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**MINUTES OF THE MEETING OF THE CABINET,  
HELD ON FRIDAY, 21ST JULY, 2023 AT 10.30 AM  
IN THE COMMITTEE ROOM AT THETOWN HALL, STATION ROAD, CLACTON-ON-  
SEA, CO15 1SE**

<b>Present:</b>	Councillor M E Stephenson	Leader of the Council & Portfolio Holder for Corporate Finance and Governance (Chairman)
	Councillor I J Henderson	Deputy Leader of the Council & Portfolio Holder for Economic Growth, Regeneration & Tourism
	Councillor A P H Baker	Portfolio Holder for Housing & Planning
	Councillor M Barry	Portfolio Holder for Leisure & Public Realm
	Councillor M Bush	Portfolio Holder for Environment
	Councillor P Kotz	Portfolio Holder for Assets
	Councillor G R Placey	Portfolio Holder for Partnerships

**Group Leaders Present by Standing Invitation:** Councillors J B Chapman BEM (Leader of the Independents Group), G V Guglielmi (Leader of the Conservative Group) and G G I Scott (Leader of the Liberal Democrats Group)

**In Attendance:** Ian Davidson (Chief Executive), 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), Keith Durran (Committee Services Officer) and Chanelle Field (Communications Assistant)

**14. APOLOGIES FOR ABSENCE**

No apologies for absence were submitted on this occasion.

**15. MINUTES OF THE LAST MEETING**

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 23 June 2023, be approved as a correct record and be signed by the Chairman.

**16. DECLARATIONS OF INTEREST**

In the interests of transparency and for the public record, Councillor Placey (Partnerships Portfolio Holder) stated, in relation to Agenda Item 9 – Report A.3 – Creation of a Subsidy Scheme for the purposes of direct grant funding to Citizens Advice Tendring (CAT) that, until recently, she had been the Chairman of the Trustees of the CAT.

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

King's Fund

The Leader of the Council (Councillor Mark Stephenson) reported that, at the recent LGA Conference, the King's Fund had announced its recent paper on health and local government working together for positive outcomes in local communities in which Tendring District Council (TDC) had been mentioned as an exemplar. Furthermore, at the previous day's East of England Local Government Association (EELGA) meeting which he had attended with the Chief Executive, TDC had featured heavily in relation to its partnership working.

The Chief Executive (Ian Davidson) then referred to some of the challenges the District was facing and the work that TDC had undertaken, with its partners, to address those including the work in primary schools to support pupils' mental health and the work in Jaywick Sands with the Education Board. The key was the work in collaboration with Essex County Council colleagues and the Health Alliance, which was an exemplar. The work was all about tackling the historic challenges in the District of high deprivation and health inequalities and it was now having a positive impact. For example, the District's Health Index for the first time had had a positive increase of 4.8% (compared to the England average of +0.8%). Many local authorities had suffered a decline. Therefore, TDC residents in the long term would see their health inequalities reduce.

Mr Davidson had also referred to the fact that the District of Tendring had had the second highest number of suicides in the country. That was no longer the case as the number had significantly reduced due to a focus on problem schools and particular areas of the population. He welcomed the King's Fund report, which was an endorsement of the importance of partnership working, shared approaches to understanding community needs and the collective focusing of resources.

## **18. ANNOUNCEMENTS BY CABINET MEMBERS**

### Proposed closure of Railway Ticket Offices

The Deputy Leader of the Council and Portfolio Holder for Economic Growth, Regeneration & Tourism (Councillor I J Henderson) referred to the ongoing consultation by the Train Operators on the proposed closure of over 1,000 railway ticket offices around the country. Some would be within the District of Tendring including at Manningtree, Clacton and possibly Frinton Railway Stations.

Councillor Henderson stated that he had been contacted by members of the public within his local area who had informed him that they found it very useful to use the Ticket Office at Manningtree especially older members of the public and those with disabilities who wanted to make sure that they had access to both platforms and trains. In addition, for those who did not like to make electronic payments, manned ticket offices provided somebody who could provide access on the best route of travel and the cheapest tickets available. He felt that it was a real shame and concern that these experienced ticket office staff would be lost.

Councillor Henderson also expressed his concern at the short three weeks only duration of this consultation. He felt that this was unfair to the general public. As the consultation was due to end on Wednesday 26 July 2023 he urged all Members of the Council to respond on behalf of their residents. He drew attention to the fact that within the Greater Anglia rail franchise region, 16% of rail users (compared to the national average of 12%) used ticket offices and that there was a real danger of these rail users being seen as "not mattering anymore".

The Leader of the Conservative Group (Councillor Guglielmi) stated that he fully supported Councillor Henderson's stance. He referred to Greater Anglia's announced intention that the ticket office staff would be redeployed onto the platforms but stated that he was sceptical that this would happen. He pointed out the fact that, the ticket machines would, at some time, malfunction. They also could not give advice or answer questions or suggest the cheapest way to travel.

Councillor Guglielmi suggested that a combined response be sent on behalf of all the local authorities in Essex. He also suggested that TDC's response be circulated to the town and parish councils and local community groups in the District in order to make as many residents as possible aware of this consultation.

The Leader of the Liberal Democrats Group (Councillor Scott) highlighted the problems that the elderly often had with using modern technology and that these machines in not being able to do "ticket splitting" to provide cheaper options would thereby penalise the lower income households. He also mentioned that many of the machines did not take cash and that if they malfunctioned then the passenger ran the risk of then receiving a fine from the ticket collector on the train. He advocated a reinstatement or provision of "Permit to Travel" machines as a backup system. Overall, therefore he felt that this proposal was not a sensible approach.

The Housing & Planning Portfolio Holder (Councillor Baker) stated that it was "outrageous" that only a three-week period for consultation had been permitted for an issue of such importance. He believed that this proposal was merely an excuse for Train Operators to save money given the fact that rail use had not returned to pre-Covid 19 levels. This was at the same time as the public was being urged to use sustainable transport, as an aid in the fight against 'climate change'.

