOD - 4</b>	Response provides a good level of confidence in capability to deliver with good (or better) evidence that the Tenderer meets all/nearly all of TDC's requirements. achieved.
<b>ACCEPTABLE - 3</b>	Response provides confidence in capability to deliver with good (or better) evidence that the Tenderer meets a majority of TDC's requirements.
<b>POOR - 2</b>	Response provides some confidence in capability to deliver, with satisfactory (or better) evidence that the Tenderer only partially meets TDC's requirements.
<b>VERY POOR - 1</b>	Response provides a very low level of confidence and/or limited evidence that the Tenderer meets all or some of TDC's requirements.
<b>0</b>	Response provides no confidence and/or no evidence that the Tenderer meets any of BDC's requirements OR response is incomplete.





Do not scale from this drawing.  
 All information shown is to be checked on site  
 for accuracy and fit. Any discrepancies or omissions  
 to be reported to Arcady Architects immediately.



**SCHEDULE OF ACCOMMODATION**

PLOT	TYPE	SQ.M	SQFT
1	2 BED FLAT	85.0	915
2	2 BED BUNGALOW	64.0	753
3	1 BED BUNGALOW	50.0	538
4	2 BED BUNGALOW	64.0	753
5	1 BED BUNGALOW	50.0	538
6	2 BED BUNGALOW	64.0	753
7	2 BED BUNGALOW	70.0	753
8	1 BED BUNGALOW	50.0	538
9	1 BED BUNGALOW	50.0	538
10	1 BED BUNGALOW	50.0	538
11	2 BED BUNGALOW	70.0	753
12	2 BED BUNGALOW	70.0	753
13	1 BED BUNGALOW	50.0	538
14	2 BED BUNGALOW	70.0	753
<b>TOTAL</b>			
14		857.0	9225
<b>COMMUNITY FACILITY</b> (Ground Floor)		85.0	915

Page 1 of 6

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REVISION:	DATE:	DRAWN:
PROJECT: HONEYCROFT, WALDEGRAVE WAY, LAWFORD		
TITLE: SKETCH SITE PLAN		
SCALE: 1:500	DATE: DEC 22	DRAWN: CW
No. SK04	REV.	CHKD:
Unit 4   Phillows Barns   Hammonds Road Little Baddow   Essex   CM3 4BG Tel: 01245 464681   www.arcadyarchitects.co.uk		



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**Proposal - Honeycroft Redevelopment**

**Initial Investment Incurred by TDC \*** £ **3,250,000**

**Rent Assumptions - See Workings Tab**

**Voids 2%**

**Bad Debts 2%**

**Rent Increase CPI +1%**

**HRA Costs Inflated 2%**

**Standard HRA costs applied**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>	<b>Year 11</b>
Rent Income	-72,356	-74,526	-76,762	-79,065	-81,437	-83,880	-86,396	-88,988	-91,658	-94,408	-97,240
Less Voids	1,447	1,491	1,535	1,581	1,629	1,678	1,728	1,780	1,833	1,888	1,945
<b>Total Income</b>	<b>-73,803</b>	<b>-76,017</b>	<b>-78,297</b>	<b>-80,646</b>	<b>-83,066</b>	<b>-85,558</b>	<b>-88,124</b>	<b>-90,768</b>	<b>-93,491</b>	<b>-96,296</b>	<b>-99,185</b>
<b>Costs</b>											
Mgt	6,955	7,094	7,236	7,381	7,529	7,679	7,833	7,990	8,149	8,312	8,479
Repairs	15,841	16,157	16,481	16,810	17,146	17,489	17,839	18,196	18,560	18,931	19,310
Major Repairs											
Bad Debts	1,476	1,520	1,566	1,613	1,661	1,711	1,762	1,815	1,870	1,926	1,984
CTAX on Voids	352	359	366	374	381	389	397	405	413	421	429
<b>Total Costs</b>	<b>24,624</b>	<b>25,131</b>	<b>25,649</b>	<b>26,178</b>	<b>26,718</b>	<b>27,269</b>	<b>27,831</b>	<b>28,405</b>	<b>28,992</b>	<b>29,590</b>	<b>30,201</b>
Surplus (-) Deficit (+)	-49,179	-50,885	-52,648	-54,468	-56,348	-58,289	-60,293	-62,363	-64,500	-66,706	-68,984

**Total Surplus after 30 Years** -2,251,899      Surplus After 15 Years -944,888

**Yield P.A.** 2.31%      0.97%

**Existing Stock Yield for comparison**

	<b>£'000</b>
<b>Market Value per 21/22 Accounts</b>	426,146
<b>Dwelling Rents 21/22</b>	12,813
<b>Yield</b>	<b>3.01%</b>



Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
-100,157	-103,162	-106,257	-109,444	-112,728	-116,110	-119,593	-123,181	-126,876	-130,682	-134,603	-138,641	-142,800	-147,084
2,003	2,063	2,125	2,189	2,255	2,322	2,392	2,464	2,538	2,614	2,692	2,773	2,856	2,942
<b>-102,160</b>	<b>-105,225</b>	<b>-108,382</b>	<b>-111,633</b>	<b>-114,982</b>	<b>-118,432</b>	<b>-121,985</b>	<b>-125,644</b>	<b>-129,414</b>	<b>-133,296</b>	<b>-137,295</b>	<b>-141,414</b>	<b>-145,656</b>	<b>-150,026</b>
8,648	8,821	8,998	9,177	9,361	9,548	9,739	9,934	10,133	10,335	10,542	10,753	10,968	11,187
19,696	20,090	20,492	20,901	21,319	21,746	22,181	22,624	23,077	23,538	24,009	24,489	24,979	25,479
													250,000
2,043	2,105	2,168	2,233	2,300	2,369	2,440	2,513	2,588	2,666	2,746	2,828	2,913	3,001
438	447	456	465	474	483	493	503	513	523	534	544	555	566
<b>30,825</b>	<b>31,462</b>	<b>32,112</b>	<b>32,776</b>	<b>33,454</b>	<b>34,146</b>	<b>34,853</b>	<b>35,574</b>	<b>36,311</b>	<b>37,063</b>	<b>37,831</b>	<b>38,615</b>	<b>39,415</b>	<b>290,233</b>
-71,335	-73,763	-76,270	-78,857	-81,528	-84,286	-87,132	-90,070	-93,103	-96,233	-99,464	-102,799	-106,241	140,207

<b>Year 26</b>	<b>Year 27</b>	<b>Year 28</b>	<b>Year 29</b>	<b>Year 30</b>
-151,497	-156,042	-160,723	-165,545	-170,511
3,030	3,121	3,214	3,311	3,410
<b>-154,527</b>	<b>-159,162</b>	<b>-163,937</b>	<b>-168,855</b>	<b>-173,921</b>
11,411	11,639	11,872	12,109	12,352
25,988	26,508	27,038	27,579	28,130
3,091	3,183	3,279	3,377	3,478
578	589	601	613	625
<b>41,068</b>	<b>41,920</b>	<b>42,790</b>	<b>43,679</b>	<b>44,586</b>
-113,459	-117,243	-121,147	-125,177	-129,335

**\* Total Cost less grant**

**Comparison - Sales**

6 x 2 bed bungalows at £240,000	1,440,000
7 x 1 bed bungalows at £225,000	1,575,000
1 x 2 bed flat at £220,000	220,000
1 x community building	150,000

**If sold at Actual Market Price say**

Sale Proceeds	3,385,000.00
Comparative Yield	<b>3.47%</b>
Cash Gain	<b>135,000</b>

## CABINET

27 JANUARY 2023

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

#### A.6 UPDATED HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET PROPOSALS 2023/24

(Report prepared by Richard Barrett and Richard Hall)

#### PART 1 – KEY INFORMATION

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

To seek Cabinet's approval of the updated HRA Business Plan for years 2022/23 and 2023/24 along with 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.

##### **EXECUTIVE SUMMARY**

- At the meeting on the 16 December 2022, Cabinet considered the Housing Revenue Account Business Plan and Budget Proposals for 2023/24. The updated HRA Business plan / budget proposals at that time provided for a deficit of **£0.196m** and **£0.274m** in 2022/23 and 2023/24 respectively.
- The initial budget proposals were subject to consultation with the Resources and Services Overview and Scrutiny Committee, which met on the 11 January 2023 to consider them and their comments are considered elsewhere on the agenda.
- Since the Cabinet's meeting on 16 December 2022, a number of minor changes have been required in 2023/24, with 2022/23 remaining unchanged.
- The changes required in 2023/24 have resulted in the overall deficit increasing marginally to **£0.296m** a change of **£0.022m** compared to the position reported to Cabinet in December as highlighted above. **Appendix A** sets out the updated Business Plan, in terms of 2022/23 and 2023/24, with **Appendix B** setting out the proposed detailed budgets that reflect this latest position.
- This position remains subject to further adjustments that may be required as part of finalising the budget for presenting to Council on 14 February 2023, with a delegation included in the recommendations to respond to this possibility.
- **Appendix C** sets out the proposed fees and charges for 2023/24, which broadly reflect 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 is set out in **Appendix D**, which now includes the Honeycroft New Build Scheme and the redevelopment of Spendells House.

- The average weekly rent remains unchanged to the figure reported in December at **£93.68**, an increase of 7% over the comparable figure of **£87.55** for 2022/23.
- The HRA general balance is forecast to total **£3.754m** at the end of 2023/24, which retains a strong financial position against which the associated HRA 30 year Business Plan can continue to be delivered / developed.
- The HRA balances, together with the proposed rent increase for 2023/24 are important elements of delivering a sustainable HRA in the longer term.
- HRA debt continues to reduce year on year as principal is 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 this year).
- The Tenant's Panel play an important role in developing the HRA Business Plan and budget proposals and it is proposed to consult with them 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.

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

**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; and**
- (b) agrees a delegation to the Assistant Director Finance & IT to adjust the forecast / budget, including the use of reserves, in consultation with the Housing Portfolio Holder if the financial position changes prior to Council considering the HRA budget on 14 February 2023.**

***That subject to a and b above, Cabinet endorses and approves for submission to Full Council on 14 February 2023:***

- (a) 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.**

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

To enable Cabinet to consider 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, to enable associated recommendations to be presented to Full Council on 14 February 2023.

#### **ALTERNATIVE OPTIONS CONSIDERED**

Not applicable as this report reflects the budget setting requirements that are set out within the Council's Constitution

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

#### **DELIVERING PRIORITIES**



The HRA budget and Business Plan play 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.

**OUTCOME OF CONSULTATION AND ENGAGEMENT**

A consultation exercise with the Tenant's panel is scheduled to take place on 7 February 2023. Any comments arising from this consultation will be provided to members, either ahead of the Full Council meeting on 14 February 2023 or directly at that meeting.

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

Is the recommendation a Key Decision (see the criteria stated here)	Yes	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days.

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 will apply 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. However, the Government have intervened for 2023/24 due to the current level of CPI and will issue a Directive, which sets a 'ceiling' of 7% to rent increases for the upcoming year. Further details, including the impact on the HRA are set out later on in this report.

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. In continuing with the approach agreed last year, given the very challenging administrative issues associated with charging higher rents to high-income tenants, it is not proposed to introduce this in 2023. 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 2023/24 reflects the latest / updated forecast position set out in **Appendix A**.

<b>YES</b>	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
------------	--

Although there are no additional comments above those set out in this report, it is important to highlight that further decisions may be necessary to take actions forward that are reflected in the business plan.

#### **FINANCE AND OTHER RESOURCE IMPLICATIONS**

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.

<b>YES</b>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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The Section 151 Officer is the co-author of this report.

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

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This is addressed in the body of the report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
<b>MILESTONES AND DELIVERY</b>	
This reports forms part of the Council's wider budget setting processes, with final budget proposals being set out in this report for recommending to Full Council on 14 February 2023.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
<p>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. These have been brought into even sharper relief given the current challenging economic environment. The Council's initial / short-term response is set out in the body of this report and will continue to be addressed as part of the future financial update reports.</p>	
<p>There are inherent risks associated with the forecast such as:</p>	
<ul style="list-style-type: none"> <li>Changes in income achieved and future rent setting policy</li> <li>Emergence of additional areas of spend</li> <li>Emergence of new or revised guidance</li> <li>New legislation / burdens</li> <li>Changing stock condition requirements</li> <li>Adverse changes in interest rates</li> <li>National welfare reforms</li> </ul>	
<p>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 <b>£3.754m</b> at the end of 2023/24. This is after drawing down money in both 2022/23 and 2023/24 from balances to support the Council through the difficult financial position faced by the Council in the immediate term. The remaining balance continues to be available to support the delivery of the HRA business plan in the medium to longer term.</p>	
<p>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.</p>	
<b>EQUALITY IMPLICATIONS</b>	
See comments below within the <i>'Other Relevant Considerations or Implications'</i> section.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
See comments below within the <i>'Other Relevant Considerations or Implications'</i> section.	

<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
See comments below within the <i>'Other Relevant Considerations or Implications'</i> section.	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
<b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b>	
<p>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.</p> <p>Although there are no direct equality and diversity issues, the overall HRA and associated financial planning and decision making processes will recognise and include such issues where appropriate and relevant.</p> <p>Whilst this report does not have a direct impact on the Council's commitment to carbon neutrality, any work undertaken within the HRA and associated capital programme will take into account any opportunities to contribute to this key priority where possible. The planned stock condition survey will also support this approach.</p>	
<b>Crime and Disorder</b>	Please see comments above
<b>Health Inequalities</b>	
<b>Area or Ward affected</b>	

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

<b>BACKGROUND AND LATEST HRA BUSINESS PLAN AND BUDGET PROPOSALS 2023/24</b>
<p>On 16 December 2022, Cabinet considered the Housing Revenue Account Business Plan and Budget Proposals 2023/24 for consultation with the Resources and Services Overview and Scrutiny Committee. The report set out estimated deficits of <b>£0.196m and £0.274m</b> in 2022/23 and 2023/24 respectively. Rather than make corresponding reductions in expenditure e.g. capital investment, Cabinet proposed to 'draw' this money down from general HRA balances.</p> <p>The development of the forecast / budget has continued since Cabinet's meeting on 16 December 2022, to reflect the most up to date information. There have only been very minor changes to the budget proposals for 2023/24, with 2022/23 remaining unchanged, with the detailed position set out in <b>Appendix A</b>. The changes for 2023/24 broadly reflect the latest fees and charges proposals set out in <b>Appendix C</b>.</p> <p>All other figures reported to Cabinet in December and considered by the Resources and Services Overview and Scrutiny Committee remain unchanged with some key headlines as follows:</p> <ul style="list-style-type: none"> <li>• Rents are proposed to be increased by 7% resulting in an average weekly rent of <b>£93.68</b> in 2023/24.</li> <li>• <b>£7.602m</b> is included within the forecast that relates to the major refurbishment and</li> </ul>

repairs to the housing stock.

- Current estimates put the total HRA reserves at **£8.489m** by the end of 2023/24, with the general balances element within this amount being **£3.754m**.
- With forecast repayments of principal of **£1.414m** in 2023/24, the level of HRA debt at the end of 2023/24 is forecast to be **£33.949m**.

The business plan will continue to be updated during 2023/24 to reflect on-going adjustments to the forecast as part of continuing to deliver the long term financial sustainability of the HRA.

