



CABINET

DATE:	Friday, 15 December 2023
TIME:	10.30 am
VENUE:	Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor M Stephenson	- Leader of the Council; Portfolio Holder for Corporate Finance & Governance
Councillor I Henderson	- Deputy Leader of the Council; Portfolio Holder for Economic Growth, Regeneration & Tourism
Councillor A 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 Placey	- Portfolio Holder for Partnerships

Most Council meetings are open to the public and press. The space for the public and press will be made available on a first come first served basis. Agendas are available to view five working days prior to the meeting date and the Council aims to publish Minutes within five working days of the meeting. Meeting papers can be provided, on request, in large print, in Braille, or on disc, tape, or in other languages.

This meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The whole of the meeting will be filmed, except where there are confidential or exempt items, and the footage will be on the website for up to 24 months (the Council retains one full year of recordings and the relevant proportion of the current Municipal Year). The Council will seek to avoid/minimise footage of members of the public in attendance at, or participating in, the meeting. In addition, the Council is obliged by law to allow members of the public to take photographs, film, audio record and report on the proceedings at public meetings. The Council will only seek to prevent this should it be undertaken in a disruptive or otherwise inappropriate manner.

If you have any queries regarding webcasting or the recording of meetings by the public, please contact Ian Ford Email: iford@tendringdc.gov.uk or Telephone on 01255 686584.

DATE OF PUBLICATION: THURSDAY, 7 DECEMBER 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 - 16)

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 10 November 2023.

3 Declarations of Interest

Councillors are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests of Non-Registerable Interests, 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 to consider that have been referred to the Cabinet by Full Council on this occasion.

7 Matters Referred to the Cabinet by a Committee - Reference from the Resources and Services Overview & Scrutiny Committee - A.1 - Post Delivery Scrutiny of the Sunspot Commercial Workspace (Pages 17 - 20)

To enable the Cabinet to consider the recommendation made to it by the Resources and Services Overview & Scrutiny Committee in relation to the delivery of the Sunspot Commercial Space in Jaywick Sands.

8 Leader of the Council's Items - A.2 - Delivering against the Council's Corporate Plan 2024-28 - Initial Proposals for Highlight Priorities for 2024/25 (Pages 21 - 34)

The 2024/25 initial proposals for highlight priorities are set out at Appendix B to this report. Through this report, Cabinet is invited to adopt these for consultation purposes before finalising its highlight priorities for 2024/25; which will involve consideration of the outcome of the consultation undertaken.

9 Leader of the Council's Items - A.3 - Proposed Minor Amendments to the Council's Constitution (Pages 35 - 42)

To approve the recommended changes to the Constitution (Council Procedure Rules) for referral onto Full Council following a review undertaken by the former Portfolio Holder for Corporate Finance and Governance (Councillor Guglielmi) through the Councillor Development Portfolio Holder Working Party.

The proposals cover amendments to the Council Procedure Rules 33.3, 34.3 and 34.4, in order to ensure the Council's Constitution remains effective, efficient and consistent at an operational level and to be an expression of best practise and meet expectations of Members.

In addition, this report sets out an update in relation to proposals for amendments to the terms of reference and delegated powers of the Human Resources & Council Tax Committee and its sub-committee.

10 Leader of the Council's Items - A.4 - Updated General Fund Financial Forecast / Budget 2024/25 (Pages 43 - 70)

To enable Cabinet to consider the updated financial forecast and budget proposals for 2024/25 for consultation with the Resources and Services Overview and Scrutiny Committee.

11 Cabinet Members' Items - Report of the Economic Growth, Regeneration & Tourism Portfolio Holder - A.5 - Government Funding Opportunities for Tendring (Pages 71 - 86)

To provide Cabinet with an overview of the different funding streams made available to the Council by Central Government, and to set out their purpose in regeneration opportunities for the District.

12 Cabinet Members' Items - Joint Report of the Housing and Planning Portfolio Holder and the Corporate Finance & Governance Portfolio Holder - A.6 - Updated Housing Revenue Account Business Plan and Budget Proposals 2024/25 (Pages 87 - 104)

To set out and seek approval of an updated Housing Revenue Account (HRA) Business Plan, which includes proposed changes in 2023/24 along with budget proposals for 2024/25.

13 Management Team Items

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

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, 26 January 2024.

Information for Visitors

COMMITTEE ROOM FIRE EVACUATION PROCEDURE

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

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

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

The assembly point for the Town Hall is in the car park to the left of the building as you are facing it.

Your calmness and assistance is greatly appreciated.

This page is intentionally left blank

**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 10TH NOVEMBER, 2023 AT 10.30 AM
IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD, CLACTON-
ON-SEA, CO15 1SE**

Present: Councillors M Stephenson (Leader of the Council & Corporate Finance and Governance Portfolio Holder)(Chairman), I Henderson (Deputy Leader of the Council & Economic Growth, Regeneration & Tourism Portfolio Holder), A Baker (Housing & Planning Portfolio Holder), M Barry (Leisure & Public Realm Portfolio Holder), P Kotz (Assets Portfolio Holder) and G Placey (Partnerships Portfolio Holder)

Group Leaders Present: Councillors C Guglielmi (Leader of the Conservative Group), G Scott (Leader of the Liberal Democrats Group) and G Steady (Deputy Leader of the Independent Group)

In Attendance: Lisa Hastings (Deputy Chief Executive & Monitoring Officer), Damian Williams (Corporate Director (Operations and Delivery)), Lee Heley (Corporate Director (Place & Economy)), Gary Guiver (Director (Planning)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Andy White (Assistant Director (Building and Public Realm)), Keith Simmons (Head of Democratic Services and Elections), Katie Wilkins (Head of People), Ian Ford (Committee Services Manager), William Lodge (Communications Manager) and Keith Durran (Committee Services Officer)

40. APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillors M Bush (Portfolio Holder for the Environment) and J B Chapman BEM (Leader of the Independent Group).

41. MINUTES OF THE LAST MEETING

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

RESOLVED that the minutes of the meeting of the Cabinet, held on Friday 6 October 2023, be approved as a correct record and be signed by the Chairman.

42. DECLARATIONS OF INTEREST

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

43. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

Memorandum of Understanding with University of Essex et al

The Leader of the Council (Councillor M E Stephenson) informed Cabinet that, on 3 November 2023, the Council had signed a Memorandum of Understanding with the University of Essex and other local authorities in relation to partnership working and bringing forward together some of the things that were important to the District.

Sports England Event – Canvey Island

The Leader of the Council also informed Cabinet that, on 6 November 2023, he had attended a Sports England event at Canvey Island when it had been announced that a bid for funding of £250million was being made in which this Council had an involvement.