The Leader of the Council (Councillor M E Stephenson) assured Members that all of the points raised would be picked up in this Council's response to this consultation.

### Clacton Air Show

The Deputy Leader of the Council and Portfolio Holder for Economic Growth, Regeneration & Tourism (Councillor I J Henderson) reminded Members that this year's Clacton Air Show (to be held on Thursday 24<sup>th</sup> and Friday 25<sup>th</sup> August 2023) marked its 30<sup>th</sup> Anniversary and therefore it was a special one to celebrate. Highlights of this event would include:-

- Battle of Britain Memorial Flight;
- Red Arrows;
- RAF Tutor display team;
- Fleet Air Arm (RN) Swordfish.

Councillor Henderson also drew attention to Thursday's twilight flights and displays, which would include:-

- "Tigers" Army Parachute Display Team;
- "Otto" helicopter pyrotechnic display;
- "Firebirds".

He urged the public to visit [www.clactonairshow.com](http://www.clactonairshow.com) for the continually updated information as to display flight times and public parking arrangements et cetera.

### Green Flags

The Leisure and Public Realm Portfolio Holder (Councillor Barry) was very pleased to announce that parks and gardens around Tendring had kept their prestigious Green Flag Awards. The District had maintained all four of its Green Flags for open spaces at Clacton Seafront Gardens, Weeley Crematorium and Gardens, Cliff Park in Dovercourt and Crescent Gardens in Frinton.

Councillor Barry stated that these awards were testament to the hard work of council staff and many volunteers, who were passionate about their local area, in maintaining these parks and gardens to such a high standard in all weathers. He was pleased for them that Keep Britain Tidy had rewarded their efforts with these four prestigious Green Flags which recognised not only how beautiful a place was, but also the behind the scenes and community efforts as well.

## **19. MATTERS REFERRED TO THE CABINET BY THE COUNCIL**

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

## **20. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE COMMUNITY LEADERSHIP OVERVIEW & SCRUTINY COMMITTEE - A.1 - SCRUTINY OF CHILDREN MISSING FROM EDUCATION**

Cabinet considered the recommendations submitted to it by the Community Leadership Overview & Scrutiny Committee following that Committee's scrutiny of children missing from education at its meeting held on 7 March 2023.

That Committee had recommended to Cabinet -

- a) *that representations be again made to see Academies provide access to sites in the locality where those that are home schooled can take examinations in a range of subjects close to home;*
- b) *that efforts be made to encourage further enhancement of a positive relationship between home educators and the County Council's education service. Including in policy development and home visits; and*
- c) *to support the collaborative work that was being talked about to identify those that are not attending school or being effectively home educated and taking the necessary steps to get them back into education.*

Cabinet had before it the following comment submitted by the Portfolio Holder for Partnerships:-

*"I would like to thank the Committee for their comments and recommendations. I have asked Officers to raise these matters at the next meeting of the Tendring Education Strategic Board, Attendance sub-group."*

Having duly considered the recommendations submitted to Cabinet by the Community Leadership Overview and Scrutiny Committee, together with the response of the Partnerships Portfolio Holder thereto:-

It was moved by Councillor Placey, seconded by Councillor I J Henderson and:-

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

**21. LEADER OF THE COUNCIL'S ITEMS - A.2 - TREASURY MANAGEMENT PERFORMANCE 2022/23**

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.2), which reported on the Council's treasury management activities and Prudential Indicators for 2022/23.

Members were reminded that borrowing and investments had been undertaken in accordance with the 2022/2023 Annual Capital and Treasury Strategy that had been approved by full Council at its meeting held on 29 March 2022.

*Summary of the Council's Borrowing Position:*

Amount Outstanding at the end of March 2023	Average Interest Rate Paid in 2022/23	Total Interest paid in 2022/23
£0.136m (General Fund)	7.082%	£0.010m
£34.563m (HRA)	3.555%	£1.262m

Cabinet was advised that no external borrowing had been undertaken in 2022/2023 for either the General Fund (GF) or Housing Revenue Account (HRA).

*Summary of the Council's Investment Position:*

Value of Investments held at the end of March 2023	Average Interest rate on Investments 2022/23	Interest Earned on Investments 2022/23
£79.211m	1.774%	£1.630m

It was reported that the amount of interest earned from investments had increased greatly during the year due to the successive bank base rate rises of either 0.25% or 0.50% from 0.75% at the start of 2022/23 to 4.25% at the end of the year. As most investments were fixed for 6 months at a time, the increases had not fed immediately through to the investments held but had allowed for a 'laddering' of deposits to lock in the increase. Estimated income had increased through the quarterly financial performance and budget reports during the year - from £0.087 million at the start of the year to £1.150 million at the end of the year, with the outturn figure being £1.630 million as set out in the table above.

Cabinet was aware that the Council continued to hold one property within its Commercial Investment Portfolio, which had a balance sheet value at 1 April 2022 of £2.108 million. This 'book value' had been increased by the Council's appointed valuers to £2.364 million at the end of 2022/23. However, this was an 'accounting' valuation and

not a direct value that would be achieved on the market if it was sold. Rental income of £0.224 million had been earned on the property in 2022/23, in line with estimates.