### **HRA Capital Programme**

Within the report to Cabinet on 16 December 2023, the following two key capital projects were highlighted:

- **The Redevelopment of the Honeycroft Site in Lawford**
- **The Redevelopment of Spendells House in Walton**

In respect of the **Honeycroft Scheme**, this is subject to a separate report set out elsewhere on the agenda. Although subject to the recommendations set out in that report, the necessary funding of **£3.250m** has now been included within the capital programme.

In respect of the **Spendells House Scheme**, after considering a separate report at its meeting on 16 December 2022, it was resolved that Cabinet:

- a) notes the update on progress and continues to support, in principle, the Spendells house site being retained and reconfigured for the provision of temporary housing accommodation;*
- b) requests that Officers revisit and update the original financial appraisal / business case; and*
- c) delegates the decision to proceed or otherwise to the Portfolio Holder for Corporate Finance and Governance and the Portfolio Holder for Housing subject to:-*
  - i) the updated financial appraisal / business case remaining financially advantageous and value for money to the Council in terms of the overall provision of temporary accommodation; and*
  - ii) the identification and approval by Full Council of the necessary funding as part the separate HRA budget setting process.*

In respect of cii) above, the additional funding of **£0.800m** that is required to meet the revised cost of the scheme (**£1.400m**), which was set out in the report referred to above, has now been included in the capital programme.

Whether to continue with the scheme or not still remains subject to a separate decision in-line with b) and ci) above, but the funding is now included within the capital programme to allow the project to continue if the business case to do so remains financially advantageous.

In line with the proposals set out in earlier reports, it is proposed to fund these two projects from capital receipts given the current interest rate 'premium' that would be payable if the money was borrowed.

The current level of uncommitted capital receipts totals **£6.470m**, so the estimated **£4.050m** use of this funding source to meet the cost of the two schemes above can be accommodated within the available amount, which would leave **£2.420m** still available for future investment opportunities.

It is also worth highlighting that there may be opportunities to maximise the benefit of the 1-4-1 capital receipts, which will be reviewed during the year as part of the usual financial performance / outturn reports.

In addition to the above two schemes, there has been an underlying increase to the investment in the existing homes of tenant's as set out in the report to Cabinet on 16 December 2022.

### **Fees and Charges**

These are set out in **Appendix C** and broadly reflect a 7% increase across a number of fees in line with the same increase applied to rents or to better reflect the cost of providing the associated service.

### **HRA Reserves**

The only change required to reserves is the additional 'draw' down from reserves of **£0.022m** that is required to meet the marginal increase deficit of highlighted earlier in this report.

### **HRA Debt**

There are no changes proposed.

## **BUDGET SUMMARIES**

Based on all of the adjustments set out elsewhere in this report, the proposed HRA budget for 2023/2024 is summarised below.

### **HRA Revenue Budget**

*Table 1*

	<b>2022/23 Original Budget £m</b>	<b>2023/24 Original Budget £m</b>
<b>Direct Expenditure</b>	7,072	7,424
<b>Direct Income</b>	(14,312)	(15,265)
Indirect Income / Expenditure including Financing Costs	7.240	8.137
<b>NET (SURPLUS) / DEFICIT</b>	<b>0</b>	<b>0.296</b>
<b>Contribution to / (from) Reserves</b>	0	(0.296)

## HRA Capital Programme

Table 2

	<b>2023/24 Original Budget</b>
	<b>£m</b>
<b>EXPENDITURE</b>	7.978
<b>FINANCING</b>	
Capital Receipts	4.050
Major Repairs Reserve	3.314
Direct Revenue Contribution	0.614
<b>Total Financing</b>	<b>7.978</b>

### PREVIOUS RELEVANT DECISIONS

Updated Housing Revenue Account Business Plan and Budget Proposals 2023/24 – Item A.6 Cabinet 16 December 2022.

Update on Spendells House and Review of the Budget – Item A.4 Cabinet 16 December 2022.

### BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

### APPENDICES

<b>Appendix A</b>	Updated HRA Business Plan (2022/23 and 2023/24)
<b>Appendix B</b>	Detailed HRA Budget Proposals 2023/24
<b>Appendix C</b>	HRA Proposed Service Charges / Fees and Charges 2023/24
<b>Appendix D</b>	HRA Capital Programme
<b>Appendix E</b>	HRA Reserves 2023/24

### REPORT CONTACT OFFICER(S)

<b>Name</b>	<b>Richard Barrett</b>
<b>Job Title</b>	<b>Assistant Director (Finance and IT)</b>
<b>Email/Telephone</b>	<a href="mailto:rbarrett@tendringdc.gov.uk">rbarrett@tendringdc.gov.uk</a> 01255 686521

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Line		RAG Rating	Year 11	Year 11	Year 11	Year 12 Dec	Year 12	Year 12
			Original	Revised	Change	22	Revised	Change
			2022/23 (1) £	2022/23 (2) £	2022/23 (3) £	2023/24 (5) £	2023/24 (5) £	Dec 22 v Jan 23 2023/24 (6) £
	<b>Expenditure</b>							
1	Maintenance incl. stock reduction factor		3,287,140	3,287,140	0	3,673,650	3,673,650	0
2	Depreciation - Capital Programme		2,906,670	2,906,670	0	2,906,670	2,906,670	0
3	Revenue Contribution to MRA		269,740	269,740	0	407,570	407,570	0
4	Management Costs (incl Sweeping and RTB Admin)		1,606,500	1,630,370	23,870	2,363,830	2,373,130	9,300
5	Utilities		224,730	366,590	141,860	504,860	504,860	0
6	Provision for Bad Debts		55,440	55,440	0	55,440	55,440	0
7	Council Tax In Empty Properties		130,090	130,090	0	130,090	130,090	0
8	Debt Management Expenses		65,750	69,038	3,288	71,799	71,799	0
9	HRA Interest Repayments on Debt		1,305,510	1,275,910	(29,600)	1,205,860	1,205,860	0
10	Principal Payments on Debt - MRP		1,427,630	1,414,300	(13,330)	1,414,300	1,414,300	0
11	Revenue Contribution to the Capital Programme*		613,630	613,630	0	613,630	613,630	0
12	Recharges (Including Insurance and Pension Costs)		2,418,980	2,539,930	120,950	2,206,690	2,204,440	(2,250)
			<b>14,311,809</b>	<b>14,558,848</b>	<b>247,038</b>	<b>15,554,389</b>	<b>15,561,439</b>	<b>7,050</b>
	<b>Income</b>							
13	Dwelling Rents (incl.stock reduction factor)		(13,492,620)	(13,492,620)	0	(14,288,790)	(14,288,790)	0
14	Service Charges (incl.stock reduction factor)		(522,380)	(522,380)	0	(557,380)	(542,490)	14,890
15	Garage Rents (incl. stock reduction factor)		(155,980)	(155,980)	0	(166,430)	(166,430)	0
16	Non Dwelling Rents		(81,570)	(81,570)	0	(81,570)	(81,570)	0
17	Misc. Income		(32,910)	(28,620)	4,290	(28,620)	(28,620)	0
18	Investment Income		(13,350)	(69,130)	(55,780)	(138,260)	(138,260)	0
19	Capital Receipts (to cover Admin Costs of RTB's)		(13,000)	(13,000)	0	(19,500)	(19,500)	0
			<b>(14,311,810)</b>	<b>(14,363,300)</b>	<b>(51,490)</b>	<b>(15,280,550)</b>	<b>(15,265,660)</b>	<b>14,890</b>
	<b>Surplus (- )/Deficit (+) on HRA Balance</b>		<b>(1)</b>	<b>195,548</b>	<b>195,548</b>	<b>273,839</b>	<b>295,779</b>	<b>21,940</b>

## Revenue Estimates 2023/24

### Housing Revenue Account (HRA)

<b><u>Analysis by Type of Spend</u></b>	<b>2022/23 Original Estimate £</b>	<b>2023/24 Original Estimate £</b>
<b>Direct Expenditure</b>		
Employee Expenses	1,340,470	2,053,910
Premises Related Expenditure	3,798,780	4,423,560
Transport Related Expenditure	23,870	37,870
Supplies & Services	585,410	666,460
Third Party Payments	1,030	1,030
Transfer Payments	17,000	17,000
Interest Payments	1,305,510	1,205,860
<b>Total Direct Expenditure</b>	<b>7,072,070</b>	<b>7,424,060</b>
<b>Direct Income</b>		
Other Grants, Reimbursements and Contributions	(8,440)	(8,440)
Sales, Fees and Charges	(559,850)	(586,460)
Rents Receivable	(13,730,170)	(14,532,500)
Interest Receivable	(13,350)	(138,260)
<b>Total Direct Income</b>	<b>(14,311,810)</b>	<b>(15,265,660)</b>
<b>Net Direct Costs</b>	<b>(7,239,740)</b>	<b>(7,841,600)</b>
<b>Indirect Income/Expenditure</b>		
FRS17/IAS19 Pension Costs	(744,740)	(571,260)
Service Unit and Central Costs	2,701,060	2,488,770
Capital Financing Costs	5,283,420	5,413,970
Recharged Income	0	(175,730)
<b>Total Indirect Income/Expenditure</b>	<b>7,239,740</b>	<b>8,137,380</b>
<b>Contributions to/(from) reserves</b>		
Contributions to/(from) Reserves	0	(295,780)
<b>Total Contributions to/(from) reserves</b>	<b>0</b>	<b>0</b>
<b>Net Contribution to/(from) Reserves</b>	<b>0</b>	<b>0</b>
<b>Total for HRA</b>	<b>0</b>	<b>0</b>

## Housing Revenue Account (HRA)

<b><u>Analysis by Section/Function</u></b>	<b>2022/23 Original Estimate £</b>	<b>2023/24 Original Estimate £</b>
<b>HRA - I&amp;E - Capital Grants</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - CIES Donated Assets</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - MIRS Items to be excluded from HRA balance</b>		
Indirect Income/Expenditure	821,370	959,200
<b>Net Total</b>	<b>821,370</b>	<b>959,200</b>
<b>HRA - MIRS Reversal of Capital Grant</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - MIRS Reversal of Donated Assets</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - MIRS HRA - Contributions Payable to the Pension Scheme</b>		
Direct Expenditure	462,660	462,660
<b>Net Total</b>	<b>462,660</b>	<b>462,660</b>
<b>HRA - MIRS Total IAS 19 Adjustments</b>		
Indirect Income/Expenditure	(898,610)	(898,610)
<b>Net Total</b>	<b>(898,610)</b>	<b>(898,610)</b>
<b>HRA - MIRS Minimum Revenue Provision</b>		
Indirect Income/Expenditure	1,427,630	1,414,300
<b>Net Total</b>	<b>1,427,630</b>	<b>1,414,300</b>
<b>Total for Finance - Financing Items</b>	<b>1,813,050</b>	<b>1,937,550</b>
<b>HRA - Policy &amp; Management</b>		
Direct Expenditure	53,940	53,940
Direct Income	0	0
Indirect Income/Expenditure	215,430	215,430
<b>Net Total</b>	<b>269,370</b>	<b>269,370</b>

<b>HRA - Tenancy Management &amp; Rent Collection</b>		
Direct Expenditure	872,750	979,570
Direct Income	(8,440)	(8,440)
Indirect Income/Expenditure	641,060	1,142,360
<b>Net Total</b>	<b>1,505,370</b>	<b>2,113,490</b>
<b>HRA - Tenant Relations</b>		
Direct Expenditure	64,750	66,450
Direct Income	(2,200)	(2,200)
Indirect Income/Expenditure	41,910	42,530
<b>Net Total</b>	<b>104,460</b>	<b>106,780</b>
<b>HRA - Right to Buy Administration</b>		
Direct Expenditure	39,420	41,710
Direct Income	(13,000)	(19,500)
Indirect Income/Expenditure	61,760	62,630
<b>Net Total</b>	<b>88,180</b>	<b>84,840</b>
<b>HRA - Unapportionable Central Overheads Contribution</b>		
Indirect Income/Expenditure	275,720	275,720
<b>Net Total</b>	<b>275,720</b>	<b>275,720</b>
<b>HRA - Pumping Stations</b>		
Direct Expenditure	5,660	6,570
Direct Income	(2,620)	(2,710)
Indirect Income/Expenditure	8,280	8,280
<b>Net Total</b>	<b>11,320</b>	<b>12,140</b>
<b>HRA - Sewerage Expenses</b>		
Direct Expenditure	18,900	22,200
Direct Income	(20,670)	(21,340)
Indirect Income/Expenditure	9,810	9,810
<b>Net Total</b>	<b>8,040</b>	<b>10,670</b>
<b>HRA - Communal Central Heating</b>		
Direct Expenditure	105,190	249,500
Direct Income	(79,940)	(85,540)
Indirect Income/Expenditure	6,790	6,790
<b>Net Total</b>	<b>32,040</b>	<b>170,750</b>
<b>HRA - Sheltered Units</b>		
Direct Expenditure	361,020	343,770
Direct Income	(171,290)	(171,290)
Indirect Income/Expenditure	138,370	138,590
<b>Net Total</b>	<b>328,100</b>	<b>311,070</b>

<b>HRA - Sheltered Units ECC Grant Funded Pilots</b>		
Direct Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - Estate Sweeping</b>		
Direct Expenditure	88,560	104,500
<b>Net Total</b>	<b>88,560</b>	<b>104,500</b>
<b>HRA - Communal Cleaning</b>		
Direct Expenditure	85,250	85,250
Direct Income	(32,720)	(35,010)
Indirect Income/Expenditure	1,640	1,640
<b>Net Total</b>	<b>54,170</b>	<b>51,880</b>
<b>HRA - Communal Electricity</b>		
Direct Expenditure	103,110	224,200
Direct Income	(72,660)	(78,470)
Indirect Income/Expenditure	10,210	10,210
<b>Net Total</b>	<b>40,660</b>	<b>155,940</b>
<b>HRA - Estate Lighting</b>		
Direct Expenditure	10,060	19,120
<b>Net Total</b>	<b>10,060</b>	<b>19,120</b>
<b>HRA - Maintenance Of Grounds</b>		
Direct Expenditure	22,620	22,620
Direct Income	(80,750)	(86,400)
Indirect Income/Expenditure	250,460	250,460
<b>Net Total</b>	<b>192,330</b>	<b>186,680</b>
<b>HRA - Repair &amp; Maintenance</b>		
Direct Expenditure	3,287,140	3,673,650
Direct Income	0	0
Indirect Income/Expenditure	1,193,490	508,650
<b>Net Total</b>	<b>4,480,630</b>	<b>4,182,300</b>
<b>HRA - Repairs &amp; Maintenance - Surveyors</b>		
Direct Expenditure	0	658,590
Indirect Income/Expenditure	0	(32,710)
<b>Net Total</b>	<b>0</b>	<b>625,880</b>
<b>HRA - Tenants Rentals</b>		
Direct Income	(13,702,090)	(14,508,710)
<b>Net Total</b>	<b>(13,702,090)</b>	<b>(14,508,710)</b>
<b>HRA - Rents &amp; Other Charges</b>		
Direct Expenditure	130,090	130,090
<b>Net Total</b>	<b>130,090</b>	<b>130,090</b>