44. ANNOUNCEMENTS BY CABINET MEMBERS

There were no announcements made by the members of the Cabinet on this occasion.

45. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

46. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE PLANNING POLICY & LOCAL PLAN COMMITTEE - A.1 - DRAFT JAYWICK SANDS PLACE PLAN

Cabinet was informed that, the Planning Policy & Local Plan Committee (“the Committee”), at its meeting held on 5 October 2023 (Minute 16 referred), had considered a detailed report of the Director (Planning) (A.1) which had invited its comments on the Draft Jaywick Sands Place Plan. That report had also sought the Committee’s recommendation to Cabinet that it be approved for public consultation purposes.

The Committee’s decision at its meeting held on 5 October 2023 had been as follows:-

“RESOLVED that the Planning Policy and Local Plan Committee -

a) notes the contents of the Draft Jaywick Sands Place Plan: August 2023; and

b) recommends to Cabinet that the above document (forming Appendix 1 to item A.1 of the Report of the Director (Planning)) be approved for consultation with the public and other interested parties.”

Cabinet had before it the following comment submitted by the Portfolio Holder for Housing & Planning:-

“I very much welcome the recommendation from the Planning Policy and Local Plan Committee.

I would like to emphasise to everyone the importance of the Place Plan in providing a long-term strategy for the future regeneration of Jaywick Sands and, in particular, a strategy that will have been developed through positive engagement with the Jaywick Sands community.”

Having duly considered the recommendation submitted to Cabinet by the Planning Policy & Local Plan Committee, together with the response of the Housing & Planning Portfolio Holder thereto:-

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

RESOLVED that the Draft Jaywick Sands Place Plan be approved for consultation with the public and other interested parties.

47. **LEADER OF THE COUNCIL'S ITEMS - A.2 - OUR VISION - A NEW CORPORATE PLAN 2024/28**

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.2), which sought its approval and recommendation to Full Council, of the final proposals for 'Our Vision' (the Corporate Plan 2024/28) following full consultation with the public, key partners and stakeholders.

Members recalled that, at its meeting held on 21 July 2023, the Cabinet had agreed the draft proposals for 'Our Vision' (the Corporate Plan 2024/28) (as set out in Appendix A to the Leader's report (A.2)) as its initial proposals for consultation purposes.

It was reported that the consultation process had included, submission to the Resources and Services Overview and Scrutiny Committee, and consultation with residents and key partners (other Local Authorities, health service bodies, Fire & Rescue, Police and voluntary sector) and businesses. The feedback from the consultation process had been summarised within the Leader's report.

It was felt that the final proposals for the Corporate Plan continued to follow the principles which had previously been agreed by the Cabinet, namely a "Plan on a Page" and with Community Leadership at its heart.

Cabinet was informed that, through the consultation, there was broad support for the key themes, proposed at the 21 July 2023 meeting of Cabinet namely:-

Pride in our area and services to residents;
Raising aspirations and creating opportunities;
Championing our local environment;
Working with partners to improve quality of life; and
Financial Sustainability and openness.

Members were made aware that the three themes with the most relevance to the lives of respondents had been: "Pride in our area and services to residents"; "Championing our local environment"; and "Financial Sustainability and openness."

The consultation outcomes were set out in Appendix C, and based upon the findings and further reflection, some changes to the proposed text for the Themes, including an additional one around Tourism, were shown in red in Appendix B to the Leader's report.

The previously agreed timetable for completion of the Corporate Plan still stood and sought approval by Full Council on 28 November 2023.

In order to ensure that the views of local residents, businesses and partners (as expressed in the consultation findings set out in this report) were fully considered and to then facilitate the adoption of an informed Corporate Plan 2024-28:-

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

RESOLVED that Cabinet resolves that -

- (1) the outcome of the consultation (set out at Appendix C to the Leader's report (A.2)) on the emerging Corporate Plan ('Our Vision') themes and supporting text,

approved on 21 July 2023 (and repeated at Appendix A), be received and considered, including:

- a. The consistently positive relevance of the themes in the emerging corporate plan to respondents and their lives – and particularly the themes around ‘Championing the Local Environment’, ‘Pride in our Area’ and ‘Financial Sustainability and Openness’;
 - b. The strong messaging from residents around services provided by partner organisations (including the condition of pavements and roads and access to health services) that underpins the proposed theme of ‘Working with partners to improve quality of life’;
 - c. The need to recognise the long term socio-economic necessities around a skilled workforce to sustain and enhance the vibrancy of the District and the consequential needs to promote actions designed to “Raise aspirations and create opportunities” (and the adoption of a Corporate Plan theme around this); and
 - d. Almost one third of respondents wishing to see more tourism to further promote our area and boost economic opportunities and almost half of respondents supporting the current levels of tourism to the District which, combined, suggest that there should be a new theme in the Corporate Plan around “Attracting visitors to our District and encouraging them to stay longer” (which itself accords with the Council’s existing Tourism Strategy;
- (2) based on (1) above, the final proposals for ‘Our Vision’ the Corporate Plan 2024/28 as set out in Appendix B be approved and recommended to Full Council for approval; and
- (3) Officers be requested to review the Council’s Communication Strategy and Community Engagement Strategy and their operation, taking into account the feedback received through the consultation with the public, partners and businesses, with a view to the outcomes being presented to a future meeting of the Cabinet.

48. LEADER OF THE COUNCIL'S ITEMS - A.3 - FINANCIAL PERFORMANCE REPORT 2023/24 - GENERAL UPDATE AT THE END OF SEPTEMBER 2023

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.3), which provided it with a general update and overview of the Council’s financial position against the 2023/24 budget and looking ahead to 2024/25 and beyond.

That report was split over two distinct sections as follows:

- 1) The Council’s in-year financial position against the budget at the end of September 2023; and
- 2) An updated long term financial forecast

Members were reminded that previously an additional section had been included within these reports that had undertaken a detailed view of items that would have an impact on the in-year position but also an on-going impact on the later years of the forecast. Although this report set out a number of adjustments to the in-year budget, any longer

term impacts remained under review at present. However, they would be revisited as part of developing the forecast for 2024/25 and beyond, and they would be reported within future financial performance / budget reports.

SECTION 1 - In respect of the in-year financial position at the end of September 2023:

It was reported that the position to the end of September 2023, as set out in more detail within the appendices, showed that, overall, the General Fund Revenue Account was underspent against the profiled budget by £1.857m.