As reported to Cabinet in November 2022, during 2022/23 the Treasury Management limit of £1.000 million that could be held across the Council's various current accounts on any one day had been exceeded on 24 June 2022, when a total of £1.074 million had been held across the various current accounts. This was due to the unexpected receipt late in the day on 24 June 2023 of £0.130 million which had been expected on 27 June 2023 and there had been insufficient time to move the money to an alternative bank account/investment. On 2 August 2022, the limit for the bank current accounts had again been exceeded with £1.007 million held, due to the unexpected receipt late in the day of a payment from a developer of Section 106 monies of £0.177 million. Although Planning informed Finance of when they billed for Section 106 payments, in practice they were rarely paid to us on the day expected, which had the case in this instance. As no prior notification of this payment had been received, no alternative arrangements could be made in time. In response to those two occurrences, additional 'headroom' was now provided against the relevant current accounts held with Lloyds Bank PLC in order to enable more money to be received into the accounts without the risk of exceeding the limit.

In addition to the above, an adjustment / intervention had also been required in respect of the amount held within Money Market Funds during the year.

Cabinet was made aware that the impact of inflation was continuing in 2023/24, with further interest rate rises in May and June 2023, such that the bank base rate was now 5% and that the latest interest rate forecast from the Council's treasury management advisers suggested a further increase to 5.5% in autumn 2023 and then steady reductions in the rate during 2024/25 and 2025/26. Investment income budgets would be reviewed as part of the quarterly Financial Performance Reports and long-term financial planning processes.

In order to demonstrate compliance with the Treasury Management and Prudential Codes:-

It was moved by Councillor M E Stephenson, seconded by Councillor I J Henderson and:-

**RESOLVED** that -

- a) the Treasury Management performance position for 2022/23 be noted; and
- b) the Prudential and Treasury Indicators for 2022/23 be approved.

**22. LEADER OF THE COUNCIL'S ITEMS - A.3 - CREATION OF A SUBSIDY SCHEME FOR THE PURPOSES OF DIRECT GRANT FUNDING TO CITIZENS ADVICE TENDRING**

Earlier on in the meeting, as reported under Minute 16 above, and in the interests of transparency and for the public record, Councillor Placey (Partnerships Portfolio Holder) had stated, in relation to this matter that she had, until recently, been the Chairman of the Trustees of the CAT.

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Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.3), which sought:-

- (i) to create an Addressing Health Inequality – Advice, Support And Mental Health Subsidy Scheme 2023/24 and grant funding directly to Citizens Advice Tendring (CAT) as part of the core funding under a Service Level Agreement and the Mental Health Hub;
- (ii) an approved Addressing Health Inequality – Advice, Support and Mental Health Subsidy Scheme which would ensure that the Council was compliant with the Subsidy Control Act 2022 by providing justification for direct granting funding to CAT should the funding fall under the new legal definition of a subsidy; and
- (iii) to agree an updated Service Level Agreement (SLA) with Citizens Advice Tendring (CAT) for 2023/24 and to provide funding in relation to the Mental Health Hub.

Cabinet was reminded that [the Subsidy Control Act 2022](#) (“the Act”) had come into force in January 2023 and set out the UK’s subsidy control rules for public authorities. A ‘subsidy’ was where a public authority provided support to an enterprise that gave them an economic advantage, meaning equivalent support could not have been obtained on commercial terms. Subsidies could give recipients an unfair advantage over their competitors or be an inefficient use of public money if they did not bring about net positive change.

Members were informed that the Council was held responsible to consider the effect of the funding that they would award. Subsidies should only be given in the public interest to address a market failure or equity concern, and if awarded, should be done in a way that minimises any negative impact on competition and investment to help ensure that public money was used in an effective and efficient way.

The Government’s introduction to subsidy control stated: *“To minimise these risks and increase the likelihood that subsidies achieve positive outcomes, the UK subsidy control regime regulates subsidies given in the UK to prevent any excessively distortive or harmful effects. The regime is designed to be flexible, to allow public authorities to support business growth and innovation, promoting competition and investment in the UK. Under the regime, public authorities can deliver subsidies that are tailored to local needs to deliver their strategic priorities.”*

It was reported that the [UK subsidy control statutory guidance](#), issued by the Secretary of State under Section 79 of the Act, in November 2022 and updated in June 2023, explained public authorities’ legal obligations under the regime and provided a framework for designing and giving subsidies in a way that was consistent with the Act. In Chapter 3, the guidance advised that, if a financial assistance measure met the legislation definition of a subsidy, it would need to be assessed against the seven subsidy control principles. Subsidy schemes must be assessed against the subsidy control principles and could not be made unless the public authority decided the scheme was consistent with the principles.

The seven subsidy control principles (“the Principles”) were:

**Principle A: Common Interest**

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*Subsidies should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns).*

**Principle B: Proportionate and Necessary**

*Subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it.*

**Principle C: Designed to change economic behaviour of beneficiary**

*Subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change, in relation to a subsidy, should be conducive to achieving its specific policy objective, and something that would not happen without the subsidy.*

**Principle D: Costs that would be funded anyway**

*Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.*

**Principle E: Least distortive means of achieving policy objective**

*Subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means.*

**Principle F: Competition and investment within the UK**

*Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition and investment within the United Kingdom.*

**Principle G: Beneficial effects should outweigh any negative effects**

*Subsidies' beneficial effects (in terms of achieving their specific policy objective) should outweigh any negative effects, including in particular negative effects on competition and investment within the United Kingdom, and international trade and investment.*

Cabinet was advised that the direct funding Tendring District Council proposed to grant to Citizens Advice Tendring (CAT) was considered a 'subsidy' for the reasons set out within the report, and consequently, had been assessed against the Principles using the recommended framework and template, as set out in Appendix A to the Leader's report. To be able award any financial assistance directly to CAT, Cabinet must be satisfied that the proposed Scheme was consistent with the Principles.

Members were informed that the Addressing Health Inequality – Advice, Support and Mental Health Subsidy Scheme 2023/24 ("the Scheme") would seek to provide a comprehensive advice and support service and a Mental Health Hub provision, which was freely accessible to residents via trusted providers on a competent basis delivering a wide range of support to an appropriate quality standard. The Scheme would operate for one year.