<b>HRA - Rent Income</b>		
Direct Income	(28,080)	(23,790)
<b>Net Total</b>	<b>(28,080)</b>	<b>(23,790)</b>
<b>HRA - Interest Receivable</b>		
Direct Income	(13,350)	(138,260)
<b>Net Total</b>	<b>(13,350)</b>	<b>(138,260)</b>
<b>HRA - Rent Arrears Provision</b>		
Direct Expenditure	55,440	55,440
<b>Net Total</b>	<b>55,440</b>	<b>55,440</b>
<b>HRA - Interest Charges</b>		
Direct Expenditure	1,305,510	1,205,860
<b>Net Total</b>	<b>1,305,510</b>	<b>1,205,860</b>
<b>HRA - Capital Charges</b>		
Indirect Income/Expenditure	3,034,420	3,040,470
<b>Net Total</b>	<b>3,034,420</b>	<b>3,040,470</b>
<b>HRA - Use of Balances</b>		
Contributions to/(from) reserves	0	(295,780)
<b>Net Total</b>	<b>0</b>	<b>(295,780)</b>
<b>Total for Housing and Homelessness</b>	<b>(1,729,050)</b>	<b>(1,853,550)</b>
<b>HRA - Lease Holders Charges</b>		
Direct Income	(84,000)	(84,000)
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>(84,000)</b>	<b>(84,000)</b>
<b>Total for Customer and Commercial</b>	<b>(84,000)</b>	<b>(84,000)</b>
<b>Total for HRA</b>	<b>0</b>	<b>0</b>

## Housing Portfolio - HRA

## Scale of Charges 2023/24

		(A) 2022/23	(B) 2022/23	(C) 2023/24	(D) 2023/24	
	Date last revised	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	VAT Ind
Effective from		01/04/2022 £	01/04/2022 £	01/04/2023 £	01/04/2023 £	
<b><u>GARAGE RENTS AND ACCOMMODATION CHARGES</u></b>						
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	9.60	9.60	10.27	10.27	*
<b><u>QUESTIONNAIRES</u></b>						
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
<b><u>SERVICE CHARGES (per week)</u></b>						
<b>Sewerage charges (not subject to VAT) (See Note 1):</b>						
Treatment Works:						
Goose Green, Tendring	Apr-18	8.60	8.60	9.00	9.00	Z
Coronation Villas, Beaumont	Apr-18	8.55	8.55	9.00	9.00	Z
Whitehall Lane, Thorpe	Apr-18	5.78	5.78	6.18	6.18	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
<b>Bio Systems</b>	Apr-18	8.05	8.05	8.61	8.61	Z
<b>Septic Tanks</b>	Apr-18	3.06	3.06	3.27	3.27	Z
<b>Pumping Stations (not subject to VAT)</b>	Apr-18	5.58	5.58	5.97	5.97	Z
Sewerage charge cap where tenant in receipt of benefit	Apr-08	5.00	5.00	5.00	5.00	Z
<b>Communal central heating charges (not subject to VAT) (see note 1):</b>						
Heating and hot water:						
Single units	Apr-18	7.45	7.45	7.98	7.98	N
Double units	Apr-18	8.59	8.59	9.19	9.19	N
Belmans Court	Apr-18	1.74	1.74	1.86	1.86	N
<b>Other Service Charges (not subject to VAT):</b>						
Sheltered Housing:						
Grounds Maintenance	Apr-18	1.61	1.61	1.73	1.73	X
Communal Electricity	Apr-18	2.81	2.81	3.01	3.01	N
Non Sheltered Housing:						
Grounds Maintenance	Apr-18	1.22	1.22	1.30	1.30	N
Communal Electricity	Apr-18	1.07	1.07	1.15	1.15	N
<b>Communal Cleaning (not subject to VAT) (See Note 1):</b>						
Langham Drive, Clacton	Apr-18	2.91	2.91	3.11	3.11	N
Nayland Drive, Clacton	Apr-18	2.89	2.89	3.09	3.09	N
Boxted Ave (3 Storey) , Clacton	Apr-18	2.84	2.84	3.04	3.04	N
Boxted Ave (2 Storey ) , Clacton	Apr-18	1.61	1.61	1.73	1.73	N
Polstead Way, Clacton	Apr-18	1.61	1.61	1.73	1.73	N
Porter Way, Clacton	Apr-18	1.37	1.37	1.46	1.46	N
Tanner Close, Clacton	Apr-18	1.28	1.28	1.37	1.37	N
Mason Road, Clacton	Apr-18	1.45	1.45	1.56	1.56	N
Maldon Way, Clacton	Apr-20	1.46	1.46	1.56	1.56	N
Groom Park, Clacton	Apr-18	1.51	1.51	1.61	1.61	N
Leas Road , Clacton	Apr-18	1.51	1.51	1.61	1.61	N
Rivers House, Walton	Apr-18	1.28	1.28	1.37	1.37	N
Rochford House, Walton	Apr-18	1.28	1.28	1.37	1.37	N
D'arcy House , Walton	Apr-18	1.28	1.28	1.37	1.37	N
Churchill Court, Dovercourt	Apr-18	1.66	1.66	1.77	1.77	N
Cliff Court, Dovercourt	Apr-18	1.94	1.94	2.07	2.07	N
Nichols Close, Lawford	Apr-20	2.56	2.56	2.74	2.74	N
Grove Avenue Walton	Apr-18	0.80	0.80	0.86	0.86	N
<b><u>SHELTERED UNITS SERVICE CHARGES (Not subject to VAT) (see Note 2):</u></b>						
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

Housing Portfolio - HRA

Scale of Charges 2023/24

	(A)	(B)	(C)	(D)	
	2022/23		2023/24		
	Charge	Charge	Charge	Charge	VAT Ind
	Exclusive	Inclusive of	Exclusive of	Inclusive of	
	of VAT	VAT where	VAT	VAT where	
		applicable		applicable	
		@ 20%		@ 20%	
Date last revised					
Effective from	01/04/2022	01/04/2022	01/04/2023	01/04/2023	
	£	£	£	£	
(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:				
	Council Tenant	N	Storage:		N
	Non-Council Tenant	V	Homeless persons goods		V
			Premises suitable for parking		X
			Premises unsuitable for parking		



<b><u>HRA Capital Programme</u></b>						
	<b>2022/23 Base</b>	<b>2022/23 Revised</b>	<b>2023/24 Budget</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>
	£	£	£	£	£	£
<b><i>EXPENDITURE</i></b>						
Improvements, enhancement & adaptation of the Council's housing stock	2,696,410	2,955,430	3,447,870	3,447,870	3,447,870	3,447,870
Spendells House Project		450,640	800,000			
Disabled adaptations for Council Tenants	400,000	492,170	400,000	400,000	400,000	400,000
Information Technology upgrade and replacement	20,000	20,000	20,000	20,000	20,000	20,000
Jaywick Sands Flexible Workspace Project		4,443,480				
HRA - New Build & Acquisitions (To Be Allocated)	613,630	1,473,300				
HRA - Acquisitions (Council Dwellings)		494,380				
Honeycroft New Build Scheme			3,250,000			
Cash Incentive Scheme	60,000	60,000	60,000	60,000	60,000	60,000
	<b>3,790,040</b>	<b>10,389,400</b>	<b>7,977,870</b>	<b>3,927,870</b>	<b>3,927,870</b>	<b>3,927,870</b>
<b><i>FINANCING</i></b>						
External Contributions	0	3,778,020	0	0		0
Capital Receipts	0	64,400	4,050,000			
Section 106	0	333,380	0	0		0
Major Repairs Reserve	3,176,410	3,978,240	3,314,240	3,314,240	3,314,240	3,314,240
Direct Revenue Financing of Capital	613,630	2,235,360	613,630	613,630	613,630	613,630
	<b>3,790,040</b>	<b>10,389,400</b>	<b>7,977,870</b>	<b>3,927,870</b>	<b>3,927,870</b>	<b>3,927,870</b>

**HRA RESERVES**

**APPENDIX E**

	<b>Balance 31 March 2022</b>	<b>Contribution from Reserves 2022/23</b>	<b>Contribution to Reserves 2022/23</b>	<b>Est. Balance 31 March 2023</b>	<b>Contribution from Reserves 2023/24</b>	<b>Contribution to Reserves 2023/24</b>	<b>Est. Balance 31 March 2024</b>
	£	£	£	£	£	£	£
<b>HRA Reserves</b>							
HRA General Balance	4,245,722	(195,548)	0	4,050,174	(295,779)	0	3,754,395
HRA Commitments	956,270	(956,270)	0	0	0	0	0
Major Repairs Reserve	5,536,342	(3,978,240)	3,176,410	4,734,512	(3,314,240)	3,314,240	4,734,512
<b>Total Reserves</b>	<b>10,738,334</b>	<b>(5,130,058)</b>	<b>3,176,410</b>	<b>8,784,686</b>	<b>(3,610,019)</b>	<b>3,314,240</b>	<b>8,488,907</b>

## CABINET

27 JANUARY 2023

### REPORT OF LEISURE & TOURISM PORTFOLIO HOLDER

#### A.7 TOWN POLICE CLAUSES ACT 1847 - ADOPTION OF TENDRING DISTRICT COUNCIL ROAD CLOSURE POLICY

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

To seek 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.

###### EXECUTIVE SUMMARY

- If anyone wishes to hold a special event such as a parade, or a social gathering and would like to close a road, permission is required.
- The District Council has powers under The Town Police Clauses Act 1847 to close public roads temporarily to allow such events to take place safely.
- Only events that require a temporary closure for the purpose of processions, illuminations, rejoicings or any case where the public arising from a specific event throngs the streets may be considered under this Act.
- Closure of major trunk roads, through roads, or longer-term closures must be facilitated by application to the County Council for a Closure Order under provisions of the Road Traffic Regulation Act 1984.
- Approval for events under provision of The Town Police Clauses Act 1847 must be sought from the Police and the District Council and a legal Order must be made by the District Council before a road may be closed.
- Applications for temporary road closures to support events are currently administered by the Councils Public Realm team and Orders sealed by the Council's Legal service.
- The number of applications for temporary road closures has increased in recent years, which has highlighted the need for, and benefits associated with clearer rules associated with road closure applications.
- A (draft) Tendring District Council Local Road Closures Policy for special events under section 21 of The Town Police Clauses Act 1847 is attached to this report as Appendix A for consideration.

## RECOMMENDATION(S)

It is recommended that:

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

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

Adoption of a Local Road Closure Policy for events applied for under The Town Police Clauses Act 1847 will 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.

## ALTERNATIVE OPTIONS CONSIDERED

The Council could choose not to adopt a policy; however, concerns have been raised due to increasing numbers of events and the impact on local residents highlighting the need for a policy to be considered.

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

Delivering High Quality Services

- Effective regulation and enforcement of roads for events will improve services to the community, promoting businesses and tourism.

Community Leadership Through Partnerships

- Joined up public services benefit residents and businesses.

Effective and Positive Governance – The Council will issue and publish a decision confirming whether the Order is being granted or refused, with reasons recorded.

### OUTCOME OF CONSULTATION AND ENGAGEMENT

The draft policy for applications for local road closures is a result of public feedback and discussion's with elected members in affected areas and the relevant Portfolio Holder.

This report provides an opportunity for further consultation and engagement concerning the policy content.

<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>			
Is the recommendation a Key Decision (see the criteria stated here)	YES	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	26/10/2022
<p>Part 3, Schedule 3 of the Council's Constitution – sets out the Responsibility of Executive functions and in section 4.1 paragraph 6 (Part 3.29 &amp; 30), Cabinet collectively shall approve strategies, policies, plans and guidance which are the responsibility of Cabinet and are not delegated elsewhere within the Constitution.</p> <p>Section 21 of the Town Police Clauses Act 1847 ("s21 TPCA") provides for orders to be made "... in all times of public processions, rejoicings, or illuminations and in any case when the streets are thronged or liable to be obstructed...". Accordingly, s21 TPCA only allows temporary road closure orders to be made to facilitate 'rolling-road' events such as parades, carnivals and processions as well as more 'static' community events such as the 'Christmas lights switch-on' and street parties. This process is subject to consultation however, without a policy covering how objections would be considered; the Council was at risk of refusing such applications without policy justifications. The introduction of a policy also assists with safety concerns and raises public awareness of other matters to be considered.</p> <p>The powers to charge are set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93 respectively. The latter also requires that charges for discretionary services should be on a cost recovery basis.</p> <p>A local authority may be able to rely on the subsidiary powers under section 111 of the LGA 1972 to authorise the provision of a service to facilitate the discharge of a specific function. Where it does so, the local authority may charge under section 93 for that function-related service (Section 93(7)(a) of the LGA 2003 specifically states that section 111(3) of the LGA 1972, which prohibits local authorities from using their subsidiary powers to raise money, is to be disregarded.</p> <p>As a new proposed policy, it is appropriate for Cabinet to adopt the same with delegations for the Portfolio Holder and Officers to exercise the contents.</p>			
X	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>		
The Monitoring Officer has been consulted through the development of the policy and has no further comments to make.			
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>			
There are no direct financial or resource implications arising from the proposal to adopt a			

<p>policy for the temporary closure of roads under the Town Police Clauses Act 1847.</p> <p>Adoption of a policy will improve efficiency around the administration of applications made to the Council.</p> <p>The introduction of fees will produce an income but these are only to recover a contribution to the costs of approving the applications.</p>	
<b>X</b>	<p><b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b></p>
<p>None</p>	
<p><b>USE OF RESOURCES AND VALUE FOR MONEY</b></p>	
<p>The following are submitted in respect of the indicated use of resources and value for money indicators:</p>	
<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>Adoption of a policy in respect of applications for temporary road closures will provide for the setting of fees for applications and outline responsibilities and requirements for applicants. The policy if adopted will provide income from fees charged to offset costs associated with the administration and improved efficiency in administering applications.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.</p>	<p>S21 of The Town Police Clauses Act 1847 enables District Councils to close roads temporarily for the purpose of parades, events and processions.</p> <p>Legal Orders are sealed and published on street to provide notification of intention to temporarily close roads if approved.</p> <p>Decisions will be issued and published in granting or refusing an application.</p>
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p>Refer to financial and other resource implications above.</p>
<p><b>MILESTONES AND DELIVERY</b></p>	
<p>Policy to be considered with this report.</p>	
<p><b>ASSOCIATED RISKS AND MITIGATION</b></p>	
<p>Risks associated with non-adoption of a policy in respect of applications for temporary road closures in the District are, reputational damage to the Council, inefficient administration of applications and risk of legal challenge around decisions made.</p>	

<b>EQUALITY IMPLICATIONS</b>	
<p>The policy requires full consideration of the requirements for anyone with accessibility needs arising from mobility, illnesses and home care requirements.</p> <p>The proposed policy does not affect the protected characteristics of any individuals in any other currently identifiable way and prior to each application being determined under the policy due regard will be given to the Public Sector Equality Duty.</p>	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
None identified	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
None identified	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
<p><b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b></p>	
<b>Crime and Disorder</b>	Regulation of roads for processions, parades including demonstrations will assist crime reduction and anti-social behaviour initiatives.
<b>Health Inequalities</b>	The policy supports and recognises the needs of people with special health requirements.
<b>Area or Ward affected</b>	All

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

<b>BACKGROUND</b>
<p>Applications for temporary road closures to support events are currently administered by the Council's Public Realm team and Orders sealed by the Council's Legal service.</p> <p>The number of applications for temporary road closures has increased in recent years, beyond those received for the Jubilee celebrations, which has highlighted the need for, and benefits associated with clearer rules associated with road closure applications.</p> <p>The concerns noted have been associated with multiple applications for temporary road closures in the same area. Applications for road closures made to support the commercial interests of individuals or businesses as opposed to community based events. Increased administration arising from a lack of clarity around responsibilities associated with the applications and concern about the potential for legal challenges around decisions made by the Council to allow, or refuse a road closure request without a supporting policy.</p>
<b>PREVIOUS RELEVANT DECISIONS</b>
N / A

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

Brentwood Council's Road Closure Policy

**APPENDICES**

Appendix A – Tendring District Council Policy in respect of applications for the temporary closure of roads under the Town Police Clauses Act 1847.