Cabinet recalled that, as part of developing the budget for 2023/24, which had been agreed by Full Council in February 2023, a number of adjustments had been made to reflect emerging and/or on-going issues. Therefore, only a limited number of variances had developed during the first half of this financial year. Where variances had been highlighted, those broadly reflected known issues where further review / consideration might be necessary or reflected the timing of general expenditure and/or income budgets. It was acknowledged that other expenditure or income trends might still emerge / develop over the remainder of the financial year.

Members were made aware that this report also set out a number of additional issues that had emerged during the second quarter of the year.

In respect of other areas of the budget such as the Housing Revenue Account, capital programme, collection performance and treasury activity, additional details were set out in this report where necessary.

A half-year treasury management review had been carried out with a summary set out in this report. A further update had also been provided in respect of the recent treasury transactions undertaken with Birmingham City Council.

Members were reassured that any emerging issues would be monitored and updates provided in future reports, which would include their consideration as part of updating the long-term financial forecast.

Cabinet was advised that a limited number of in-year budget adjustments were proposed as set out in Appendix 1H, with an associated recommendation also included within the report. That same appendix also set out a number of outstanding carry forward requests from Services, for which Cabinet had requested the provision of additional information to allow them to be considered further.

Cabinet was informed that the net impact of the proposed budget adjustments would be moved to the Forecast Risk Fund. At the end of September 2023, it had been possible to make a further contribution to the fund of £0.671m.

In respect of the updated long term financial forecast:

It was reported that the forecast had been reviewed and updated at the end of September 2023 and it was set out in Appendix 2A. It continued to reflect the very challenging financial position faced by Local Authorities, and now included revised inflationary assumptions.

Members were advised that the revised forecast also sought to better balance the optimism / pessimism bias that was inherent in any forecasting process and it included the use of one-off funding such as the New Homes Bonus in the short term. The forecast also now included additional income from increases in the property 'base' for both council tax and business rates based on historical averages.

Cabinet was informed that worked remained ongoing within departments and with Portfolio Holders with the aim of remaining 'sighted' on potential future cost pressures.

Taking into account the adjustments to the forecast set out in the report, the annual estimated deficits had increased, which in turn reduced the balances held within the Forecast Risk Fund. However, based on the latest forecast, the Forecast Risk Fund still remained in surplus to support the Council's financial position over the period from 2024/25 to 2026/27.

Cabinet was made aware that, based on the updated forecast, ongoing savings of £3.000m were still required across 2024/25 to 2026/27. This was significant, especially in the context of the Council's overall net budget being just over £14.000m and it continued to present the Council with a major challenge. Although significant on-going savings were still required, the long-term approach alongside the Forecast Risk fund provided additional flexibility and time to make better-informed decisions.

It was considered that developing the framework against which the required savings could be identified therefore remained a key activity over the coming months alongside the development of the new Corporate Plan. The level of resources required to not only develop the above framework but to deliver the required savings, was not to be underestimated, especially when set against other existing commitments such as delivering the Levelling Up projects and Freeport East. There therefore needed to be a clear focus on the timely development of the plan whilst managing competing resources over the coming months.

Members were told that, although consideration would be given to extending the current forecast period beyond 2026/27, the long-term forecast approach still provided an effective method of managing financial risks, and remained underwritten by the Forecast Risk Fund. As mentioned during the development of the longer-term approach to the budget over recent years, it was important to continue to deliver against this plan as it continued to provide a credible alternative to the more traditional short-term / annual approach.

It was reported that an updated risk assessment for each line of the forecast had now been completed and was attached as Appendix 2B to the Leader's report. The primary risks remained as in earlier forecast periods and those related to the successful delivery of the necessary savings alongside the management of emerging cost pressures.

Cabinet was informed that the challenges faced by the Housing Revenue Account were also significant and included increased expectations and requirements that were likely to emerge from the Social Housing Regulation Act and associated enhanced powers of the Housing Regulator. The HRA 30 Year Business plan would be developed over the coming weeks / months with the aim of responding to such challenges as set against the wider context of continuing to provide a financially sustainable position in the long term.

In response to question put by the Deputy Leader of the Independent Group (Councillor Steady), the Leader of the Council confirmed that external funding matters within the Cabinet's initial Budget proposals for 2024/25 would be scrutinised by the Community Leadership Overview & Scrutiny Committee.

In order to set out the latest financial position for the Council; to respond to emerging issues in 2023/24; and to help develop the budget and long term forecast from 2024/25:-

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

RESOLVED that Cabinet -

- (a) notes the Council's in-year financial position at the end of September 2023 along with the updated financial forecast for 2024/25 and beyond;
- (b) approves the proposed adjustments to the 2023/24 budget, as set out in Section 1 of Appendix 1H to the Report of the Leader of the Council/Corporate Finance & Governance Portfolio Holder and requests Officers to review the potential on-going impact in 2024/25 and beyond, where necessary, as part of developing the forecast and detailed estimates for further consideration by Cabinet later in the financial year;
- (c) approves the carry forwards from 2022/23, as set out in Section 2 of Appendix 1H and that, in respect of items 1) and 2) therein, Officers be requested to provide an update on the associated work / activities within the Quarter 3 Financial Performance later on in the financial year;
- (d) notes the updated position in respect of the treasury transactions with Birmingham City Council set out in the report;
- (e) notes the updated financial forecast set out in the report and requests Officers, in consultation with the relevant Portfolio Holders, to continue to develop the financial forecast proposals alongside the development of the Council's priorities, as part of the wider framework within which to identify the necessary budget reductions to support the Council's long-term financial sustainability; and
- (f) requests that the Resources and Service Overview and Scrutiny Committee be consulted on the latest financial position of the Council, as set out in the report.

49. CABINET MEMBERS' ITEMS - REPORT OF THE ECONOMIC GROWTH, REGENERATION & TOURISM PORTFOLIO HOLDER - A.4 - NORTH ESSEX ECONOMIC BOARD STRATEGY AND ACTION PLAN

Cabinet considered a report of the Economic Growth, Regeneration & Tourism Portfolio Holder (A.4), which updated it on the continued positive benefits of the North Essex Economic Board (NEEB) partnership and sought its support for its refreshed strategic priorities and delivery plan, whilst noting that funding was not secured to deliver the activities identified.

Members were aware that the NEEB was a partnership of councils across mid-and north Essex, who were working together to make the area more prosperous. The partnership

provided cohesive strategic oversight of North Essex's diverse, inclusive and productive economic priorities, ensuring tangible actions were delivered to support residents' and businesses' goals and aspirations. Promoting the region's potential, the NEEB presented the strong strategic rationale for further central Government and private sector investment, needed to deliver North Essex's long-term ambitions.

It was reported that NEEB partners had recently commissioned an updated North Essex economic strategy. This update reflected Maldon and Chelmsford Councils joining NEEB, the post-COVID landscape and current economic shocks and brought the strategy up to date with the current economic environment.