It was felt that this Scheme met the Principles, as it sought to achieve a policy objective within the Council's Corporate Plan i.e. to deliver health and wellbeing for effective



services and improved public health; it was proportionate to deal with increasing demand for services by a local trusted organisation and it would positively affect the recipient's activity to ensure they continued to provide a comprehensive advice and a Mental Health Hub service.

It was also considered that, without funding, the recipient would not be able to meet the demand for services to the public and it was an appropriate policy instrument as the Council did not provide such services, and this activity would be delivered by a competent, trusted and accessible organisation. It was not considered that the subsidy would have a negative effect on competition, as there were specific requirements around comprehensive, competent local free and impartial provision by a trusted organisation, which residents were happy to regularly access. The benefits outweighed any negative effects as there was increasing demand for the service to help address health inequalities in an area of high deprivation and there were specific requirements needed for delivery of this provision.

Cabinet was made aware that the Subsidy Control Act 2022 imposed transparency obligations on public authorities awarding subsidies to promote accountability and enable the public to see how money was spent. Public authorities must ensure that the details of subsidies they awarded, or subsidy schemes they made, were uploaded to the UK subsidies database ([GOV.UK - Public user search page \(beis.gov.uk\)](https://www.gov.uk/guidance/public-user-search-page)). It was therefore recommended that the Addressing Health Inequality – Advice, Support and Mental Health Subsidy Scheme 2023/24 be approved using the completed subsidy control assessment as evidence. Subject, to its approval, the proposed funding for CAT would then be awarded, and published on the UK subsidies database on behalf of Tendring District Council in order to be compliant with the Act when granting the funding.

Members were assured that any grant of funding to CAT would be consistent with previous years, in that it was supported by an annual Service Level Agreement, also agreed by Cabinet. This arrangement supported the provision of free, confidential and impartial advice to residents across a wide range of issues. Since 2013/14, the core grant awarded each year had been £144,000, payable in two instalments of £72,000.

That funding would also support a Mental Health Hub that CAT had operated for a number of years which was a single point of access for a holistic assessment and intervention for vulnerable residents who had poor mental health. The Hub provided a broad range of support for those who attended including an opportunity for volunteering which might help lead to employment. In order to grant this funding, TDC must ensure that in doing so it would be compliant with subsidy control regulations.

Data produced by CAT showed that during the past year, although client numbers had remained the same, the number of issues dealt with by telephone and email had risen by 57% (8765 to 13,739) as people arrived with multiple and complex issues for example around energy and the cost of living crisis and the ongoing effects of the pandemic. In addition, 4000 residents had chosen to drop-in at their face-to-face venues.

CAT had also operated the Mental Health Hub ("the Hub") for eight years, which was a single point of access for a holistic assessment and intervention for vulnerable residents who had poor mental health. The Hub was funded by Tendring District Council, Essex County Council, the Police, Fire and Crime Commissioner and the Integrated Care

Board. The lead commissioner was the Integrated Care Board and they provided and held the Service Level Agreement on behalf of all the other funders. The contribution from Tendring District Council was £28,000 per year.

It was acknowledged that the Act might have wider implications across the Council and therefore, it was recommended that the Council undertook a review during 2023/24 of all of its grant funding to establish whether it wished to produce a wider Subsidy Scheme covering a range of initiatives and functions and to consider alternative options.

In order to:-

- (1) ensure that the Council is following its legal obligations under the Subsidy Control Act 2022 and statutory guidance;
- (2) enable CAT to continue to support Tendring residents and offer value for money; and
- (3) enable a review to be undertaken of all grant funding and present options for consideration.

It was moved by Councillor M E Stephenson, seconded by Councillor Baker and:-

**RESOLVED** that -

- (a) the Addressing Health Inequalities – Advice, Support and Mental Health Subsidy Scheme for 23/24, assessed as being consistent against the Seven Principles as set out in Appendix A to item A.3 of the report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance, be approved;
- (b) the Assistant Director (Partnerships), in consultation with the Leader of the Council and the Monitoring Officer, be authorised to finalise the administrative requirements for the production of the Subsidy Scheme in accordance with the Act and Statutory Guidance, prior to any awards;
- (c) subject to (a) and (b) above, Citizens Advice Tendring be awarded direct grant funding of £144,000 and £28,000 for 2023/24 and notification of such is published on the Government's database;
- (d) a Service Level Agreement with Citizens Advice Tendring (CAT) from 1st April 2023 until 31st March 2024 be entered into on the terms and conditions as set out in the updated agreement shown in Appendix B to the aforesaid report; and
- (e) a review of grant funding across the Council be approved and a report following the review considering the options available during 2023/24 be presented to Cabinet in readiness for 2024/25.

**23. LEADER OF THE COUNCIL'S ITEMS - A.6 - DEVELOPING A NEW CORPORATE PLAN 2024-2028**

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.6), which sought its approval to commence the process of preparing a new Corporate Plan for the period 2024-2028.

Members recognised that the District of Tendring had amazing opportunities and some deep-seated challenges and that the Council's Corporate Plan would reflect this as the Council's focus. It also needed to recognise the Council's challenging financial position, with financial sustainability being the key for delivery. The Council also recognised that it was a deliverer, influencer and facilitator, which would be the only way it could achieve its ambitious Corporate Plan aspirations.

#### Corporate Planning and Performance Management

Cabinet was aware that the Council had an established set of arrangements to set out its long and medium term aims and to monitor progress in delivering them. This included a long term Corporate Plan (agreed by Full Council), Annual Priorities and Projects in line with the Corporate Plan (agreed each year by Cabinet), and quarterly performance reporting. In addition, Departmental Plans were prepared annually at an operational management level.