**REPORT CONTACT OFFICER(S)****Name****Ian Taylor****Job Title****Head of Public Realm****Email/Telephone****[itaylor@tendringdc.gov.uk](mailto:itaylor@tendringdc.gov.uk)****01255 686982**



## **A.7 APPENDIX**

### **TENDRING DISTRICT COUNCIL - LOCAL ROAD CLOSURES ORDERS POLICY FOR SPECIAL EVENTS UNDER SECTION 21, THE TOWN POLICE CLAUSES ACT 1847**

#### **Introduction**

**This Policy sets out the requirements and responsibilities relating to applications for temporary road closures made to Tendring District Council (the Council) under provision of the Town Police Clauses Act 1847 (the Act).**

**If you are holding a special event such as a parade or social gathering and would like to close the road, you will need permission.**

**The Council has powers under the Town Police Clauses Act 1847 to close public roads to allow such events to take place safely. However, approval must be sought from the Police and the Council and a legal order must be made by the Council before a road may be closed.**

**The Council will issue a decision confirming whether the Order is being granted or refused, with reasons recorded.**

**The applicant (and not the Council) is responsible for ensuring that all safeguards, signage, barriers and stewards are in place as applicable and as deemed necessary via the application process.**

**The Council will expect to see evidence that all necessary steps have been undertaken and relevant adequate safeguards will exist and be in place at all material times immediately before and during the event prior to the granting of any closure order.**

**The following points must be taken into consideration when applying for a road closure:**

- If you are organising an event, which may require a temporary road closure, you must inform key authorities, including the police and the Council and complete the application form available from Tendring District Councils website.**
- If the closure is required for a parade or march the closure may take the form of a rolling closure which will require an authorised police escort.**
- The event organiser is wholly responsible for the safety of the event including the safe temporary closure of any roads.**

- Signs and barriers will be required to warn traffic of the closure on the day as well as advance warning signs of the intended closure.
- The organiser/applicant must provide the Council with proof of its public liability insurance to the value of £10 million or such higher figure that is needed to provide adequate cover for the particular event and would be responsible for any third party liability claims that may arise due to the event.
- Following receipt of an application the Council will consult with key organisations or services affected by the road closure including local elected members of the Council.
- It is recommended that you consult with residents and businesses that may be affected by the closure as soon as possible and preferably prior to submitting an application.
- Pay the appropriate fee if required

### **Policy and Terms**

1. If the road(s) that you wish to close are **not** adopted by Essex County Council Highways, we are unable to issue a Road Closure Order.
2. Only events that require a temporary closure for the purpose of processions, illuminations, rejoicings or any case where the public arising from a specific event throngs the streets may be considered under this policy. Closure of major trunk roads, through roads, or longer-term closures must be facilitated by application to the County Council for a Closure Order under provisions of the Road Traffic Regulation Act 1984.
3. The Council will not generally consider multiple applications (more than one) for the same or similar events in the same road(s) within a twelve-month period.
4. Should the Council receive multiple applications (more than one) made regularly for the same area by the same or different applicants, these will be referred to the relevant Portfolio Holder for determination. The community benefits for multiple applications would need to be provided prior to applications being considered.
5. In order to make a Road Closure Order we require a **minimum of 12 weeks' notice** commencing from the date that a valid application is received. An application will only be considered as valid if it has been fully completed with all relevant information and the appropriate fee, if required, has been paid. This is to allow for full consideration of the application by necessary authorities including the granting of permission by the County Council Highways Authority. Late or emergency applications are possible providing it is possible to ensure appropriate consultation. However later applications will attract a higher or additional fee.

6. Before making an application, we would strongly recommend that event organisers discuss the proposals with the local police.
7. Under the terms of the legislation, the Council must be satisfied that it is necessary to close the road in order to facilitate the event.
8. Where there are residents, businesses, which may be affected by the closure, the Council will require the event organisers to consult with those parties, confirm and provide proof that this has been done. The Council will consult with key organisations but it is recommended that applicants make early enquiries with any potentially affected parties prior to the application.
9. For all events which require a closure order, the organisers will be requested to provide a risk assessment, which should consist of:
  - a) All identified risks and appropriate control measures associated with the event
  - b) A Road Signage Schedule
  - c) A map indicating positions of road closure/route diversion signs/barriers
  - d) A map indicating positions of marshals/stewards etc.
  - e) Description of wording/size/colour of the road closure/diversion signs, barriers etc.
  - f) A Management plan for setting out the Closure
  - g) A contingency Plan, which should identify measures that are in place to ensure safety of the public and participants and access for emergency services in the event of any unforeseen circumstances.

All signs MUST conform to 'Traffic Safety Measures & Signs for Road Work & Temporary Situations Act', (Traffic Signs Manual, Chapter 8). This may be viewed under the following link.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/203669/traffic-signs-manual-chapter-08-part-01.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/203669/traffic-signs-manual-chapter-08-part-01.pdf)

10. Signage warning of the closure must be displayed a minimum of two full weeks in advance of the event, the Road Signage Schedule must be submitted with the application. In addition, the applicant is responsible for ensuring that all signage is removed immediately at the conclusion of the event.
11. The organisers will be required to provide marshals or stewards as appropriate depending on the size of the event. Any cost involved in establishing the signage, marshalling and stewards, providing notices etc. must be borne by the organisers.
12. Evidence that the organiser has undertaken all necessary consultation, notifications and assessments will be required as part of the application process. The organiser will therefore be asked to supply information as may be deemed necessary in order to be

satisfied that all procedures have been followed prior to implementing any closure order. This may include (but not exhaustively)

- copies of any letters sent
- copies of any emails sent
- any responses received from residents or other authorities
- a list of addresses with regard to any consultation undertaken
- any proof that may be required by any relevant authority, full SAG member or service provider such as Bus Operators, taxi Operators etc.

13. The application should be submitted online through the Council website at [www.tendringdc.gov.uk](http://www.tendringdc.gov.uk) together with the **correct fee**.

The risk assessment, road signage schedule, map, contingency plan, public liability insurance and details of the marshalling and first aid arrangements must be uploaded with the application. Alternatively, the additional items may be sent once the application has been made to the Parking Services Section at Tendring District Council, Northbourne Depot, Vista Road, Clacton-on-Sea CO15 6AY. Please note however, that the application will only be considered as complete once all documentation and payment is received and cleared.

The Council will then consult the Safety Advisory Group, consisting of the Police, Fire, Ambulance, County Highways Services and others, where this is considered necessary, or appropriate.

14. If any of the Safety Advisory Group objects to the proposals and these cannot be adequately addressed, the Council will not proceed with the Order. A decision providing reasons will be published.

15. If there are objections from any other parties, the organisers may have discussions with the objectors to try to reach a compromise solution. If a compromise is not possible, the relevant Portfolio Holder will consider the objections and representations and decide whether the Order is appropriate for the Head of Public Realm and / or the Assistant Director Building and Public Realm to decide in consultation with the Portfolio Holder. The final decision will lie with the Council, based on advice, if considered necessary from various sources, which will always include County Highways, although views of others such as Police and any other SAG member as may be considered appropriate may be taken into account.

16. Event organisers shall be aware that during the closure there must be clear access/ egress at all times for emergency vehicles and that arrangements are in place for anyone with special requirements such as palliative or urgent home care / mobility restrictions. The closure will apply to all other traffic. Event organisers to be responsible for this in consultation with other authorities. The event organiser to ensure that a representative is available during and immediately before and after the event so that he/she can be contacted by the Council or Police.

## 2. Fees – Road Closure Orders for Events.

a) For all events, the scale of charges below will apply.

<b>Scale of Charges for Road Closures</b>	
<b>Number of people attending event</b>	<b>Fee</b>
No Limit	£200.00

## 3. Exemption from Fees

**The Portfolio Holder will have the flexibility to waive all fees and charges for road closures for events of national significance.**

## 4. Responsibility for Costs

All advertising, signage, notices etc. and any associated costs remain the sole responsibility of the applicant.

**The application should be submitted online in accordance with the above policy, however supporting documentation may be submitted by email to the parking services team at [parkingservices@tendringdc.gov.uk](mailto:parkingservices@tendringdc.gov.uk) or by post to:**

**Tendring District Council  
Public Realm - Parking Services  
Northbourne Depot  
Vista Road  
Clacton-on-Sea  
CO15 6AY**

**APPLICATION FOR ROAD CLOSURE ORDER FOR A SPECIAL EVENT TO  
BE MADE UNDER THE TOWN POLICE CLAUSES ACT 1847**

***Important - Please read the attached notes before completing this form***

Name of applicant and/or contact  
Include title.

Role of applicant and/or contact (i.e.  
organiser, committee member):

Address of applicant and/or contact:

Postcode:

Telephone no and mobile no:

Email Address

Number of people attending the Event

Name of Event

Purpose and Nature of Event

Date(s) of Closure required:

Time(s) of Closure required:

Roads to be closed:

Has this event been held previously or are you aware of other road closures in the same area?  
**YES / NO**

If yes, please give details

Have you consulted any other organisation regarding this **YES / NO** event?

Have you consulted all residents/occupiers within the road **YES / NO** closure area

If yes, please specify

Please give details of any businesses, including bus services and residents, which may be affected

I wish to seek exemption from fee and reasons.

<b>Checklist</b>	<b>Please Tick</b>
<b>I have:</b>	<b>Please Tick</b>
Enclosed my Risk Assessment to include all items in <b>paragraph 7</b> of the Road Closure policy.	
Enclosed proof of Public Liability Insurance which must cover the date of the event and be for a minimum liability of £10 million	

Enclosed Evidence of consultation in accordance with <b>paragraph 9</b> of the Road closure Policy	
Enclosed details of the Marshalling for the event	
Enclosed details of the First Aid arrangements for the event	
Enclosed the appropriate Fee	
Sought exemption from the fee	

## **ROAD CLOSURE ORDER**

1. Whilst it is acknowledged that adequate controls must be in place as outlined in the Road Closure Policy and that these are my/our responsibility. I/we agree that as organisers of an event requiring a road closure I/we and not the District Council are responsible for any claims that may arise by reason of making the Road Closure Order.
2. I/we agree to ensure that all safety controls as identified in my/our risk assessment and management plans will be maintained and operated throughout the duration of the event to ensure that the risk to participants and members of the public is minimised and to reduce the likelihood of any injury or claim resulting from the closure or event.
3. I/we agree to consult all residents and occupiers of premises that may be affected by the closure and to ensure access is maintained for anyone requiring special medical or other requirements.
4. I/we agree to pay all costs associated with the closure as appropriate.
5. I/we agree to pay all reasonable costs relating to any damage to the highway along the route of the closure by reason of making the Road Closure Order.
6. I/we confirm that I/we hold public liability insurance for the event for minimum cover of £10 million. Please note the Council do not accept any responsibility for the level or content of Public Liability insurance policy you have chosen or any consequences, which may arise from this choice.
7. I/we agree to provide, erect, maintain and remove all safety measures, including all signs. This includes closure signs on the day as well as advance warning signs to be erected a minimum of 2 weeks prior to the event, as well as lighting or other items required by the Council or Police to protect the public and property at the site of the event and on the diversionary route for the duration of the closure and to defray all costs incurred in the event of failure to do so.
8. I/we agree to remove all signs at the immediate conclusion of the event.
9. I/we agree to make plans and provide suitable signage to facilitate adequate access/egress at all times for emergency vehicles during the closure and acknowledge that the closure will apply to all other non participating traffic.
10. I/we agree to be available during, immediately before and after the event and to provide details (e.g. mobile phone numbers of nominated persons) so that we can be contacted by the Council or the Police.
11. I/we agree to ensure that there are sufficient marshals to adequately cover the Road Closure Order and that all marshals for the event are adequately trained and briefed for their duties as appropriate to the size of the event.



12. I/we understand that any failure to comply with the above requirements will be taken into account by the Council in considering future applications for Road Closure Orders by me/us.

**NOTE:**

**I/we agree to comply with the above terms and conditions.**

**Signed..... Date .....**

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## CABINET

27 JANUARY 2023

### REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER

#### A.8 COVID - 19 MEMORIAL

##### PART 1 – KEY INFORMATION

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

To provide Cabinet with an update regarding the proposal to erect a Covid 19 Memorial within Tendring.

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

At the Cabinet meeting on 25 February 2022 the Leader made the following announcement:

###### Covid-19 Memorial

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

Following this decision Officers and Councillors worked together to explore the relevance and need for a large piece of public art in Clacton to reflect on lives lost and changed during the Covid 19 pandemic. The purpose of a piece of prominent art would provide communities with a space to reflect how communities have supported each other during times of challenge and uncertainty and create a space to represent lives lost. This work included background research, site visits and a bid to the Arts Council for funding.

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

###### **It is recommended that:**

- (a) Cabinet notes the contents of this report;
- (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) To agree the Anglefield site for the installation of a piece of public art, if future funding can be secured.

<b>REASON(S) FOR THE RECOMMENDATION(S)</b>
1) The working group identified that Clacton, with the largest population in the district should be identified as the preferred area for the installation of the piece of public art. 2) Following a visit to various sites across Clacton with the Head of Public Realm a potential site was determined in the Clacton area. This site requires improvement and has the necessary space to install a piece of public art which could be viewed by residents and visitors to the district.

<b>ALTERNATIVE OPTIONS CONSIDERED</b>
1) To engage a consultant, with specialist skills in public art to undertake this piece of research. 2) It should be noted that during 2022 the budget position within the Council changed and therefore the group decided to look for external funding for this project, rather than drawing on funds from internal resources, which could in turn have an impact on services to residents.

**PART 2 – IMPLICATIONS OF THE DECISION**

<b>DELIVERING PRIORITIES</b>
The Council's priority is to use Council assets to deliver priorities. As a Community Leader the Council was keen to consider a Covid 19 memorial, however since this time a number of communities have identified their own memorial spaces and some residents are using the various commemorative gardens around the District as their space for reflection.

<b>OUTCOME OF CONSULTATION AND ENGAGEMENT</b>
Consultation and engagement included Councillors Mark Stephenson and Gina Placey alongside Councillor Lynda McWilliams, Portfolio Holder for Partnerships. Officers from across the Council included Planning, Assets, Public Realm, Economic Growth and Partnerships.