Members noted that there were also talks with regards to Harlow and Epping Forest District Councils joining NEEB and this would be reflected upon at a later date.

Cabinet was informed that Henham Strategy Ltd had been appointed, via a thorough and a robust procurement process, to deliver the refreshed strategy and delivery plan. Extensive evidence gathering consisting of strategic analysis, data scrutiny and stakeholder workshops had facilitated the development of the refreshed strategy and delivery plan. Officers from the partner authorities had been involved at every stage of this work to ensure parity in representation of need and opportunity.

The refreshed NEEB strategy and delivery plan set out the following:-

North Essex Vision

'A proactive, productive and progressive North Essex that advances its economic potential through inward and outward-facing partnerships, with all residents, businesses and visitors benefitting from the region's economic prosperity.'

North Essex's Strategic Priorities

"Innovative businesses and skilled residents - A resilient and outward-facing economy that builds on its incumbent strengths and is positioned to deliver economic opportunities for North Essex's residents, and drive inward investment to support businesses within the region's critical growth sectors.

A greener and high growth economy - A forward-looking economy that utilises the diversity of its resources in a sustainable way that furthers North Essex's clean energy strengths, boosts growth, and promotes residents' prosperity through net zero commitments.

A dynamic and connected region - A well-connected and digitally-linked region that provides residents with quick and reliable access to key services, encourages inward investment, and makes the most of ties to regional and international neighbours.

Prosperous and inclusive communities - A thriving and inclusive region where all residents and businesses have the opportunity to contribute and prosper, exemplifying the region as a great place to live, work and visit."

A series of workshops had taken place during 2023 to develop specific actions to support the two-year delivery plan and ensure its success.

In order to ensure a continued partnership with North Essex Local Authorities and Essex County Council and help to provide greater opportunities for local businesses and to support economic growth in the District:-

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

RESOLVED that Cabinet -

- (a) supports the District Council's continued involvement in the North Essex Economic Board (NEEB), at which the Portfolio Holder for Economic Growth, Regeneration and Tourism represents the Authority;
- (b) supports the North Essex's Strategic Narrative and Delivering for North Essex based upon four key strategic priorities produced for the NEEB, as set out in the appendices to the Portfolio Holder's report for the economic benefit of the District; and
- (c) notes that the majority of the NEEB's Action Plan to support the Delivery Plan is unfunded and there are no financial commitments to the Council, in supporting the strategic priorities.

50. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER - A.5 - CLAIM OF COSTS IN RESPECT OF DEVELOPMENT AT ST. JOHN'S NURSERY, CLACTON-ON-SEA

Cabinet considered a report of the Housing & Planning Portfolio Holder (A.5), which sought its decision on making a payment to the applicants for development at St. John's Nursery, Clacton-on-Sea following an award of costs by the Planning Inspector in deciding to overturn the Council's decision to refuse planning permission on appeal and finding the Council to have acted unreasonably.

Members were informed that planning application Ref 21/01000/FUL, dated 3 June 2021 at 700 and 762 St Johns Road and St Johns Nursery, Clacton-on-Sea, Essex CO16 8BP (demolition of nursery buildings and dwelling house (700 St Johns Road) and erection of 180 residential units (including affordable housing) comprising 10 two bed houses, 83 three bed houses, 24 four bed houses, 15 five bed houses, 16 one-bedroom apartments and 24 two-bedroom apartments and 8 live work units (mixed commercial units totalling 1,064 square metres with flats above), and roads, open space, drainage, landscaping and other associated infrastructure) had been refused planning permission by notice dated 18 May 2022, which followed a resolution by the Council's Planning Committee made at its meeting held on 10th May 2022.

Subsequently, that decision had been appealed under Appeal Ref: APP/P1560/W/22/3308647 and, following a hearing held on 7th March 2023, it had been allowed by the Planning Inspectorate on 22nd March 2023. In addition, a full award of costs had been granted by the Planning Inspector against the Council.

Cabinet was advised that the Inspector had allowed the application for an award of costs against Tendring District Council, on six out of the seven grounds submitted, and based on the Planning Practice Guidance. That Guidance permitted costs to be awarded against a party that had acted unreasonably and had caused the other party to incur unnecessary and wasted expense in the appeal process.

The Planning Inspectorate's reasons for a full award were summarised as follows:-

“The Council's insistence on refusing planning permission based on outdated data for the Transport Assessment (TA), despite the applicant's submission of additional information that demonstrated the validity and robustness of the TA and failure to properly further survey data with the appeal related to traffic and highway safety grounds.

The Council's lack of consistency in decision-making, as evidenced by their previous acceptance of a similar development on the same site in 2020, which utilised the same proposed access.

The Council's failure to provide clear explanation or justification for a change in their approach to assessment, specifically regarding concerns related to light, vibration, and noise compared to the previous scheme and the appeal scheme.

The Council's objections to the proposed development without proper consideration of how these concerns could be addressed through conditions, especially given the background provided by the previous 2020 scheme and the overall suitability of the location for development.”

As a result of those actions, the Inspector had found the Council to have acted unreasonably for its first and second grounds of refusal, and the remaining reasons for refusal could have been addressed prior to the grant of planning permission. The Inspector had therefore ordered the Council to pay the full costs of the appeal proceedings to the applicants (Kelsworth Limited). The Council had been invited to reach an agreement with the applicant regarding the amount of the costs; otherwise, the costs would be assessed in the Senior Courts' Costs Office.

It was reported that the sum of money being claimed by the applicants, reduced from a higher figure following challenge by Officers, currently stood at £101,886.00.

Recognising that:-

- (1) failure to promptly pay the award of costs would result in Tendring District Council being required to engage with the Senior Courts' Costs Office that could result in reduced or increased costs and that any reduction of costs or increase in cost award would need to be balanced against the increase in costs to the Council to proceed further and defend any position and noting that Officers were not able to find an adequate robust position for defence likely to reduce the cost claim sufficiently that would justify proceeding to the Senior Courts;
- (2) it was therefore crucial for the Council to carefully consider the implications of such an action, weighing the possible reduction in costs against the potential expenses incurred in further defending its position; and
- (3) in light of those considerations, it was advisable for the Council to evaluate the cost claim objectively and adhere to the awarded amount to avoid unnecessary complications and potential additional costs. Timely payment of the awarded costs would ensure a smoother resolution of the appeal process, bringing closure to the matter and minimising any further financial burden on the Council.