An overview of the performance system was as follows:

Timescales/Term	Performance Document/Plan	Key Objectives
4 years	Corporate Plan Developed by Cabinet and agreed by Full Council.	Long term Council aims /priorities 'Plan on a page' Strategic Vision/Values of the organisation
1 year	Highlight Priorities Developed and agreed by Cabinet	Specific deliverable actions with milestones Performance Standards
Quarterly Reporting	Performance Standards Deliverables developed / agreed by Cabinet	Reports provided to Cabinet and available for Overview and Scrutiny Committees Reports include the deliverables, targets, metrics and measures
Annually	Departmental Plans	Operational plans at officer level in consultation with the relevant Portfolio Holders

#### A new Corporate Plan

Through this report, approval of the process of preparing a new Corporate Plan was sought.

With the election of a new Council, the formation of a new Administration and given that the current Corporate Plan ran to 2024, this was felt to be an appropriate time to begin preparatory work to develop a new Corporate Plan for agreement by the Council. It was acknowledged that it would take a number of months in order to allow proper consideration and scrutiny of the proposed content before the Council could be asked to formally agree the plan.

Cabinet was therefore requested to confirm at this stage that the overall approach to the Corporate Plan, Priorities and Projects and Performance Management and reporting should continue on the current basis and that the Corporate Plan itself should again be:

- a “Plan on a Page”;
- with Community Leadership underpinning its themes; and
- a clear statement of the Council’s overall vision and values.

#### Public Consultation

Due to the proposed timeline and limited in-house capacity it was recommended that an external social research company be used, which would enable the Council to capture Tendring District specific data not only to assist the Council with developing its Corporate Plan but with future priority setting and decision-making.

In order for Officers to be authorised to undertake the consultation outlined and to alert Councillors, stakeholders and the public to the process of adopting a Corporate Plan for 2024-28:-

It was moved by Councillor M E Stephenson, seconded by Councillor I J Henderson and:-

#### **RESOLVED** that Cabinet -

- (1) notes and endorses the initial emerging themes for a Corporate Plan (Our Vision) for 2024-28, as set out at Appendix A to item A.6 of the report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance;
- (2) requests Officers to undertake consultation with the public, stakeholder organisations, Councillors and staff on the initial emerging themes referred to in (1) above;
- (3) receives the outcome of that consultation at the meeting of Cabinet on 10 November 2023 with a view to development of finalised Corporate Plan (Our Vision) themes for 2024-28 being then recommended to Council on 28 November 2023; and
- (4) endorses engaging a social research company to support the consultation referred to in (2) above and, in view of the limited capacity within the Council, authorises that the costs of that support (up to £25,000) be met from corporately accrued vacancy savings to date in 2023/24, where this will not impact on service delivery.

**24. LEADER OF THE COUNCIL'S ITEMS - A.8 - OVERVIEW OF THE FINANCIAL OUTTURN 2022/23 AND PROPOSED ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR**

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.8), which sought its approval of the allocation of the overall 2022/23 General Fund revenue variance.

The Leader of the Council, acting in his capacity of Portfolio Holder for Corporate Finance and Governance had agreed the overall outturn position for 2022/23 on 10 July 2023, with a high level summary of the General Fund revenue position as set out below:-

Variance for the year before carry forward requests	(£19.131m)
Less revenue carry forwards requested by Services	£15.779m
Variance for the year after requested carry forwards	(£3.352m)

The favourable variance for the year of £3.352m was currently being held in the Revenue Commitments Reserve.

Cabinet was made aware of an emerging issue that was likely to have an impact on this overall variance for the year, which related to the Crematorium Replacement Capital Project. In summary, £0.558m of the overall favourable variance of £3.352m above related to the underspend against the associated capital scheme, which was due to the original capital programme incorrectly including the costs of the 10 year maintenance contract associated with the new cremators. Following an associated review, it had been identified that £0.240m of the overall favourable above was required to 'top up' the existing maintenance budget to meet the cost of this on-going contract.

After taking into account the above, the remaining favourable variance was therefore £3.112m.

It was proposed to continue to hold the remaining favourable variance for the year of £3.112m within the Revenues Commitment Reserve and to consider its allocation alongside the Financial Performance Reports later in the year, which would include the development of the financial forecast for 2024/25 and beyond. This approach would enable future investment to be aligned alongside other key financial decisions associated with delivering options and actions to support the Council's long-term financial sustainability.

There were also a number of carry forwards that had been requested by Services which totalled £25.703m (£15.779m relating to revenue budgets and £9.924m relating to capital schemes). It had been intended to have reviewed all of the carry forwards requested by Services in order to identify those to be agreed or otherwise for reporting to this meeting of Cabinet. However, that review remained in progress and so it was now proposed to delegate their approval or otherwise to the Portfolio Holder for Corporate Finance and Governance in consultation with the Section 151 Officer. This review would also seek the input from relevant Senior Officers and Portfolio Holders. Following this review and associated decision, it was proposed that the total amount

relating to any carry forwards not subsequently approved would be added to the general favourable variance for the year of £3.112m highlighted above and retained within the Revenues Commitment Reserve for consideration later in the year as proposed.

In order to allocate the overall General Fund favourable outturn variance for 2022/23 along with the associated delegations of authority:-

It was moved by Councillor M E Stephenson, seconded by Councillor Kotz and:-

**RESOLVED** that -

- (a) the high level Financial Outturn Position set out in this report and the initial favourable General Fund Revenue variance of £3.352m for the year, which is currently held within the Revenue Commitments Reserve be noted;
- (b) £0.240m of the overall favourable variance of £3.352m be used to meet the additional maintenance costs of the new cremators over the associated 10 year maintenance period;
- (c) the remaining favourable variance for the year of £3.112m be retained within the Revenue Commitments Reserve for further consideration during 2023/24;
- (d) the approval of the carry forwards from 2022/23 be delegated to the Portfolio Holder for Corporate Finance and Governance, in consultation with the Section 151 Officer;
- (e) the value of any of carry forwards not subsequently approved be added to the general variance set out in (c) above; and
- (f) the Council's Section 151 Officer, in consultation with the Corporate Finance and Governance Portfolio Holder, be authorised to adjust the outturn position for 2022/23 along with any corresponding adjustment to earmarked reserves as a direct result of any recommendations made by the Council's External Auditor during the course of their audit activities relating to the Council's 2022/23 accounts.