<b>LEGAL REQUIREMENTS (including legislation &amp; constitutional powers)</b>			
<b>Is the recommendation a Key Decision (See the criteria stated here)</b>	<b>NO</b>	<b>If yes, indicate which by which criteria it is a Key Decision</b>	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		<b>And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)</b>	

X	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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Nothing further to add to the Report in addition to those comments made within the body.	
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>	
Nothing further to add to the Report in addition to those comments made within the body.	
X	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
Nothing further to add to the Report in addition to those comments made within the body.	
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The piece of public art would incur an initial cost for design and build and also on-going costs associated with maintenance and up-keep.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including and	Governance processes to be followed if external funding can be secured.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	If an impressive piece of public art is installed not only, will it provide a memorial but if included in a wider installation of artwork, it could have a link to economic growth.
<b>MILESTONES AND DELIVERY</b>	
To be determined if a funding opportunity arises.	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
A piece of public art which is on Council land becomes a Council Asset and therefore the Council will be responsible for the upkeep of the asset. This particular asset would potentially be at risk from graffiti, anti-social behaviour and the natural weather elements.	
<b>EQUALITY IMPLICATIONS</b>	
The piece of public art would aim to be as inclusive as possible, and Community Engagement would form part of the project brief.	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
The Public Art would be for the residents of Tendring and as part of the process Community Engagement regarding its design.	
<b>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</b>	
One local artist was identified who works with recycled materials and mosaic, but this was not Councillors preferred design option. However, the climate impact could be part of the project brief.	
<b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b>	
<b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b>	
<b>Crime and Disorder</b>	Any piece of Public Art could be subject to vandalism and graffiti. The Public Art would be a Council asset and therefore the Council would be responsible for on-going maintenance costs.

<b>Health Inequalities</b>	At the height of the Covid 19 pandemic Tendring had the highest number of deaths with Covid recorded on death certificates. As of 11 November 2022 there have been 835 recorded deaths with Covid on the death certificate.
<b>Area or Ward affected</b>	All – although it is proposed that Clacton is the site for the Covid -19 memorial.

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

#### **BACKGROUND**

Following the Announcement by the Leader the Portfolio Holder for Partnerships met with Councillor Mark Stephenson and Councillor Gina Placey to determine the scope of this piece of work. Following this meeting a project group was established including Officers from across the various departments as follows:

- Partnerships
- Public Realm
- Assets
- Planning
- Economic Development and Regeneration

A tour of Clacton locations was undertaken with a preferred site identified. The Anglefield site on Clacton seafront was the preferred site and could provide a suitable location and tie in with the usual activities that take place on the seafront. It could also form a focal point that could be used as a directional tool for residents and visitors.

This site is in the conservation area of Clacton and Planning advice would need to be sought. Initial discussions with Planning indicate that formal Planning permission would be required to erect a piece of public art on the site. The Planning Officers also identified that there was a previous clock on this site.

Various designs were also discussed, and Appendix A provides details of other pieces of public art and costings.

Officers explored potential funding streams and an Expression of Interest for funding from the Arts Council Fund was submitted and was unsuccessful. Tendring is a priority place for the Arts Council and discussions are taking place to explore what impact this will have. The Arts Council have indicated that projects grants are a potential funding stream and projects are able to include public art.

#### **PREVIOUS RELEVANT DECISIONS**

At the Cabinet meeting on 25 February 2022 the Leader made the following announcement by  
Covid-19 Memorial

Further to the decision taken by Full Council at its meeting held on 30 November 2021 (Minute 94 referred), the Leader of the Council informed Cabinet that he had requested the Portfolio Holder for Partnerships (Councillor Lynda McWilliams) to work with Councillor Mark Stephenson on the

installation of a Covid-19 Memorial and to report back to Cabinet in due course. He urged them to 'think positive and think big' and gave by way of an example of a public art project the "Angel of the North".

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None.

**APPENDICES**

Appendix A – Examples of Public Art and Costings

Appendix B – Map of Anglefield Site in Clacton

Appendix C – Anglefield History, Clacton

Appendix D – Anglefield Site - Photos

**REPORT CONTACT OFFICER(S)**

<b>Name</b>	Anastasia Simpson
<b>Job Title</b>	Assistant Director (Partnerships)
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## A.8 Appendix A Project scoping document


### Public Art – COVID-19 remembrance

**Aim:** To develop and deliver a co-created public memorial in Clacton to remember those that lost their lives during COVID-19, to represent what changes people had to make, and to acknowledge how we pulled together as a community.

**Location:** Clacton

**Budget:** To be agreed

The following lists examples of public art and associated costs.




Examples of Public Art/Cost	Cost	Artist
Angel of the North 	£800,000 (1998) £1,440,000 equivalent	Antony Gormley
The Scallop Aldeburgh 13 ft high monument 	£75,000 (2003)  Chairman of Adnams organised donations	Maggie Hambling  Audio and Visual Art
Another Place Figures Crosby Beach 100 figures on beach 	£194,000 (1997)	Antony Gormley
Sea Cubes Dunbar Battery 		Donald Urquhart
Question Mark Ipswich 	£200,000 (2011)	Ben Langlands Nikki Bell

## Symbols associated with hope and positivity

If we are looking for a public art piece that promotes positivity and hope for the future, these provide recognised symbolic references. For this document I have highlighted the image of a 'wave'.



## Examples of memorials already developed:

Examples of COVID-19 memorials	Cost	Artist
<p>Barnsley Sculpture highlighting 'heros' of pandemic</p> 	<p>£210,000</p>	<p>Graham Ibbeson  Poet Ian McMillan</p>
<p>Birmingham COVID-19 Memorial Gardens 10 gardens planned across Birmingham</p> 		
<p>Individual memorial</p> 		<p>Image from Cllr. McWilliams</p>

## Initial ideas

### 1. Standalone public art piece – grand and eye catching.

Piece could be created from a number of different materials but needs to be weather proof and fit for purpose.

- An arching 'wave – a symbol of hope', could be located:
  - o On the seafront/beach, immersive in some way with community buy in. Could it be a focal point for the sea, a point of reference for emergency services and tourists. Need to ensure anything on the beach doesn't hinder RNLI from sea rescue.
  - o On Christmas Tree Island, creating a frame from the highstreet to the seafront. Create an 'instagrammable' image.
- A community co-created piece of art – again using the 'Wave' as an example. For example utilising work of international mosaic artist Anne Schwegmann-Fielding we could get communities to share photographs that are then superimposed onto tiles that form the mosaic. This idea is replicated by other artists in other forms. 'Remembering Together' the national collective remembrance in Scotland has a website dedicated to COVID-19 remembrance - [Remembering Together | Co-creating Covid Community Memorials](#) Example callout to designers/artists can be found on this website and may be useful.

### 2. Reflection Garden with public art

An immersive and inclusive space with a number of public art pieces, or a large standalone piece. Perhaps consider the green space outside of Clacton train station. Space to include:

- Public Art
- Scented and brightly coloured relaxing flowers including lavender, herbs, honeysuckle.
- Permanent public music sensory instruments – fixed chimes and wooden humming floorboards to ensure it is a welcoming space for children and families.
- Sound benches with stories of how the community worked together – to give thanks.

### 3. Combined 1 and 2.

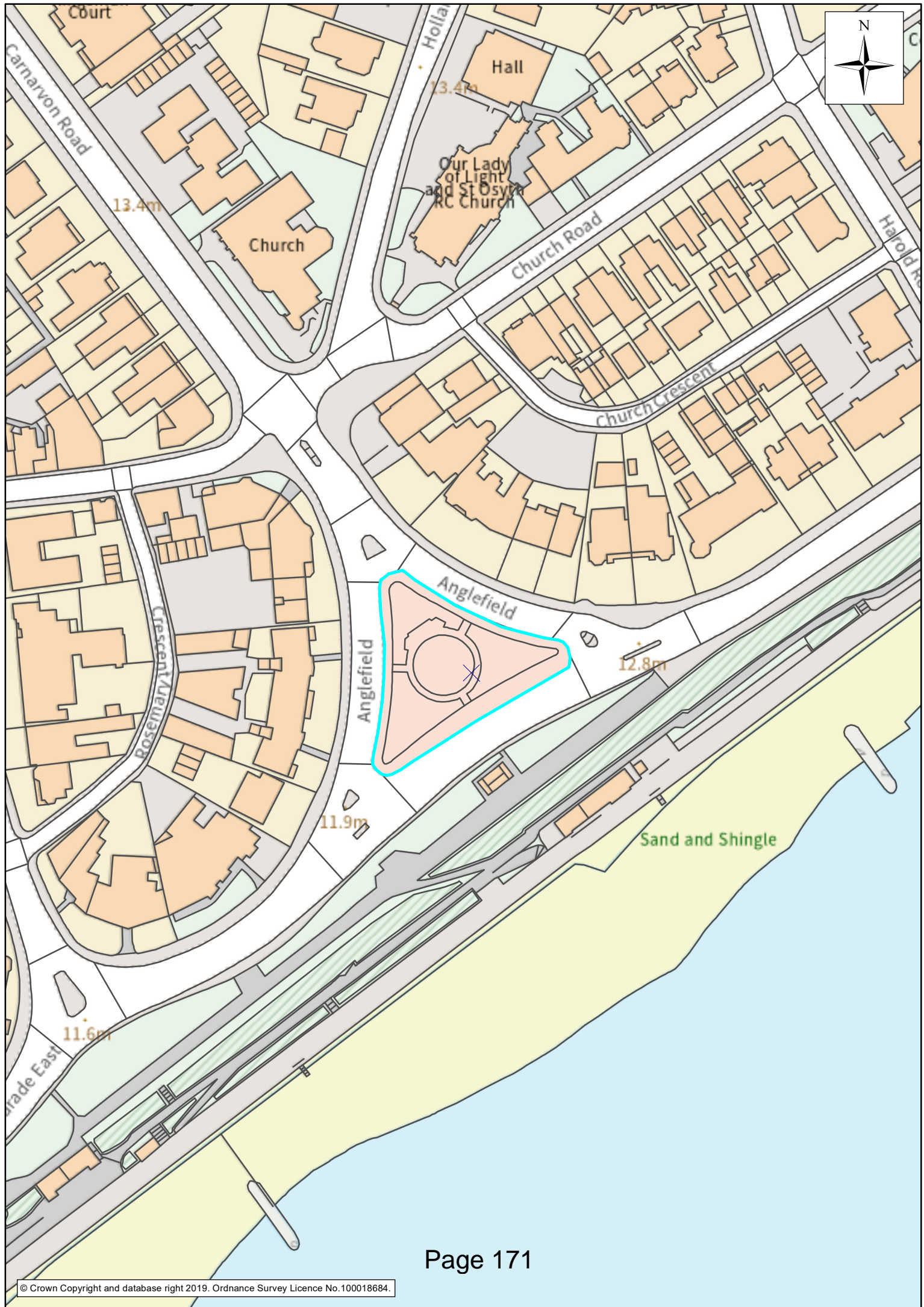
Larger public art piece on the seafront/nearer the High Street to aid and support the regeneration initiatives with a reflection garden outside the train station. These two ideas do not need to be developed at the same time but should have a consistent theme running through them. Perhaps the start of a trail from the station to the seafront and vice versa.

### 4. Smaller COVID-19 memorial

Taking the form of recognised memorials that other local authorities have installed.

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### A.8 Appendix C - Anglefield History

Part 3: Planning Charges (b) Other planning charges			
Description of charge (including reference to appropriate statutory provision)	Originating Authority	Place where relevant documents may be inspected	Date of Registration
Designation of Conservation Area, made under Ss. 69 Planning (listed Buildings & Conservation Areas) Act 1990, and dated 21.11.2001 TLC Ref: PT90564	Tendring District Council	Town Hall, Station Road, Clacton on Sea	23/11/2001

Part 3: Planning Charges (b) Other planning charges			
Description of charge (including reference to appropriate statutory provision)	Originating Authority	Place where relevant documents may be inspected	Date of Registration
Application Number: 97/00147/FUL dated 03/04/1997 Erection of 225 mm diameter cast iron ventilation column 6.0m high and varia. to extent of constructors compound (variation to scheme approved under 96/00651/FUL) - SHAFT A TLC Ref: TP93919	Tendring District Council	Town Hall, Station Road, Clacton on Sea	22/04/1997

Part 3: Planning Charges (b) Other planning charges			
Description of charge (including reference to appropriate statutory provision)	Originating Authority	Place where relevant documents may be inspected	Date of Registration
Application Number: 96/00651/FUL dated 16/07/1996 Temporary hoarding for contractors compound. Erection of 225mm diameter cast iron ventilation column approximately 4.0m high (Shaft A) Town and Country Planning Act 1990 TLC Ref: TP420294	Tendring District Council	Town Hall, Station Road, Clacton on Sea	08/05/2013

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Clacton On Sea, Anglefield, An Aerial View, August 1951



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**CABINET**  
**27 January 2023**  
**REPORT OF PORTFOLIO HOLDER (PARTNERSHIPS)**

## **A.9 Equality and Inclusion Strategy 2023 to 2027**

(Report drafted by Carol Magnus)

### **PART 1 – KEY INFORMATION**

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

To present to Cabinet a four-year Equality and Inclusion Strategy and seek approval for its adoption and roll out following a period of consultation.

The development of this strategy is a key Corporate Priority under 'Effective and Positive Governance' for which the Q3 Milestone states: *"Report on the outcome of consultation on the draft Inclusion and Equality strategy and invite appraisal of a strategy. Following adoption, roll out of the Community Engagement Strategy across the organisation."*

#### **EXECUTIVE SUMMARY**

In accordance with the requirements of the Equality Act, 2010, all public bodies, including local authorities, are subject to what is referred to as the 'Public Sector Equality Duty (PSED)'. This duty requires 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 are required to have and publish their equality and diversity objectives, showing how they will meet these requirements. This Equality and Inclusion Strategy sets out how Tendring District Council (the Council) will seek to meet its obligations under the PSED over the period of 2023 to 2027.

Cabinet is asked to endorse this strategy for publication. Following the consultation process, the final strategy is submitted to Cabinet with this report for final approval, publication and implementation.

The Equality and Inclusion Strategy sets out five objectives underneath each of which are listed the ways in which the organisation will seek to achieve them over the lifetime of the strategy. The contents are aligned to existing Council 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 are:

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

## RECOMMENDATION(S)

It is recommended that Cabinet:

- (a) approves the Equality and Inclusion Strategy, as set out in Appendix A for publication; and
- (b) approves the proposed roll out plan for the Equality and Inclusion Strategy.

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

These recommendations are made in accordance with the agreed and published Corporate Priorities for 2022/23, section C3 Effective and Positive Governance.

## ALTERNATIVE OPTIONS CONSIDERED

To decide against adoption and publication of an Equality and Inclusion Strategy – this option is not recommended as this would be in conflict with the Cabinets Highlight Priorities for 2022/2023 and could be regarded as failing to comply with Public Sector Equality Duty as set out within the Equality Act 2010.

To delay adoption of an Equality and Inclusion Strategy – is also not recommended as the consultation period to gauge views on its proposals has been completed and failing to publish now could weaken the perception of the Council's commitment to fulfilling its PSED.

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

The Equality and Inclusion Strategy is a priority target within the agreed and published Corporate Priorities for 2022/23, section C3 Effective and Positive Governance.