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

RESOLVED that Cabinet -

- (a) agrees to pay the sum of £101,886.00 to Kelsworth Limited, in respect of its claim for costs, as ordered by the Planning Inspectorate on 22nd March 2023;
- (b) notes that the above payment will be made from the budget for Planning Appeals Costs; and
- (c) supports the outcome and impact of the Appeal Decision and Costs Award being included within the annual report to Planning Committee on appeal decisions.

51. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER - A.6 - CONSIDERATION/ADOPTION OF A COMPREHENSIVE AND COHESIVE TAXI/PRIVATE HIRE POLICY

Cabinet considered a report of the Housing & Planning Portfolio Holder (A.6), which requested that it considered and, if satisfied, adopted a comprehensive and cohesive taxi and private hire policy as recommended to it by the Licensing and Registration Committee following that Committee's meeting held on 16 October 2023.

Members were informed that the proposed Taxi / Private Hire Policy had been submitted following a recent eight week period of consultation on the Statement and consideration of the findings from that consultation by the Licensing and Registration Committee. Prior to that consultation, there had been an extensive programme of activity to develop the draft Policy and engagement with stakeholders. As Hackney Carriage and Private Hire Policy was a matter for the Council's Executive (Cabinet) the Portfolio Holder for Planning and Housing (who had licensing policy within his portfolio) had been engaged in the process leading to this point.

It was reported that a key impetus towards the development of a cohesive licensing policy in this area had been the statutory taxi and private hire vehicle standards, issued by Government in July 2020. By virtue of Section 177(4) of the Policing and Crime Act 2017, licensing authorities had to have had regard to the standards issued by Government, and requirements of the Taxis and Private Hire Vehicles (Safeguarding and Road Safety) Act 2022. In referencing licensing policies for taxi and private hire services, in the statutory taxi and private hire vehicle standards, it read:

"The Department recommends all licensing authorities make publicly available a cohesive policy document that brings together all their procedures on taxi and private hire vehicle licensing. This should include but not be limited to policies on convictions, a 'fit and proper' person test, licence conditions and vehicle standards. When formulating a taxi and private hire vehicle policy, the primary and overriding objective must be to protect the public. The importance of ensuring that the licensing regime protects the vulnerable cannot be overestimated. This was highlighted in the report by Dame Louise Casey CB of February 2015 on safeguarding failings."

In order to support the Cabinet in good decision making in this area of licensing and, in this regard, recognise the legitimate rights of existing licensees to continue to hold their licences and the role of the Council in undertaking its regulatory role in relation to Hackney Carriage and Private Hire services:-

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

RESOLVED that Cabinet –

- a) approves the final draft statement of Taxi / Private Hire Policy, as set out in Appendix A to item A.6 of the Report of the Portfolio Holder for Housing & Planning, for adoption and publication;
- b) authorises Officers to develop (over the coming months), and implement, a programme to bring the policy positions in the approved Statement into operation; and
- c) authorises Officers to make minor amendments to the Taxi / Private Hire Policy in order to take account of such matters as legislative changes and Government Guidance on taxi and private hire licensing.

52. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER - A.7 - CONSIDERATION AND ADOPTION OF HOUSING POLICIES ON REPAIRS, DAMP & MOULD AND FIRE SAFETY

Cabinet considered a report of the Housing & Planning Portfolio Holder (A.7), which submitted the following draft policies prepared in relation to the maintenance and operation of the Council's retained housing stock:

- Repairs Policy;
- Damp and Mould Policy; and
- Fire Safety Policy.

Members were reminded that the Government had introduced regulation of the housing sector, the full effect of which would commence on 1 April 2024. Together with the Tenants' Charter and the potential revised Decent Homes Standards, fire safety requirements and disrepair claim proliferation the Council faced major increased demands on its housing service. The provision of housing services was essentially self-funding with separate accounting processes to the Council's other, General Fund, functions. The increasing demands were likely to place significant additional pressures on finances and other resources.

Cabinet was made aware that, although the adoption of those policies was not of itself mandatory, there were legal and regulatory standards for performance, which those policies aspired to facilitate compliance with.

Repairs Policy - established performance targets, and established a framework around compliance matters, information and property standards.

Damp and Mould Policy - set out more detailed arrangements for dealing with damp and mould issues in the housing stock.

Fire Safety Policy - identified appropriate locations for evacuation and stay put policies, assessment of risk and provision of information.

In order to set in place clear policies to inform future maintenance and management activities and to set in place a clear policy framework to prepare for regulation:-

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

RESOLVED that the policies, as set out in Appendices A, B and C to item A.7 of the Report of the Portfolio Holder for Housing and Planning, be adopted and their direct and immediate implementation authorised.

53. CABINET MEMBERS' ITEMS - JOINT REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER AND THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.8 - THE LOCAL COUNCIL TAX SUPPORT SCHEME, DISCRETIONARY COUNCIL TAX EXEMPTIONS/DISCOUNTS/PREMIUMS FOR 2024/25 AND ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT 2024/25

Cabinet considered a joint report of the Housing & Planning Portfolio Holder and the Corporate Finance & Governance Portfolio Holder (A.8), which sought its recommendations to Full Council regarding the following:

- Local Council Tax Support Scheme 2024/25;
- Exceptional Hardship Policy;
- Discretionary Council Tax Exemptions, Discounts and Premiums for 2024/25; and
- Annual MRP Policy Statement for 2024/25.

Having conducted the annual review of the above matters, the Portfolio Holders were proposing:-

- (i) to continue with the principles of providing financial stability wherever possible to Tending claimants;
- (ii) to keep the 2024/25 LCTS scheme the same as for 2023/24, which provided for a maximum discount of 80% for working age claimants;
- (iii) to not make any changes to the associated hardship policy;
- (iv) to not make any changes for 2024/25 in relation to existing discretionary council tax discounts, exemptions and premiums (including discounts for young people leaving care);
- (v) to now charge from 1 April 2024 a 100% council tax premium on properties empty for one to five years;
- (vi) to introduce from 1 April 2025 a 100% council tax premium on properties occupied periodically ('second homes'); and
- (vii) to not make any changes to the Annual Minimum Revenue Provision Policy Statement for 2024/25.

Cabinet was made aware that the Government were also considering introducing council tax premium exemptions as they had recognised that there were circumstances where it might not be appropriate for premiums to apply e.g. properties undergoing probate. It was understood that those would be mandatory exemptions, which would therefore be applied from 2024/25 alongside any newly enacted legislation.

Members were informed that, if it was agreed that no changes were necessary to the proposed LCTS scheme, there would be no need for public consultation. However, if any amendments were proposed and approved at Full Council in November 2023, then public consultation would be required before the final scheme could be agreed and adopted. Consequently, if consultation was required, this Council would have to notify

the precepting authorities that the final council tax base would be delayed and would not be available until late on in the budget cycle.