**25. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER - A.4 - ELMSTEAD NEIGHBOURHOOD PLAN AND NEIGHBOURHOOD DEVELOPMENT ORDER - PROPOSAL FOR PUBLIC CONSULTATION**

Cabinet considered a report of the Housing & Planning Portfolio Holder (A.4), which sought its agreement for Officers to carry out a six week public consultation on Elmstead Parish Council's new Neighbourhood Plan and Neighbourhood Development Order, as part of the statutory plan-making process.

It was reported that Elmstead Parish Council had submitted the final version of its Neighbourhood Plan and Neighbourhood Development Order (NDO) to Tendring District Council (TDC). The Neighbourhood Plan and the NDO had been prepared by the Parish Council having regard to the technical evidence, feedback from community engagement activities and the ongoing advice of TDC Officers.

Members were informed that, as part of the statutory plan-making process, the Neighbourhood Plan and NDO must be published for at least six-weeks formal

consultation and thereafter undergo an independent examination and a local referendum before it could be formally adopted by the District Council.

Cabinet was advised that, upon adoption, the Neighbourhood Plan (with any changes required as a result of the consultation and examination process) would form part of the 'Development Plan' alongside the Tendring District Local Plan and would be a material consideration in the determination of planning applications.

Members were made aware that, as well as submitting a Neighbourhood Plan, the Parish Council was also submitting a NDO which would have the power to grant planning permission for specific development in a particular area. The Parish Council were using their NDO to gain outline planning permission to demolish the village hall and to replace it with up to nine apartments.

Members noted that the documents submitted by Elmstead Parish Council included the Neighbourhood Plan and NDO itself, a Consultation Statement, a 'Basic Condition Statement' and a number of other supporting documents including a Habitat Regulation Assessment and a Strategic Environmental Assessment.

It was reported that the decisions involved in the process of making a Neighbourhood Development Plan and NDO were largely technical, or administrative, in nature, however certain decisions, for example, the decision to hold a referendum, or ultimately the decision to 'make' the Neighbourhood Plan and bring it into force could be key decisions and as such should include Members' involvement.

Having duly considered the contents of the submitted documentation and in order to allow this matter to move forward:-

It was moved by Councillor Baker, seconded by Councillor Bush and:-

**RESOLVED** that Cabinet -

- a) notes the contents of the submitted documentation at Appendix 1 (The Elmstead Neighbourhood Development Plan), Appendix 2 (Consultation Statement), Appendix 3 (Basic Condition Statement) and Appendix 4 (Neighbourhood Development Order); and
- b) authorises the Director (Planning) to carry out a six week public consultation on the Neighbourhood Plan, the NDO and other related documents, in accordance with Regulations 16 and 21 of the Neighbourhood Planning Regulations 2012, in due course.

**26. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.5 - UPDATE ON THE TENDRING EDUCATION STRATEGIC BOARD**

Cabinet considered a report of the Partnerships Portfolio Holder (A.5), which provided it with an update on the work of the Tendring Education Strategic Board (TESB).

Members were reminded that, established in 2020, the TESB aimed to work in partnership to raise the aspirations, attainment and skills levels of children and young people (CYP) across the District. The Board sat within the North East Essex Health and Wellbeing Alliance to support their work as a system to ensure that: "children get the

best start in life (Start Well domain),” as well as contributing positively to tackling the wider determinants of health.

The purpose of the TESB was to:

- *Raise educational outcomes for the children and young people of Tendring*
- *Positively impact on the wider society of Tendring through improvement of education*
- *Influence other programmes to specifically support CYP and their families*
- *Connect with other organisations to target funding and initiatives towards Tendring e.g. lottery funding, commissioned contracts*
- *Identifying and delivering collective solutions which increase the consistency of best practice and offer for CYP in Tendring*

The Board met quarterly, however priorities (set for the academic year) were progressed through the work of Task & Finish Groups. Memberships of those groups included school representatives, Board members and relevant partners, supported by ECC/TDC officers and partners.

During the 2022/23 academic year, the TESB had worked on the following agreed priorities:-

- Speech, Language & Communication
- Reading
- Skills
- Social, Emotional Mental Health
- Pupil Attendance

It was recognised that there were many strategies already in place within Tendring District schools which were having a positive impact on C&YP, however, the TESB aimed to identify the gaps and work collaboratively to address common identified areas of need.

Highlights of progress to date included:-

In its first year, the TESB had worked with the Department for Education (DfE) funded ‘Opportunity Areas Programme’ to deliver a Twinning Partnership Project in Tendring to support the delivery of its aims. The Tendring Twinning Partnership had been established to share delivery activities that had seen positive impacts in the Norwich and Ipswich Opportunity Areas. This partnership had brought additional funding into Tendring, and work continued into this academic year.