The document and the objectives have been prepared and aligned to support the Council's vision as set out in the Corporate Plan 2020-24, "to put community leadership at the heart of everything we do through delivery of high quality, affordable services and working positively with others",

The Council's Corporate Plan states its values which underpin the work of the organisation as follows:

- *Councillors and staff uphold personal integrity, honesty and respect for others*
- *Innovative, flexible, professional staff committed to delivering excellence*
- *Recognising the diversity and equality of individuals*
- *Working Collaboratively with partners, including Supporting the Essex wide vision and ambitions*

The strategy also supports the recently adopted Community Engagement Strategy, adopted Local Plan and Housing Strategy, together with Economic Growth priorities.

### OUTCOME OF CONSULTATION AND ENGAGEMENT

This strategy is a document for which consultation has taken place following the Cabinet's approval of the draft in October 2022.

In accordance with the published Corporate Priorities for 2022/23, section C3 Effective and Positive Governance, consultation was carried out during Quarter 3, 2022.



Consultation has been carried out with relevant partner organisations including Community Voluntary Services Tendring, Citizen’s Advice Tendring, and the membership of the Independent Advisory Group. The Tendring Independent Advisory Group, consists of between 30-40 Tendring based community groups. In addition, the strategy was published on the Tendring District Council website on its consultation page and on the front page of the Council’s intranet to encourage staff consultation and feedback.

Consultees were provided with a copy of the draft strategy and an explanatory guidance note which covered the purpose of the strategy and the Council’s obligations regarding the Public Sector Equality Duty. No significant challenges or questions have been received and there has been no need to make major amendments to the draft document which was approved by Cabinet at its meeting in October.

Following a request from Citizen’s Advice Tendring one additional sentence (number 5 on the Strategy document) has been added to the section in Objective 1. This sentence reads: *“Communicate updates to partners concerning and detailing current Council strategy and services to enable the provision of a reliable source to which partners can refer. As appropriate, this may be a revised notification to a relevant section within the Council’s website for information.”*

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

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

The Equality Act 2010 enacts a single general Public Sector Equality Duty (PSED) under s149, in that public authorities exercising public functions must have “due regard” to eliminating unlawful discrimination, advance equality of opportunity and good relations between communities.

The duty on public authorities to have "due regard" to the Public Sector Equality Duty is more than a requirement to have general regard. Real, active, tangible thought has to be given to the PSED requirements.

Although what is sufficient to evidence “due regard” has often been a subject of dispute, the High Court considered the “due regard” requirement in *R (Brown) v Secretary of State for Work and Pensions and others [2008]*. The High Court held there was no prescribed way to evidence “due regard”. However, a public authority had to be able to evidence it had regard to

the impact of its proposed policy on equality. The Court then, very helpfully, set out the following general principles about complying with the due regard requirement:

- There should be a proper analysis of all the relevant material and an appreciation of the duty to have due regard.
- Regard should be had to the duty to have due regard before, and at the time, a particular policy is considered. It shouldn't be a "box-ticking" exercise but should instead be a process integrated in the decision-making process.
- The duty is a continuing one.
- The duty is non-delegable and will always remain the responsibility of the body subject to the duty.
- The duty should be exercised with rigour and an open mind.
- The duty should be reconsidered if new information comes to light and adequate records should be kept of the consideration and decision-making processes undertaken in order to demonstrate that the equality duties have been undertaken conscientiously. If the relevant general equality duty is not mentioned, it does not mean that the duty has not been performed, however it is good practice to refer to the duty and any considerations under it to avoid future legal challenge.

These general principles have also been confirmed in later cases. As with all case law they are not an exhaustive or final list, but we know that in general the principles are:

1. Proper Analysis
2. An initial consideration not an afterthought
3. Continuing Duty
4. Non-delegable
5. Rigorous and transparent
6. Obligation of reconsideration

The development and publication of an Inclusion and Equality Strategy is one way in which the Council demonstrates it is fulfilling its obligations within the PSED.

<input type="checkbox"/>	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
--------------------------	--

The Equality Act 2010 protects the rights of individuals and supports equality of opportunity for all. It offers protection, in employment, education, the provision of goods and services, housing, transport and the carrying out of public functions.

The Equality Act also makes it unlawful for organisations carrying out public functions to discriminate on any of the nine listed protected characteristics. The public sector equality duty also sets out duties for such organisations to stop discrimination.

Indirect discrimination may occur when a person or service provider takes the same approach to decision making or service provision for everyone. This may then put people sharing a protected characteristic at a particular disadvantage.

The duty means the Council (and bodies acting on its behalf) must consider equality and good relations when they develop policies and deliver services. They must also keep these issues under review, keep up to date and learn from lessons when things do not go quite right. A proactive Equality and Inclusion Strategy demonstrates the Council's commitment to complying with the PSED.

<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>	
No major financial implications for the development of this strategy are anticipated at this time.	
<input type="checkbox"/>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	N/A
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	<p>Through the implementation of the strategy, the Council will:</p> <ul style="list-style-type: none"> <li>• Enable good governance, fair and informed decision making through building confident, skilled, and active communities and an inclusive culture.</li> <li>• Ensure our decision making structures and processes are understood and accessible for individuals and communities.</li> </ul>
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	<p>Through the implementation of the strategy, the Council will:</p> <ul style="list-style-type: none"> <li>• Understand people's experience of the services they use and the communities they live in, work in or visit and use this intelligence to improve inclusion, equality of access, wellbeing, quality of places and our services.</li> </ul>
<b>MILESTONES AND DELIVERY</b>	
December 2022 – Consultation period ends.	
January 2023 – Updated Cabinet Report presented for approval to adopt the Equality and Inclusion Strategy	
February to March 2023 – publication of strategy and roll out as required. The strategy will be published on the organisation's webpage as soon as possible following Cabinet approval.	
February – All staff informed of the strategy via the organisation's intranet; managers and all staff who have been trained on completion of Equality Impact Assessments will be notified via	

<p>email and a copy of the strategy will be attached for their reference. February and March – the Strategy document will be shared with key partners including those who acted as consultees.</p>	
<p><b>ASSOCIATED RISKS AND MITIGATION</b></p>	
<p>To decide against adoption and publication of an Equality and Inclusion Strategy would run counter to the PSED set out within the Equality Act 2010 and would/could result in the Council being in breach of the law. The development and subsequent adoption and publication of a strategy will mitigate against this risk.</p>	
<p><b>EQUALITY IMPLICATIONS</b></p>	
<p>This strategy provides high level guidance for services across the organisation.</p>	
<p><b>SOCIAL VALUE CONSIDERATIONS</b></p>	
<p>Social value is embedded within the proposed strategy.</p>	
<p><b>IMPLICATIONS FOR THE COUNCIL’S AIM TO BE NET ZERO BY 2030</b></p>	
<p>No direct impact.</p>	
<p><b>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</b></p>	
<p><b>Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.</b></p>	
<p><b>Crime and Disorder</b></p>	<p>Working with partners the Council is aware that hate crime cases are high within certain areas and wards of the Council, notably Pier Ward. Of hate crime cases that have been reported to the police within the Tendring District, for the twelve month period ending June 2022, 47% (176 instances) were racial.</p> <p>According to the Home Office, Hate Crime Survey for England and Wales 2019 to 2020 “47% of hate crime incidents came to the attention of the police”.</p> <p>Hate crime is defined as ‘any criminal offence which is perceived, by the victim or any other person, to be motivated by hostility or prejudice towards someone based on a personal characteristic.’ This common definition was agreed in 2007 by the police, Crown Prosecution Service, Prison Service (now the National Offender Management Service) and other agencies that make up the criminal justice system. There are five centrally monitored strands of hate crime:</p> <ul style="list-style-type: none"> <li>• race or ethnicity</li> <li>• religion or beliefs</li> <li>• sexual orientation</li> <li>• disability, and</li> </ul>

	<ul style="list-style-type: none"> <li>transgender identity</li> </ul> <p><a href="https://www.gov.uk/government/statistics/hate-crime-in-england-and-wales-2021-to-2022">Hate crime, England and Wales, 2021 to 2022 - GOV.UK (www.gov.uk)</a></p> <p>The Equality and Inclusion Strategy places an emphasis on working with partners to address hate crime.</p>
<b>Health Inequalities</b>	<p>The Equality and Inclusion Strategy addresses a number of actions that will be taken, with key partners, to address health inequalities across the District and especially for those parts of the population who are significantly impacted.</p> <p>It is recognised that some parts of the community can be reluctant to engage with services for a range of reasons that can include a fear of being treated unfairly, of not being understood or of not being taken seriously. As a Council we will work with partners to identify the barriers to access and seek to reduce or remove them completely.</p>
<b>Area or Ward affected</b>	All areas and Wards of the Tendring District are affected.

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

#### **BACKGROUND**

This strategy sets out the council’s intended priority objectives for equality and inclusion for the period 2023 to 2027 in line with its responsibilities under the PSED and its Corporate Plan. At the present time, the authority does publish (via its website) the statistical data regarding the composition of the District as required but it does not currently have a policy statement regarding equality published on its website.

Following Cabinet approval of the final strategy its publication will support the council in meeting its responsibilities under the Public Sector Equality Duty (PSED) as well as setting out the organisation’s priorities for supporting equality and inclusion.

The timing of this strategy will enable the priorities to be adjusted, if necessary, in light of the data to be released from the 2021 national census. The Office of National Statistics announced a timetable for release of data between October and December 2022.

#### **PREVIOUS RELEVANT DECISIONS**

Minutes of the meeting of the Cabinet, held on Friday, 7<sup>th</sup> October “*RESOLVED that Cabinet approves the draft Equality and Inclusion Strategy, as set out in the Appendix to item A.5 of the Report of the Partnerships Portfolio Holder, for public consultation purposes.*”

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

Equality Impact Assessment

**APPENDICES**

Appendix A Equality and Inclusion Strategy

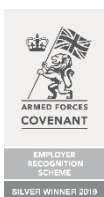
**REPORT CONTACT OFFICER(S)**

<b>Name</b>	Carol Magnus
<b>Job Title</b>	Organisational Development Manager
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# EQUALITY AND INCLUSION STRATEGY

Issued by – Portfolio Holder  
for Partnerships

January 2023



## **Equality and Inclusion Strategy 2023 – 2027**

### Contents

- Foreword
- Our Equality Duties
- Our Objectives 2023-2027

### Foreword

As a Council, we have a duty to produce a Single Equality Scheme and this Strategy forms our Scheme for 2023-2027, guiding our approach to increasing opportunities across the District and improving access to Council services.

Tendring District Council's Equality & Inclusion Strategy 2023-2027 aims to ensure that equality is embedded into our policies, procedures and every-day working, and recognise that everyone has their own unique needs, characteristics, skills, and abilities.

The Strategy is the next step in a journey to better understand our communities and anticipate the needs of residents and service users. The Strategy identifies five key objectives and the actions we will take to deliver each of these. Progress will be monitored every year through our Annual Equality Report.

**Ian Davidson, Chief Executive**

**Councillor Lynda McWilliams, Portfolio Holder for Partnerships**



## Context

The Tendring District is 33,740 hectares in size (approximately 130 square miles), has 60km of coastline and a population of 148,100 (2021).

The population of the district, according to the 2021 census figures released by the Office of National Statistics (ONS) is 148,100, an increase of 3,400 from 2017. The 2021 census has revealed that the population is 51.8% female and 48.2% male. 36.8% of the population is aged over 60 suggesting that a significant proportion of the population is unlikely to be economically active. 43.75% of the population (64,800) are aged between 20 and 59 being the ages in which people are most likely to be engaged in employment.

Further detailed information on the profile of the population and economy of the District is available on the Council's website [here](#). The information on the website will be updated to include the key demographic data from the 2021 census as it is released by the ONS between October 2022 and January 2023. The ONS has stated that it intends to release the following data during this period:

- demography and migration
- ethnic group, national identity, language, and religion
- UK armed forces veterans
- housing
- labour market and travel to work
- sexual orientation and gender identity
- education
- health, disability, and unpaid care

This data will be used to inform the organisation's strategies and priorities for delivery of its services and partnership working.

## Our Equality Duties

The Equality Act 2010 introduced new duties on public bodies including local authorities, referred to as the Public Sector Equality Duty (PSED). These consist of general and specific duties and replace former duties for race, gender and disability (a Single Equality Scheme).

The general duties require public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and other prohibited conduct;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

Having “due regard” will require the Council to consciously think about the three general duties as part of its decision-making processes. In particular, how equality issues influence the way in which the Council acts as an employer; how it develops, evaluates and reviews policy; how it designs, delivers and evaluates services; and how it commissions and procures services from others.

Under the specific duties, the Council is required to complete the following actions:

1. Publish information annually which demonstrates how it complies with its general equality duties in relation to the nine protected characteristics of age, disability, sex, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief and sexual orientation.
2. Adopt and publish measurable equality objectives and review them every four years.

We have three key roles in promoting equality and inclusion:

1. **As a community leader** - We work with our partners to tackle inequality
2. **As a provider of services** - Making sure our services are tailored to the needs of the individuals. Making sure staff are aware and responsive to the needs of different sections of our community.
3. **As an employer** - We aim to be an inclusive employer and have policies in place to make sure staff can balance their work and home commitments.

### **Our Objectives 2023-2027**

Below are our equality objectives covering the period 2023-2027. These are based on our roles and responsibilities, the needs of the community, as well as being informed by the most up-to-date data about the district of Tendring, including 2021 Census data as it becomes available.

The objectives support the Council’s vision as set out in the Corporate Plan 2020-24, “to put community leadership at the heart of everything we do through delivery of high quality, affordable services and working positively with others” ..

The Council’s Values which underpin the Corporate Plan are:

- Councillors and staff uphold personal integrity, honesty and respect for others
- Innovative, flexible, professional staff committed to delivering excellence
- Recognising the diversity and equality of individuals
- Working Collaboratively with partners, including Supporting the Essex wide vision and ambitions

As shown below, we have set out a series of actions to help us deliver each objective.

### **Objective 1: Engage and communicate in appropriate and accessible ways**

We know that good quality information leads to well-informed decisions, which in turn impact on the suitability and quality of services.

Actions we will take to deliver this objective:

1. Consult on and launch, a new Community Engagement Strategy. The focus of our approach will be about building relationships and the basis of our way of working is Asset Based Community Development (ABCD) which will put people at its heart and be built on trust, inclusion and collaboration.
2. Provide advice and information in a way that is accessible and meets individual needs.
3. Engagement and consultation is accessible to enable people to participate in the decision making process.
4. Engage with local residents by increasing opportunities for individuals, including those seldom heard, and communities to participate and engage in our Council's services and projects.
5. Communicate updates to partners concerning and detailing current Council strategy and services to enable the provision of a reliable source to which partners can refer. As appropriate, this may be a revised notification to a relevant section within the Council's website for information.
6. Review and monitor the information on our website so that it meets the Public Sector Accessibility Regulations 2018.
7. Pay due regard to the guidance provided by the Ombudsman on accessibility.
8. Ensure that the outcome of Equality Impact Assessments are summarised within the Council's decision making and available upon request, unless they contain exempt information to protect an individual's identity

## **Objective 2: Ensure we deliver inclusive and responsive services**

Understand and remove the barriers people face when accessing services. The Council acknowledges the challenges of rural isolation, access to services and limited public transport.