In order to proceed towards the implementation of an LCTS Scheme in 2024/25 along with the required council tax discounts, exemptions and premiums and an MRP Policy Statement:-

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

RESOLVED that Cabinet agrees that -

- (a) the LCTS scheme for 2024/25 remains the same as the current year (2023/24);
- (b) the Council Tax Exceptional Hardship Policy be as set out in Appendix B to the joint report; and
- (c) the discretionary Council Tax exemptions, discounts and premiums for 2024/25 be as set out in the appendices to the Portfolio Holders' joint report.

RECOMMENDED TO COUNCIL that –

- (i) the LCTS, as set out as Appendix A to the joint report, be approved with the maximum LCTS award being 80% for working age claimants;
- (ii) the Assistant Director (Finance and IT), in consultation with the Housing and Planning Portfolio Holder, be authorised to undertake the necessary steps to implement the LCTS scheme from 1 April 2024;
- (iii) the locally determined council tax discounts, as set out in Appendix C, be approved;
- (iv) the council tax discount policy for young people leaving care, as set out in Appendix D, be approved;
- (v) the discretionary council tax premiums, as set out in Appendix E, be approved;
- (vi) a discretionary council tax premium of 100% is charged on properties occupied periodically ('second homes') from 1 April 2025;
- (vii) the Assistant Director (Finance and IT), in consultation with the Housing Portfolio Holder and subject to (vi) above, be authorised to undertake the necessary steps to implement the council tax exemptions, discounts and premiums from 1 April 2024; and
- (i) the Annual Minimum Revenue Provision Policy Statement for 2024/25, as set out in Appendix F, be approved.

54. CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.9 - DETERMINATION OF A NOMINATION TO REGISTER AN ASSET OF COMMUNITY VALUE: LADY NELSON PLAYING FIELD, FRINTON ROAD, THORPE-LE-SOKEN, CO16 0JD

Cabinet considered a report of the Partnerships Portfolio Holder (A.9), which sought its determination as to whether the Lady Nelson Playing Field at Thorpe-le-Soken, met the criteria set out in the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012 following its valid nomination as an Asset of Community Value by Thorpe-le-Soken Parish Council. No other criteria were pertinent.

Members were 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.

Cabinet was 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.

Taking the evidence provided into account it was the Portfolio Holder's opinion that the building nominated did meet the criteria, as set out in Section 88 of the Localism Act 2011. Accordingly, it was the Portfolio Holder's recommendation that the criteria being met that the building should be listed as an Asset of Community Value.

Cabinet was made aware that it had adopted the formal procedure for administering Assets of Community Value in January 2015, when the legislation and the supporting procedures had been new to local government. The Council had been operating within this procedure for eight years and it was now 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 more speedily 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 such decisions were delegated to Officers.

In the light of the fact that -

- (1) Lady Nelson playing field was the main open space/recreational ground for the village of Thorpe-le-Soken and was used by local residents, sports clubs and community groups throughout the year; and
- (2) the primary use of the land was as the location of the children's play area (including a skate ramp) for the village and that Thorpe-le-Soken currently had an open space deficit of 2.43 hectares, so this facility was of significant community value.

It was moved by Councillor Placey, seconded by Councillor Barry and:-

RESOLVED that Cabinet agrees that the Lady Nelson Playing Field, Frinton Road, Thorpe-le-Soken, CO16 0JD does meet the definition of an Asset of Community Value, as set out in Section 88 of the Localism Act 2011, and that the asset therefore be added to the Council's list of Assets of Community Value.

The Meeting was declared closed at 11.23 am

Chairman

CABINET

15 NOVEMBER 2023

REFERENCE REPORT FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE

A.1 POST DELIVERY SCRUTINY OF THE SUNSPOT COMMERCIAL WORKSPACE

(Report prepared by Keith Durran)

BACKGROUND

In accordance with the decision of Council on 11 July 2023 (minute 37 refers) the Resources and Services Overview and Scrutiny Committee ("the Committee") undertook a post decision scrutiny of the Sunspot commercial workspace in Brooklands, Jaywick Sands on 19 September 2023 (minute 29 refers). As part of its enquiry, and immediately prior to the Committee's meeting, its Members had been provided with a tour of the new premises and the adjacent community garden. During the tour the Committee's Members had met with the intended operator of the café on site.

The Portfolio Holder for Economic Growth, Regeneration and Tourism spoke to the Committee and expressed his gratitude for the support received and provided an update on the Sunspot project, highlighting its positive progress. He mentioned the availability of 24 affordable commercial units, with 14 businesses already signed up, surpassing the initial expectation set out in its business plan. The Operations and Facilities Manager, though absent for this meeting due to illness, was now employed to support tenants, and the Portfolio Holder outlined the diverse spaces within the building, including a covered market, committee room, and a cafe with an experienced operator.

The Portfolio Holder also emphasized the potential for skills development and job opportunities within the project, citing the café's intention to take on apprentices. He acknowledged past challenges, including cost overruns and delays, attributing them to capital cost inflation and external factors such as the COVID-19 pandemic. Despite the challenges, he likened the project's journey to overcoming a "perfect storm" and acknowledged the collective effort to reach the current stage. He also acknowledged Essex County Council's funding support.

The Corporate Director for Place and Economy (Lee Heley) addressed concerns related to costs and provided a detailed timeline of the Sunspot project. The feasibility study had commenced in January 2020, and the application for further funding to the local Enterprise Partnership had been submitted in September 2020. The initial estimate was 13 units for £1.97 million. Changes, including an increase to 24 units and an additional £300,000, were made after advisors had reviewed the scope in February 2021.

Committee Members had heard that tenders were sought in December 2021 for a £2.1 million project. Cost consultants had estimated a potential increase to £2.7 million, but the lowest tender came in at £3.9 million. Despite challenges, including cost overruns and delays, the decision was made to continue, securing investment from partners, including Essex County Council. The construction contract was awarded in April 2022.

The Corporate Director (Place and Economy) had highlighted the unique challenges faced, including unexpected ground conditions and the need for additional funding, leading to a total cost increase of £760,000. Refinancing had been necessary, involving discussions with partners around the refinance process. The speaker had emphasized the importance

of closely monitoring costs, refining project scopes, and considering potential challenges for future projects.

It was reported to the Committee that the cost increases in the project were due to capital costs going up globally due to COVID and the war in Ukraine.