The Tendring Twinning project had two priorities, namely:-

- To improve language and communication development.
- To strengthen professional development and deployment of Teaching Assistants to support pupils’ learning behaviours and emotional literacy

Using DfE funding, to date, progress had been made in delivering those priorities by facilitating:

- *2 Communication Hubs Schools*



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*'Good' or 'Outstanding' primaries with an EYFS are funded to undertake the Elklan accredited Communication Friendly Setting (CFSe) Primary (5-11 yrs) Award, becoming centres of excellence in speech, language and communication.*

- *Communication Champions*  
*Over 100 Teachers, TAs and EY Practitioners are funded to undertake Elklan Speech Language and Communication Level 3 accredited training (3-5 yrs or 5-11yrs) to become Communication Champions.*
- *15 Teaching Assistants across 9 schools have undertaken Education Endowment Foundation (EEF) training to become Learning Behaviour Leads.*
- *29 TAs have undertaken specialist training from Educational Psychologists to become Emotional Literacy Support Assistants (ELSAs). Schools will then fund yearly costs for their ELSA to have ongoing ½ termly 2-hour group supervision sessions facilitated by two EPs.*

### Skills

It was reported that this was a newly formed Task & Finish Group operating since October 2022. The work of this group had developed significantly recognising the need to work collaboratively across a wider network of partners, increasing capacity and to ensure the delivery of a broad spectrum of skills and development opportunities for C&YP.

The aims of the skills group was to:-

- Support young people in Tendring to reach their potential through good career guidance and inspiration and activities that support employability and the development of skills for local employers.
- Ensure good career guidance is available with effective pathways to facilitate Tendring jobs for Tendring children.
- Support the long-term Levelling Up ambition to increase household incomes by ensuring Tendring residents can access high value jobs provided by local employers.
- Work with external partners to develop a bespoke offer of support for supporting attainment through inspiration with links to our local employers and growth sectors to avoid gaps between aspiration and opportunity for young people in Tendring.
- Support Careers Leader development and information

### Progress to date:

- *Establishing new Task & Finish group and membership and key linkages to other Boards/strategic groups e.g. Tendring Regeneration Board*
- *Planning for the delivery of the Future Skills Programme over the next 2 years, with the possibility of extending this for another 2 years beyond that (following a review).*
- *Mapping of what offers are currently in place and available, to identify gaps and what should be supported via the Future Skills Programme*
- *Planning for a hands on career/skills events for both Primary and Secondary schools working with partners who are keen to support the area e.g. Greater Essex Careers Hub, Into University, Make Happen, University of Essex, ECC Skills Team,*

*Tendring District Council, NHS North East Essex Clinical Commissioning Group & Freeport Skills Partnership Board*

Pupil Attendance

The TESB Task & Finish group was working on a number of aspects relating to pupil attendance. Membership of the group had been extended to include partners who supported vulnerable children, young people and families e.g Family Solutions.

The group had produced and circulated a survey for school staff across Tendring schools to gain feedback on attendance issues. In addition, the group had engaged with parent/carers to gain their feedback and a greater understanding of their experiences and issues. Analysis of those results was ongoing.

In addition to the above, the group had sought to gain feedback from pupils on their experiences of being absent from school, and those who had managed to return to school following a period of absence to help inform actions going forward. The group was planning for a home school liaison pilot – this role would build links between the school and families (this would be targeted to an identified number of schools and rural areas of the District) and help children return to the school after a period of absence.

In order to provide continued support from Tendring District Council for the work of the TESB and its priorities:-

It was moved by Councillor Placey, seconded by Councillor I J Henderson and:-

**RESOLVED** that the work of the TESB and associated priorities/projects, as listed within the Portfolio Holder's report, which will continue to be supported in the 2023/2024 academic year in alignment with the Corporate Plan priorities, be endorsed.

**27. MANAGEMENT TEAM ITEMS - REPORT OF THE DEPUTY CHIEF EXECUTIVE & MONITORING OFFICER - A.7 - EXTERNAL AUDIT DELAYS CAUSING DELAYS TO THE PUBLICATION OF CERTIFIED ACCOUNTS FOR 2022/23**

Members were informed of a breach of a statutory reporting deadline along with the associated circumstances and the actions being taken in response.

Cabinet considered a report of the Monitoring Officer issued under Section 5 of the Local Government and Housing Act 1989 to formally inform Members that the Council had, for reasons beyond its control, failed to publish its certified draft accounts for the 2022/23 financial year by the statutory deadline of 1 June 2023. The Council was required by law to consider this report and decide what action (if any) to take in response. This report was being presented to Cabinet and it would also be presented to Full Council in due course.

Members were informed that the Chief Executive and the Assistant Director (Finance and IT) & Section 151 Officer had both been consulted on this report, as required by the legislation.

Cabinet was advised that, under Section 5A of the Local Government and Housing Act 1989, it was a duty of a relevant authority's Monitoring Officer to prepare a report, if it at any time appeared to them that any proposal, decision or omission by the authority, by

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any committee, or sub-committee of the authority, by any person holding any office or employment under the authority or by any joint committee on which the authority were represented constituted, had given rise to, or was likely to, or would give rise to —

(a) *a contravention by the authority, by any committee, or sub-committee of the authority, by any person holding any office or employment under the authority or by any such joint committee of any enactment or rule of law or of any code of practice made or approved by or under any enactment; or*

(b) *any such maladministration or failure as is mentioned in Part 3 of the Local Government Act 1974 (Local Commissioners).*

Members were made aware that the Accounts and Audit Regulations 2015 required Local Authorities in England to publish unaudited but certified Statement of Accounts in order to enable a 30-day period for the exercise of the public right to inspect those accounts, with that period covering the first 10 days of June.

Before that period started, the Council had to publish its draft accounts and a certificate by the Section 151 Officer confirming that they were satisfied that the Statement of Accounts presented a true and fair view of —

(a) *the financial position of the authority at the end of the relevant financial year; and*

(b) *that authority's income and expenditure for that financial year.*

Therefore, the failure to start the period for the exercise of public rights placed the Council in breach of its statutory duty under regulation 15 of the Accounts and Audit Regulations 2015. This has led to the Council having to place a notice on its website to explain the breach and it had led to this report.