Actions we will take to deliver this objective:

1. Ensuring that we undertake assessments of the potential impact of new and revised policies and proposed changes to service delivery. This will be carried out through the careful/responsible use of Equality Impact Assessments.
2. Be proactive in how we support our residents through community engagement, community safety initiatives, regulation and enforcement.
3. Build upon our reputation as a supportive partner for the safe resettlement of refugees through schemes such as that for Afghanistan and Ukraine.
4. Continue our work to digitise our customer contact options to increase ways in which the community can access our services and enquiry support.
5. By working with partner agencies, utilising housing adaptations grant options, sheltered housing and through the use of the Council's Careline service we will seek to provide reassurance, assistance and help to those in need to maintain dignity and independence in living within the community.
6. The Council will work to increase its housing stock to provide good quality affordable housing for those most in need in accordance with its allocations policy.
7. The Council will work to enable as many people as possible to live independently in their homes through the use of Better Care Funding to deliver disabled facilities adaptations and other initiatives.

8. Deliver further value for money for our tenants by carrying out a review of the condition of the housing stock, maintaining a 30 year HRA Business Plan.
9. Ensuring the Council's contractors acknowledge this Strategy in their tender submissions with statements on how they will adhere to its objectives.

### **Objective 3: Foster good relations with and within the community**

We will continue to promote inclusion, fairness and accessibility, whilst raising the profile of Tendring as a great place to live, work, study and visit.

Actions we will take to deliver this objective:

1. The Council in its role as a community leader will set a positive example in relation to promoting tolerance and equality issues publicly and proactively. We will continue to mark and promote awareness of, Commonwealth Day, Veterans Day, Holocaust Memorial Day and Pride and other such commemorations that raise awareness and positively seek to break down barriers and increase mutual understanding.
2. The Council will play its part in challenging hate crime by facilitating reporting, supporting victims, and increasing the number of hate crime ambassadors within staff its staff.

Hate crime is defined as 'any criminal offence which is perceived, by the victim or any other person, to be motivated by hostility or prejudice towards someone based on a personal characteristic.' This common definition was agreed in 2007 by the police, Crown Prosecution Service, Prison Service (now the National Offender Management Service) and other agencies that make up the criminal justice system.<sup>1</sup>

3. The Council and its partners will continue to develop our understanding of the quality of relations between different communities and collectively monitor relations.
4. The Council will support and work collaboratively with partners in the development and use of community hubs to connect individuals to needed services and help build more cohesive and resilient communities
5. The Council will tackle disadvantage by implementing a levelling up programme that increases residents' pride in Tendring, improves residents' skills and supports local businesses.
6. To work with the Community and Voluntary sector, Faith Groups and others in recognition that we become a more inclusive society by working together to support the most vulnerable in our communities.
7. We will continue to work with partners to protect the vulnerable through targeted interventions around homelessness to those most in need.

### **Objective 4: Break the cycle of inequality and improve life chances**

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<sup>1</sup> <https://www.gov.uk/government/statistics/hate-crime-england-and-wales-2020-to-2021/hate-crime-england-and-wales-2020-to-2021>

At a local and national level there are areas of persistent inequality which remain a considerable challenge. We also know that poverty can be a significant factor in determining life chances and wellbeing. We will continue to focus on those in greatest need to ensure that people can access services and support that works for them.

Actions we will take to deliver this objective:

1. Maintain and constantly seek to increase the quality and range of the Council's housing stock, by regularly inspecting tenants' homes to ensure that they are maintained to the highest possible standards.
2. Develop a plan to improve the physical appearance and image of those areas of significant social and economic deprivation such as through the Jaywick Sands Place Plan to facilitate regeneration of the area to foster employment, improved health outcomes and housing.
3. Work collaboratively with partners and by utilising the Local Delivery Pilot, to reduce health inequalities across the district, to improve general levels of health and wellbeing by encouraging healthy and active lifestyles, prioritising early preventative interventions.
4. Work with partners to develop and implement suicide reduction and prevention strategies, and to provide ongoing mental health support via, for example the mental health hub and programmes within schools to target early intervention.
5. To work with partners and utilise the Tendring Community Fund to target support for local people and community groups throughout the District and to help to address the some of the worst impacts of the cost of living crisis.
6. Work to improve the energy performance of our council housing stock. Through partnership working in the private sector encourage an increase in take up of energy grants e.g. Green Homes Grant, ECO (Energy Company Obligation) and other renewable energy offers over the term of the plan to combat local fuel poverty.
7. Increase the supply and quality of new homes. We will continue our work to deliver our new Local Plan housing requirement of circa 550 new homes per annum, of which up to 30% on larger developments will be new affordable homes.
8. Raise the skills level and employability of people within the district through the Anchor Institutions network skills agenda and the Tendring Education Strategic Board. The Council will also actively continue to seek to provide more apprenticeship opportunities for the people of the District and beyond through its own Career Track apprenticeship provision and by encouraging local businesses to take on more apprenticeships.
9. The Council will use Employment and Skills Charters and local labour agreements on future major developments to create training and employment opportunities during the term of the development.
10. The Council will seek to increase opportunities for residents to access local jobs through its economic programmes, for example in the plans for Freeport East, Levelling Up Fund bids and the UK Shared Prosperity Fund.
11. Utilising the Community Safety Partnership and Health and Well-being Board to influence the wider determinants of health by working with partners around issues such as safety, employment, opportunity and income.
12. The Council will review its Social Value Policy and Procurement Strategy to maximise opportunities.

## **Objective 5: Develop and Support Equality and Inclusion in the Workforce**

We will continue to promote inclusion, fairness and accessibility in our work place. A representative workforce will help us deliver services that are accessible, appropriate and that help reduce inequalities.

Actions we will take to deliver this objective:

1. Regularly monitor, analyse and publish employment data in accordance with our statutory duties. We will publish employee profile data within our annual Equalities report.
2. Encourage employees to declare their protected characteristics. Having such records enables the organisation to monitor the makeup of its staffing complement to see if it reflects that of the community and how it might become an employer of choice for groups that may be marginalised. It also enables the organisation to ensure that it has in place any measures needed to make reasonable adjustments and that its employees are not at risk of victimisation, bullying or harassment.
3. In addition, keeping records of staff gender are required for reporting on the Gender Pay Gap. It is also expected that large organisations will soon be required to report on their Ethnicity Pay Gap.
4. Continue to produce and update a five year People Strategy, in alignment with our Corporate Plan and Equality and Inclusion Strategy, which sets out how we will seek to support and develop all of our employees throughout the time of their employment with TDC.
5. Seek to maintain and build upon our accreditation as a Disability Confident Leader and as an accredited Gold Award holder in the Ministry of Defence Employer Recognition Scheme. In addition, the organisation will seek to support a suitable successor to the Time to Change Employer Pledge which was achieved in 2019.
6. Assess the effects of all employment procedures and take action to mitigate any adverse impact identified and to promote equality of opportunity.
7. Recruit, develop and retain local talent where the Council can in a competitive labour market.
8. Develop our staff via our policies and training commitments. Promote apprenticeship opportunities to existing staff and externally.
9. Hold regular development conversations with staff, to help ensure all staff have equal opportunities for learning, training and professional development.
10. Champion equality and inclusion in the workplace in the development of HR policies and procedures.
11. Work collaboratively with other local authorities and public sector partners via the Essex Equality Network to identify and share best practice.
12. Deliver annual training and development opportunities to Members through their Code of Conduct, the induction programme (post elections in 2023) and specific equality and inclusion sessions.



## CABINET

27 JANUARY 2023

### REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER

#### **A.10 ESSEX ANCHORS INITIATIVE UPDATE**

##### **PART 1 – KEY INFORMATION**

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

To update Cabinet on the progress of the Essex Anchors initiative, including specific work relating to the District of Tendring.

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

Anchor organisations are usually large organisations which are local to place and have 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 have to the place they operate. They are typically large, typically non-profit organisations like hospitals, local Councils and universities.

Over the past 18 months, 30 Anchor organisations have come together across Greater Essex to work together on a number of priorities including Climate Action, Employability and Social Value.

The Anchor's work links to the Council's Corporate Plan and Community Leadership.

The Chairman of the Essex Anchors Initiative is Ian Davidson, Chief Executive, Tendring District Council and the Vice Chairman is Ed Garratt, Chief Executive, North East Essex/Suffolk Integrated Care Board.

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

**It is recommended 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, 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.**

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

The work of the Essex Anchors Initiative has made progress in the areas of Employability, Climate Action and Social Value. There are also plans in place for the future development of the Anchors' work.

The Anchors work is 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.

## ALTERNATIVE OPTIONS CONSIDERED

To not be part of the Essex Anchors network, which would send out a message to local organisations that the Council does not see itself as a key organisation in the District and also opportunities that arise from the partnership working could be lost e.g. climate action, employability programmes and the sharing of best practice.

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

E5 – Joined Up public services for the benefit of our residents and businesses.

The Cabinet's Highlight Priorities adopted in March 2023, identified the following actions and milestones to support the priority of joined up services:

*“Through their day-to-day practices, Anchor institutions are usually large organisations which are local to place that have the leverage to maximize social value through their role as workforce developers, employers and procurers, their core business (health and education for instance) and linkages to the place they operate. They are large, typically non-profit organisations like hospitals, local councils, and universities. They have:*

- *‘Sticky capital’ (i.e., are unlikely to move given their connection to the local population)*
- *Significant influence on the health and wellbeing of a local community through their sizeable assets.*

*Anchor organisations can shape local place by:*

- *Workforce Developer*
- *Procurement of goods and services*
- *Employer*
- *Local business and VCS incubator*
- *Estates and Environment*

Milestones and targets:

October-December (Q3) - Report to Cabinet on the progress with the Essex Anchors initiative, including specific work relating to the District of Tendring.

January-March (Q4) Determine, with Anchor partners, priorities for 2023/24 and provide an update via an All Members' Briefing.

### OUTCOME OF CONSULTATION AND ENGAGEMENT

The Greater Essex Anchors network has attracted over 50% of public sector organisations to join up over the past 12 months. Across Essex, 30 organisations have had an opportunity to share examples of best practice across the network, there has been 4 learning events (with



over 50 organisations in attendance) and this engagement has resulted in organisations coming together to pledge additional funds for apprenticeships, a joint Essex local government recruitment campaign, mapping of warm spaces across Essex and 14 organisations have participated in on-line job fairs.

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

Is the recommendation a Key Decision (See the criteria stated here)	NO	If yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	At this stage the work is not having a significant effect on two or more wards, however as the work of the Anchors develops over the next 12 months this is likely to change.

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

No additional comments to make to those contained elsewhere in the report, as my initial feedback has been incorporated throughout the review of the report.

#### FINANCE AND OTHER RESOURCE IMPLICATIONS

Officer time is the current resource being allocated to the Essex Anchors Network, however if this changes into joint procurement or a pooling of resources, governance arrangements will be reviewed.

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

The Section 151 Officer is aware of the contents of this report.

#### USE OF RESOURCES AND VALUE FOR MONEY

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Officer time is the main requirement of the Essex Anchors initiative, but if this changes the relevant governance processes will be followed.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	Each Anchor organisation is accountable for its individual governance arrangements. A number of the Anchor Organisations' pledges are already built into existing Council policies and procedures. Should existing internal

	<p>arrangements require amendments in light of reviewing the impact of Anchor Organisations work, these will be adopted through the Council's normal decision-making procedures, and legislative requirements, prior to commitments being made. It is important this is embedded further within resources and risks being managed, especially in joint working arrangements.</p>
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p>The Essex Anchors network is still building capacity. The network is keen to ensure that local spend is kept as much as possible in the local area. This in turn will create local jobs and improve the economy.</p>
<p><b>MILESTONES AND DELIVERY</b></p>	
<p>Milestones are detailed above and within the Council's monitoring report to Cabinet for the Key Priority Actions in 2022/23.</p>	
<p><b>ASSOCIATED RISKS AND MITIGATION</b></p>	
<p>There are risks associated with not joining the Greater Essex Anchors network, particularly as budgets tighten for the public sector over the next few years. The network provides opportunities to consider joint procurement, showcase best practice, pool resources e.g., apprenticeship levy pledges and take a joined-up approach to local government recruitment.</p> <p>If the Essex Anchors initiative decides to embark on some joint procurement or pooling resources, risks and mitigation will be considered as part of governance processes. The processes relating to any joint procurement are yet to be determined.</p>	
<p><b>EQUALITY IMPLICATIONS</b></p>	
<p>The Anchors network is keen to encourage participation from any Anchor organisation within Greater Essex. Most public sector organisations have joined including Essex Police, Essex County Council, Health and Districts. The network is keen for additional businesses to join over the next 12 months. The approaches will take into account individual organisations Equality policies, this will include Tendring's draft Equality and Inclusion Strategy. A good example of Equality has been the Reverse Job Fairs which have been an opportunity for those facing difficulties and obstacles entering the job market with disabilities, to find work. A Reverse Job Fair is being planned to be held in North East Essex early in 2023.</p>	
<p><b>SOCIAL VALUE CONSIDERATIONS</b></p>	
<p>The aim of the Anchors is to ensure best practice social value, including spend wherever possible in the local area. If spend can be kept local, this in turns creates local employment opportunities for residents.</p> <p>The Council's Procurement Procedure Rules as set out in Part 5 of the Constitution already contain the requirements of the Public Services (Social Value) Act 2012 to be considered when purchasing and that the outcomes have been recorded/evidenced against the those requirements: -</p>	

- *how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and*
- *how, in conducting the process of procurement, it might act with a view to securing that improvement*

A draft Social Value Procurement Policy for Tendring District Council has been in development and is being consulted upon by the Portfolio Holder for Corporate Finance and Governance.

Tendring's work relating to Social Value is complimented by the Anchors work.

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

One of the key priorities for the Essex Anchors Network is Climate Action. Activities include:

- Core Climate Action Working Group – 5 meetings in 2022
- Plus, one in-person workshop on Fuel Poverty in August 2022

**Key workstreams:** Fuel Poverty: training for front line workers, mapping warm spaces, Estate retrofit.

**Achievements:** Active Travel messages for Anchors staff; developed abridged Fuel Poverty training deck; roll out of Fuel Poverty training from 1/11/22.

Tendring District Council has already committed to net zero by 2030 and has an existing policy, the Anchors work will build on this and aid delivery of this commitment.

### **OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS**

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

<b>Crime and Disorder</b>	There are no direct links with Crime and Disorder, however if there is further spend in the local area, this should create additional employment opportunities and hopefully a reduction in crime and disorder.
<b>Health Inequalities</b>	The aim of Anchor organisations is to influence the health and wellbeing agenda of local communities through their sizeable assets. Health inequalities is part of this agenda, especially the wider determinants of health. For example, if increased Anchor spend is within the local area, this could lead to an increase in job opportunities. Evidence suggests that employment has a significant impact on wellbeing and is good for health.
<b>Area or Ward affected</b>	All.

## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

#### **Background to Anchor Organisations**

Anchor organisations are usually large, typically non-profit organisations like hospitals, local councils, and universities. They are usually deemed to have ‘Sticky Capital’ (i.e., are unlikely to move given their connection to the local population) alongside significant influence on the health and wellbeing of a local community through their sizeable assets.