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

The Committee had **RESOLVED** to **RECOMMEND** to Cabinet:

- a) that the positive news about occupancy rates for the Sunspot Centre, Jaywick Sands and the intentions around the on-site market be noted; and
- b) that the capacity and expertise of the Council in costing and programme managing major capital schemes of the Council be strengthened to avoid or minimise unforeseen “mission creep” in schemes and unrealistic cost assessments being presented as part of approval mechanisms (that then needing to be repeated when true market costings are subsequently identified).

The Committee had further **RESOLVED**:

- c) that delivery against the business plan compared with the experience in the first six months operation of the Sunspot Centre, Jaywick Sands be confirmed in the Committee's Work Programme for April 2024.

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

The response of the Portfolio Holder for Economic Growth, Regeneration and Tourism is as follows:-

“The Sunspot is a great success for Jaywick, for the Tendring District and the Council. The building is already occupied with 15 of the 24 business units with a tenant in place. Another four units will be occupied in January 2024. That will leave 5 units vacant and just under 80 percent occupancy. Officers are going to start advertising one of the empty units as a ‘rent a desk space’ in the new year. The café is busy, and the market is popular.

While capital costs rose across the World during the period the Council completed the Sunspot, the Council worked closely with partners including Essex County Council to ensure the project had sufficient funds to complete.

The success of the project has received positive reviews in the local and national press, and has been used as an exemplar of good practice as far afield as Stockton.

As with any major project, the Council has learnt during the process of completing the Sunspot, and will be able to apply those lessons to future capital schemes. We have increased the capital delivery capacity of the organisation with the appointment of an expert contractor in support of the levelling up schemes.”

RECOMMENDATION TO CABINET:

That the recommendation made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Portfolio Holder for Economic Growth, Regeneration and Tourism thereto be endorsed.

This page is intentionally left blank

CABINET

15 DECEMBER 2023

REPORT OF THE LEADER OF THE COUNCIL

A.2 DELIVERING AGAINST THE COUNCIL'S CORPORATE PLAN 2024-28 – INITIAL PROPOSALS FOR HIGHLIGHT PRIORITIES FOR 2024/25

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

The Council's strategic direction is set out in its Corporate Plan which is a fundamental element of the Council's Policy Framework. The Corporate Plan ('Our Vision') was adopted unanimously by Council on 28 November 2023 (Minute 76 refers) and covers the period 2024-28 (and is reproduced at Appendix A to this report). Key elements of delivering against the adopted Corporate Plan is through annual highlight priority actions approved by the Cabinet. The 2024/25 initial proposals for highlight priorities are set out at Appendix B to this report. Through this report, Cabinet is invited to adopt these for consultation purposes before finalising its highlight priorities for 2024/25; which will involve consideration of the outcome of the consultation undertaken.

EXECUTIVE SUMMARY

The Council's Corporate Plan 2024-28 ('Our Vision') sets out its strategic direction. That strategic direction itself seeks to reflect the issues that matter most to local people, the national requirements from Government and the challenges that face the District over the time period of the Plan.

The themes of the 2024-28 Corporate Plan ('Our Vision') are:

- Pride in our Area and Services to Residents
- Raising Aspirations and Creating Opportunities
- Championing our Local Environment
- Working with Partners to Improve Quality of Life
- Promoting our heritage offer, attracting visitors and encouraging them to stay longer
- Financial Sustainability and Openness

The Corporate Plan ('Our Vision') itself is set out at Appendix A to this report.

Cabinet establishes each year its priority actions to deliver against the Corporate Plan and thereby ensure that the ambition of that Plan is central to its work. The priority actions do not cover every separate element of the ambition of the four year Corporate Plan; nor are they intended to indicate that other projects, schemes or activities are not being pursued. They are though intended to reflect imperatives across the Council and for the District and actions that it is right to focus on in 2024/25.

At Appendix B are the initial thoughts for highlight priorities for 2024/25 and through this report it is hoped that they can be adopted to support an engagement with residents and partners on those priorities. The outcome of that consultation will be reported to a future meeting of Cabinet when finalised proposals will be considered having regard for the outcome of the consultation.

RECOMMENDATION(S)

It is recommended that:

- (a) Cabinet approves the initial highlight priorities for 2024/25, as set out at Appendix B to this report, for consultation;
- (b) all Councillors, other partners and the public be invited to consider the initial priorities referred to in (a) above; and
- (c) the outcome of the consultation referred to in (b) above be reported to Cabinet on 15 March 2024 in order that Cabinet can formally adopt its finalised highlight priority actions for 2024/25.

REASON(S) FOR THE RECOMMENDATION(S)

The rationale for the recommendations above is to set out openly for all concerned the initial proposals for highlight priorities for 2024/25. This supports the openness agenda of the Council and provides an opportunity for engagement with the public, businesses and partners on those initial proposals. Through consultation it is hoped that the views received can help shape the priorities that will finally be adopted (within the reality of the Council's budgetary position).

ALTERNATIVE OPTIONS CONSIDERED

As these are initial proposed highlight priorities the Cabinet has not discounted any alternatives replacing those identified in Appendix B. The option of not publishing initial proposed highlight priorities was assessed and discounted as it did not support the Council's openness agenda and good decision making (through taking account of the views of residents, businesses and partners).

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The initial highlight priorities set out at Appendix B seeks to deliver in the year 2024/25 on the ambitions of the four year Corporate Plan 2024-28. Other actions in 2024/25 will also be undertaken as the Council applies the strategic direction of the Corporate Plan to its work overall.

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

The consultation undertaken this year as part of the development of the Corporate Plan 2024-28 has helped shape the initial highlight priorities of the Cabinet now submitted in this report. The link to the report from the social research agency who supported that consultation exercise for the Council is in the public domain using this link:

[Corporate Plan \(Our Vision\) 2024-28 Consultation Findings Report](#)

A paper copy of that Findings Report is available upon request.