Cabinet was reminded that the Council's current External Auditors had been appointed by Public Sector Audit Appointments Limited (PSAA), a company established by the Local Government Association to collectively procure auditors without authorities having to go through the extremely technical and legally complex statutory process of appointing their own auditor. This meant that only PSAA could remove / replace this Council's auditor. The Council had raised the continuing external audit delays with the Department for Levelling Up, Housing and Communities (DLUHC), PSAA, CIPFA and the FRC. At the present time, Local Authorities were waiting for the Government to make an announcement on their proposals to resolve this worsening national issue.

Members were aware that the Council's Statement of Accounts for previous years (2020/21 and 2021/22), at the present time, remained subject to being 'signed off' by the Council's External Auditor. The backlog of audits was a national issue which was estimated to reach 1,000 across the country by the end of 2023 and the current situation had been described as a crisis in the External Audit of Local Authorities that risked escalating even further without urgent and decisive action by the Government. The Monitoring Officer understood that the Government remained committed to exploring options in response to this national issue. The delays highlighted above were a well-publicised issue and in no way reflected any wrong doing by those Councils adversely affected.

In terms of the 'sign-off' of the 2020/21 accounts, the External Auditor had confirmed that they would not be able to formally complete this process until September 2023 at the earliest. At the present time it was unknown when they would be able to commence the audit of the 2021/22 accounts.

Although the external audit delays did not necessarily prevent the Section 151 Officer from certifying and publishing the accounts for 2022/23, given that there were now two years of accounts still waiting to be 'signed off' by the External Auditor, it did start to significantly compromise the ability to do so.

The Monitoring Officer understood from the Council's Section 151 Officer that:

- the delays in the external audit of the accounts highlighted above had also had direct and secondary impacts on the ability for Councils to meet the 31 May publication deadline for 2022/23;
- in terms of the direct impact, a number of issues relating to 2020/21 and 2021/22 remained subject to the external audit process, and based on current information it was very likely that a number of figures in the 2020/21 and/or 2021/22 accounts would be subject to amendment with the potential 'knock-on' impact in 2022/23. It was also important to highlight that some financial balances from 2021/22, that would need to be brought forward into the 2022/23 accounts were also likely to change;
- in terms of the secondary impact, the Council was still working with the External Auditor on the 2020/21 accounts which in turn had had an adverse impact on the capacity of Officers in preparing the 2022/23 accounts;
- taking the above into account, the Council had taken the difficult but pragmatic decision to delay the publication of its 2022/23 accounts;
- the Council would endeavour to publish its certified accounts and commence the required period of public inspection as soon as possible, with the scheduled date being the end of July 2023;
- the proposed delay should not impact on the ability for the public to inspect the Council's accounts or to raise questions directly with its External Auditor. However, it was acknowledged that any delay was undesirable and the rights became less meaningful and relevant as the delay lengthened;
- the Council's decision to delay the publication of the accounts should be seen as a practical response to matters outside of its control, rather than a reflection on the Council's important financial stewardship role. However, to provide additional assurance in the interim period, the External Auditor had provided a positive Draft Audit Completion Report for 2020/21 which had been considered by the Council's Audit Committee in March 2023, with no significant weakness identified to date in terms of the Council's use of resources.

In respect of the 5th bullet point above, it was recognised that the 2020/21 accounts would not be signed off until September 2023 at the earliest. However, the impact from the continuing External Delays needed to be balanced with the need for the Council to

be able to adequately demonstrate its financial stewardship and governance role, which included the right of the public to inspect the certified accounts in a timely manner.

With the above in mind it was proposed to certify and publish the 2022/23 accounts as soon as possible regardless of the 2020/21 accounts not being potentially signed off until the end of September 2023 and the 2021/22 accounts remaining subject to the external audit process.

In this regard the Council's Section 151 Officer had confirmed:

- they were able to certify that the 2022/23 provided a true and fair view of the Council's financial position given this largely reflected the confirmation that the accounts had been prepared in accordance with the associated code of practice and that the financial transactions had been recorded and presented correctly;
- the Council was aware of the external audit issues still outstanding for 2020/21, which were not expected to have a material impact on the 2022/23 position;
- the accounts were published 'subject to audit';
- the 2021/22 certified Draft Statement of Accounts were certified for publication ahead of the 2020/21 accounts being 'signed-off' by the External Auditor;
- the Narrative Statement within the Statement of Accounts would highlight the External Auditor delays for prior years' accounts and the risk of the potential impact on the 2022/23 position;
- the Annual Governance Statement would highlight the need to publish this Section 5A report.

It was noted that our current auditor's engagement as the Council's auditor ended with the audit of the 2022/23 accounts. The Council had appointed KPMG as its External Auditor for the 2023/24 financial year. However, it was unlikely that KPMG would be able to commence its audit until the Council's current auditors had completed their work. It was further noted that the Council's current auditors were understood to have withdrawn from Local Government audit work, at least for the short term.

In order to formally receive the Section 5 report from the Council's Monitoring Officer and to recommend its contents and response onto Full Council:-

It was moved by Councillor M E Stephenson, seconded by Councillor I J Henderson and:-

**RESOLVED** that -

- a) the Monitoring Officer's report and the response of the Council's Statutory Officers including the Section 151 Officer's aim to publish the 2022/23 Statement of Accounts by the 31 July 2023 and start the period of public inspection as soon as possible thereafter be endorsed;
- b) it is noted that this report will be presented to the next meeting of Full Council;
- c) the matter set out in this report be included within the Annual Governance Statement 2023, which will reviewed by the Audit Committee as part of their work programme;
- d) Officers be requested to provide an update to the next meeting of Cabinet in October 2023;

- e) Officers continue to work with partners and all relevant organisations to support a satisfactory resolution to the ongoing External Audit delays;
- f) the Chief Executive be requested to write to the Chief Executive of this Council's External Auditor to express Cabinet's regret at the on-going audit delays; and
- g) the Council's Finance Team be thanked for working to their continuing high standards, particularly given the current difficult circumstances with audit delays.

The Meeting was declared closed at 12.00 pm

**Chairman**