Through their day-to-day practices, anchor institutions have the leverage to maximize social value through their role as workforce developers, employers and procurers, their core business (health and education for instance) and linkages to the place they operate.

#### **Essex Anchors Network – Progress Update**

During 2022 over 30 organisations / partnerships have joined and are represented on the network. Meetings are held monthly and over the year four learning events have been held, with 50+ people attending each event.

Progress has been made in three priority areas during 2022, including employment/employability, climate action and social value.

#### **Climate Action**

One of the key priorities for the Essex Anchors Network is Climate Action. Activities include:

- Core Climate Action Working Group – 5 meetings in 2022
- Plus, one in-person workshop on Fuel Poverty in August 2022

**Key workstreams:** Fuel Poverty: training for front line workers, mapping warm spaces, Estate retrofit.

**Achievements:** Active Travel messages for Anchors staff; developed abridged Fuel Poverty training deck; roll out of Fuel Poverty training from 1/11/22.

Tendring District Council has already committed to net zero by 2030 and has an existing policy, the Anchors work will build on this and aid delivery of the commitment.

#### **Employment**

The Essex Anchors held their inaugural Reverse Job Fair on 9<sup>th</sup> September 2022. A Reverse Jobs Fair is designed to assist those facing barriers into employment. It flips the idea of a traditional Jobs Fair by allowing job seekers to create displays and presentations that demonstrate their talent and then showcase them to potential employers.

Employers then have the opportunity to circulate among the stands, introducing themselves to the jobseekers, and taking time to discuss opportunities and create connections where skills and abilities of the candidates match those required by employers.

These events highlight talent within groups who may face barriers to employment, and gives those individuals the opportunity to demonstrate their skills and abilities in a supported environment.

Eight Jobseekers were joined by over twenty representatives of local organisations, with both senior members of staff and employment specialists from Anchors such as Suffolk and North East Essex NHS Integrated Care Board, Mid Essex NHS Integrated Care System, Tendring District Council, Colchester Borough Council, Essex County Council and Anglia Ruskin University all in attendance.

Essex Cares Ltd, provided support for the jobseekers and gave out over 100 CVs on the day, including on behalf of a number of candidates who were unable to attend the event.

In summary 20 employers attended the event and out of the 8 job seekers, 2 went into employment, 2 went into further interviews and 6 were encouraged to apply for a number of different roles. The Reverse Job Fairs are to continue with the next event in South Essex.

This work will support Tendring District Council as recruitment has been challenging in some areas across the Council in 2022. Initiatives that encourage people to apply for jobs across the Council are welcomed. There will also be a Reverse Jobs Fair in North East Essex early in 2023, where Tendring posts will be advertised.

#### **Other employment and employability initiatives include the following:**

- 14 Anchor organisations have taken part in online job fairs. This includes Tendring District Council.
- Over £1m pledged by Anchor network members through apprenticeship levy sharing.
- Employability Programme launched.
- Public Sector Recruitment Campaign in development. This will be to showcase the wide range of career options available in local government including Housing, Social Care, Planning, Environmental Health, Accountancy and Law.

#### Social Value

22 of the Essex Anchor organisations have been involved in peer-to-peer learning, sharing lessons learned, progress, challenges and barriers about embedding Social Value across their organisations. Terms of Reference for this work have just been released (December 2022) and are provided in Appendix B. During 2023, Tendring District Council will be engaged and involved in cascading the work of this group.

#### **Next Steps and Priorities for the Essex Anchors Initiative**

##### Recruitment

- Entry to work programmes – alignment to employability campaign and You Can (Health) Programme
- Re-entry to work – helping people re-join the public sector workforce after a career break

- Job Coaching Apprenticeships to upskill people in our organisations to support inclusive employment
- Connecting to wider skills and employment support, for example digital skills / digital literacy
- 6 Reverse Job Fairs in 2023
- Launch of the Essex Local Government recruitment campaign

Other areas of Development

- **Cost of Living Impact on Local Businesses** – identifying policies and practices that will support local businesses.
- **Private Sector Engagement**
- Identifying potential private sector partners and other anchors such as housing associations, sports, culture, schools
- **Retrofit**
- Exploring scale of opportunity retrofit could present local economy
- **Skills Passports**
- Helping people translate skills they have gained into requirements for roles in anchor organisations. Looking to pilot for carers.
- **Progressive Framework**
- Finalising self-assessment tool for anchors
- **Social Value Index and Baseline**
- Developing a matrix to help anchors assess social value practice and progress

**PREVIOUS RELEVANT DECISIONS**

None

**BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

**APPENDICES**

**Appendix A – Essex County Council, Background Anchors Information**  
**Appendix B – Essex County Council, Social Value Learning Community, Terms of Reference**

**REPORT CONTACT OFFICER(S)**

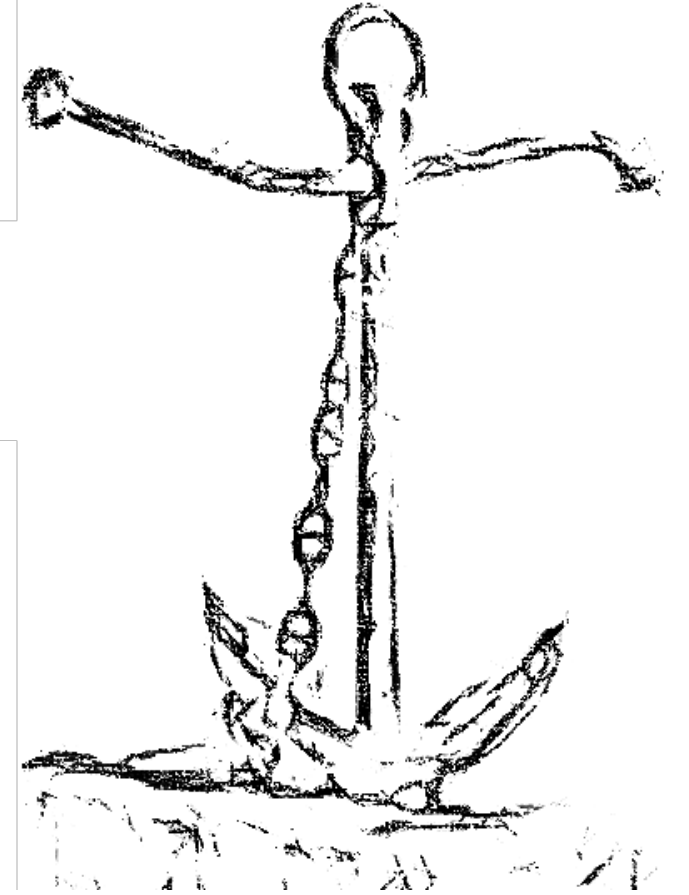
<b>Name</b>	<b>Anastasia Simpson</b>
<b>Job Title</b>	<b>Assistant Director (Partnerships)</b>
<b>Email/Telephone</b>	<a href="mailto:asimpson@tendringdc.gov.uk">asimpson@tendringdc.gov.uk</a> <b>(01255) 686324</b>

# The Future of Essex

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Supporting anchor approaches and  
making pledges

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# Anchor organisations

## What is an anchor organisation

Large, typically non-profit organisations like hospitals, local councils, and universities

- 'Sticky capital' (i.e. are unlikely to move given their connection to the local population)
- Significant influence on the health and wellbeing of a local community through their sizeable assets.

Through their day to day practices, anchor institutions have the leverage to maximize social value through their role as workforce developers, employers and procurers, their core business (health and education for instance) and linkages to the place they operate.

### Workforce Developer

- Create local training opportunities
- Support people to move between sectors
- Help those who have been long term unemployed re-enter the work place

### Estates and Environment

- Reduce the local environmental impact,
- Support growth in the local green economy
- Influence sustainable practices across the local system

### How Anchor organisations can shape local places

Anchor organisations have a number of levers available to them to help shape the local area.

### Procurement of Goods & Services

- Progressive and Responsible Procurement
- Embedding Social Value, ensuring every pound spent generates additional value

### Employer

- Create employment opportunities
- Improve the wellbeing of their employees

### Local business and VCS incubator

- Support local business and voluntary organisations to innovate, grow to support their local community





# Workforce Developer

Anchor organisations can play a key role in shaping and developing the skills of the local workforce. Anchors can contribute directly to social value creation, and collectively through partnerships. They can create local training opportunities, support people to more easily move between sectors and organisations, and help those who have been long term unemployed re-enter the work place.

## Sector Work Experience and Skill Academies

Creating work experience opportunities to support people into growth sectors.

## Skills Passports / Bridges

Enabling people to move more easily between sectors of employment based on common core skills.

## Professional Development

In house training extended to Community Leaders, the self-employed or business start-ups and those seeking employment.

## 2

# Employer

Anchor organisations as large employers have a significant capacity to improve the wellbeing of their employees, create employment opportunities for local people, make it as easy as possible for people to access these opportunities, and improve the wellbeing of their employees. Therefore, the potential social value creation is amplified.

### **Reviewing 'Essential' Criteria for all recruitment**

Being clear on the core skills needed and removing unnecessary barriers.

### **Job Carving**

Creating new opportunities for those furthest from employment.

### **Policies on family friendly working**

Reviewing recruitment, pay and conditions, progression and health policies to support inclusion goals and lower paid workers



# Local business and VCS incubator

Anchor organisations can use their size and scale to support local business and voluntary organisations to innovate, grow and recirculate wealth and wider benefits in their local community. Social Value can be created through volunteering, expert business advice and donation of equipment and resources.

## Social Enterprise

Outreach programmes in the community to support the development of Social Enterprise or worker led co-operatives

## Procurement training for local business

Procurement training and support for local businesses, awareness of opportunities.

## Community Assets

Offering up community assets for business development.

# 4

# Procurement of Goods & Services

The way anchor organisations procure goods and services and work with their supply chain can have far reaching benefits on local communities, from creating employment opportunities, to raising aspirations and local skills, to improving the local environment. Procurement is frequently the starting point for embedding Social Value, ensuring every pound spent generates additional value.

## Progressive and Responsible Procurement

Develop policy and tendering processes to assess, monitor and deliver social value

## Meet the Buyers

Develop close working relationships with local providers and suppliers in the community.

## Build the Voluntary Sector

Make explicit requirements to work with and resource the voluntary sector in contracts

5

# Estates and Environment

Anchor organisations have significant environmental footprints and could make an important contribution to the emerging industries and support the green economy adding social value as an outcome.

In Essex we want to explore how the public sector and its partners can use their position as an anchor to reduce the local environmental impact, support growth in the local green economy, and influence sustainable practices across the local system

## Climate Challenge

Anchor Institutions aim to be Net Zero Carbon by 2030.

## Promote Environmental Initiatives

Promote across organisation £1bn Public Decarbonisation Fund.

## Supporting Carbon Zero in the supply chain

Embed carbon reduction into Social Value discussions. .

## Essex Anchors Network - Social Value Learning Community

### Terms of Reference (ToR)

*Purpose: To create a collaborative learning space to implement and advance the Social Value Journey of each anchor institution, members of the Essex Anchor Network, focusing on anchor power of commissioning and procurement of goods and services and the social value creation through supply chain. This initiative will be inspired by the [vision](#) of Essex Partners and informed by the [Future of Essex](#) repository of ideas and good practice.*

#### Aims:

- **Ensure every pound spent generates additional value** to Greater Essex residents and communities.
- **Promote progressive procurement** to unlock new opportunities for local businesses and increase local spent, with particular emphasis on small and medium enterprises (SMEs) and the voluntary, community and social enterprise sectors (VCSEs), to become part of Anchor's supply chains.
- Focus on quantitative and qualitative social value evaluation and outcomes, embracing the diversity of methodologies and experience brought by anchors.
- Foster multi-disciplinary, cross-sector collaboration that will have the most impact; trust building among all actors will enable the data sharing needed for design and delivery of innovative and game-changing projects, avoid duplication of efforts among public bodies, and its respective service areas, and establishing a common narrative of Social Value in Essex.
- Use EAN's powers as collaborators, leaders and convenors to enable the **sharing of ideas and practices** between business, academia, the public and Civil Society, and the various communities across Greater Essex.
- Collaborate with all EAN Working Groups, to amplify local jobs creation, skills development and the promotion of the green economy capitalising the anchor power of commissioning and procurement of goods and services and the social value creation through supply chain.

## Terms of Reference (ToR)

### Role of the Social Value Learning Community

- Encompass a wide learning agenda that covers the difference nuances of social value for each of the sectors represented at the anchor network, but focused on deepening the understanding of concepts and practices.
- Provide a collaborative and safe space to share sensitive and complex data.
- Provide peer to peer learning, sharing lessons learned, progress, challenges and barriers about embedding SV.
- Identify the differences and commonalities of SV practices, both across organisations and through Procurement specifically.
- Support on the definition of social value for anchor institutions and EAN, establishing the baseline for members and the network.
- Work collaboratively with Economic Development Officers (EDOs) towards the identification of local projects to increase local spend and support local business and VCSEs sectors.
- Facilitate access to state-of-the-art expert knowledge and best practice with a view to inform policy making, plans, toolkits and models in key areas of action.

### 2023 Objectives

- |   |  |
|---|--|
| 1 | <ul style="list-style-type: none"> <li>- Equalize the social value knowledge across the anchor ecosystem in Essex;</li> <li>- Find out our similarities and differences;</li> <li>- Identify our strengths and share good practices, such as: strategies, policies, tools, learning materials, and lessons learned;</li> <li>- Enhance our exchange and knowledge sharing: buddy system</li> </ul> |
| 2 | Identify our Social Value common ambitions, themes and outcomes for common narrative in Essex.   |
| 3 | Set local spend, SME spend, VCSE spend baseline  |

### Meetings

- A meeting quorum will be 10 members.
- Decisions are made by consensus.
- Meetings are supported by the Secretariat - Essex Partners  
[essex.partners@essex.gov.uk](mailto:essex.partners@essex.gov.uk)

### Frequency and Location

Meetings will be held virtually.

Duration: every 6 weeks

### ToR Validity Period - Reviewing

This Terms of Reference is effective from (TBC) and will be ongoing until terminated by (TBC).

All amendments should be in writing and should be agreed by the Co-Chair.

Essex Anchors Network - Social Value Learning Community

Terms of Reference (ToR)

This Group feeds into the Essex Anchor Network, its membership consists of:

Co-Chairs- Kirsty O'Connell, Tracey Leforte, Ian Tompkins, Vivian Smith

Membership:

- Page 214
- Active Essex
  - Adult Community Learning (ACL)
  - Anglia Ruskin University (ARU)
  - Basildon BC
  - Braintree DC
  - Castle Point BC
  - Colchester BC
  - Epping Forest DC
  - Essex CC
  - Essex County Fire & Rescue Service (ECFRS)
  - Essex Police

- Harlow DC
- Ipswich & East Suffolk CCG - NHS
- Mid and South Essex FT/Basildon Hospital (MSEFT) – NHS
- North East Essex CCG - NHS
- Provide
- Southend Council
- Suffolk, North East Essex ICS (SNEE ICS) - NHS
- Tendring DC
- University of Essex
- West Essex CCG – NHS
- West Suffolk CCG - NHS



# Buddy Groups



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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