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)	<i>Although not a Key Decision, notice of the intention for Cabinet at this meeting to consider 'Draft Highlight Actions to support the Corporate Plan' was given on 26 October 2023.</i>
<p>Through highlight priorities that will be adopted, following the intended consultation, will support to deliver against the Council's adopted Corporate Plan 2024-28. That Corporate Plan decision was a key decision for the Council. While this report (and its recommendations) are not of themselves a Key Decision, particular schemes and actions referenced in the highlight priorities will be such decisions and require the relevant prior notification. The legal implications of individual actions will be assessed when they are brought forward for formal decisions to be made.</p>			
<input checked="" type="checkbox"/>	The Deputy Monitoring Officers confirm they have been made aware of the above and any additional comments from them are below:		
<p>No further comments are submitted.</p>			
FINANCE AND OTHER RESOURCE IMPLICATIONS			
<p>The initial highlight priorities set out at Appendix B 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.</p>			
<input checked="" type="checkbox"/>	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:		
<p>No further comments are submitted.</p>			
USE OF RESOURCES AND VALUE FOR MONEY			
<p>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>The Corporate Plan 2024-28 includes the critical theme of "Financial Sustainability and Openness" and Cabinet intends to pursue this theme in order to secure services and functions for the residents the Council serves. To this</p>		

	end, the initial highlight priorities outline actions that at this stage appear appropriate to support good resource management.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The development of highlight priorities each year seeks to keep the organisation focussed on measures aimed at securing the intentions of the Council's Corporate Plan. These highlight priorities sit between the Council's Corporate Plan and the individual decisions that will relate to the actions and activities necessary to achieve the intentions for the highlight priorities at Appendix B. As such, this process seeks to add to the governance reassurance of the Council around good decision making and awareness of cross cutting risks.
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.	Performance against the annual highlight priorities is measured during the year concerned (and beyond) and the experience obtained from that monitoring assists the Council on its continuous improvement journey.
MILESTONES AND DELIVERY	
<p>The Council has worked at pace to reach this point with initial highlight priorities for 2024/25 being considered by Cabinet at this meeting. This follows the adoption unanimously by Council of the Corporate Plan 2024-28 on 28 November 2023. The proposed highlight priorities for 2024/25 will again be made available for comment and suggestions for changes by residents, businesses and partners across the remainder of this month and January 2024. The outcome of this consultation will then be submitted to Cabinet for consideration of the finalised highlight priorities. This is scheduled for the Cabinet meeting on 15 March 2024.</p> <p>It is an important part of this process that, for each highlight priority action/activity, specific, measurable, achievable, realistic, and timely milestones are identified, approved and resources allocated to achieve those milestones. These milestones will be reported to the 15 March 2024 meeting of Cabinet as part of its consideration of the highlight priorities to be adopted for 2024/25.</p>	
ASSOCIATED RISKS AND MITIGATION	
<p>The most significant risk associated with this process is that overall package of highlight priorities for 2024/25 do not match the issues that matter most to local people, the national requirements from Government, the challenges that face the District and the capacity of the organisation to deliver those activities and actions in 2024/25. Through the process of consultation and evaluation of the resource needs associated with each activity and action, prior to the adoption of the finalised highlight priorities, the Council seeks to address that risk and ensure that the finally adopted priorities do match the various tests referenced.</p>	
EQUALITY IMPLICATIONS	
<p>In developing the initial highlight priorities for 2024/25, consideration has been given to the general equality duty set out in S149 of the Equality Act 2010. This requires that the Council (as a public authority), in the exercise of its functions, have due regard to the need to:</p>	

- 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.
- Foster good relations between people who share a protected characteristic and those who do not.

Further consideration of equalities implications will be given in respect of each and every decision that will, in due course, be taken in respect of the actions and activities that will form the finalised highlight priority actions. The views of residents, businesses and partners will help to frame that consideration in so far as that related to those with protected characteristics and implications of taking particular decisions on those actions/activities.

SOCIAL VALUE CONSIDERATIONS

The actions and activities that will, finally, be adopted by the Cabinet as its highlight priorities will seek (collectively) to secure social, economic and environmental benefits for the District and its residents. More generally, the Council will continue to encourage the creation of job opportunities for local people, support young people into apprenticeships and provide opportunities for local suppliers (and in particular SME businesses) to be represented in the Council's supply chain.

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

The consideration of measures to support the Council's net zero by 2030 aim will be a feature of consideration of each of the required decisions involving Cabinet that will be associated with the activities and actions that will form the highlight priorities for 2024/25. The initial proposed priorities itself references the Council's next Climate Change Action Plan.

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.

Crime and Disorder	Individual highlight priorities set out in Appendix B seek to specifically support anti-crime and disorder measures and, more widely, each action/activities that will form part of the finalised highlight priorities for 2024/25 will, in due course, be considered against the duty under S17 of the Crime and Disorder Act 1998 to (within the limits set out in that section) do all that it reasonably can to prevent crime and disorder, misuse of drugs etc., re-offending and serious violence.
Health Inequalities	Individual highlight priorities set out in Appendix B seek to specifically support measures to address and respond to health inequalities.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	While this is not a matter for this report, subsidy control considerations will be undertaken in respect of any relevant actions/activities finally adopted as Highlight priorities for 2024/25 (and

	more generally where relevant)
Area or Ward affected	All

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The development of the Cabinet’s annual highlight priorities in support of the Corporate Plan ambition, and the reporting on them, follows the rhythm set out below:

1. Initial draft proposals for the Highlight Priorities for the following financial year will be considered at the meeting of Cabinet that also considers the Initial budget for the Council for the same year (in December).
2. The initial proposals will be subject to consultation; including Overview and Scrutiny Committees.
3. The outcome of consultation and finalised proposals for the Annual Highlight Priorities for the following financial year will be considered early in the New Year.
4. Following the adoption of the Annual Key Priority Actions, the performance triggers will be built into the performance monitoring system of the Council based on the milestones approved as part of those Priority Actions.
5. Officers will report to the relevant Portfolio Holder on delivery of the Priority Actions and Portfolio Holders will determine, by exception, if issues need to be reported to Cabinet throughout the year.
6. Each quarter, a summary report on delivery against all of the Cabinet’s Annual Highlight Priority Areas for the year will be reported to Portfolio Holders and then published as part of the Council’s transparency data. Overview and Scrutiny Committee members may then identify specific key actions where there is performance against relevant milestones that should be subject to further enquiry and these may then be referred to the next relevant meeting of the Committee.
7. A half-yearly report on performance against the Annual Key Priority Actions will be submitted to the relevant Cabinet Meeting (in October). This not only enables the Cabinet to consider the delivery of key actions in that year but also to encourage the start of the process to set key actions for the following financial year.
8. The half-yearly report will be available for Overview and Scrutiny Committees to include in their work programmes so as they can consider the likely achievement of the envisaged outcomes envisaged.

The Outturn position on performance against the Cabinet’s Annual Highlight priority actions for the previous financial year will be timed to be reported to the Cabinet Meeting at which budget Outturn for that year will be reported.

In considering the annual highlight priorities for 2024/25, Cabinet has been made aware of the following deliverables across the lifetime of the Corporate Plan 2024-28. These

deliverables are in addition to the multi-million pound investment schemes the Council is responsible for that are referenced in Appendix B that will span several of those years:

2024/25:

- Council to implement significant savings.
- Review the Council's arrangements against the Government's Best Value Duty Guidance.
- Apply learning from major projects.
- Use data on cost and performance to support improvements/efficiency.
- To receive and assess the external pay review for the Council.
- Address the implementation of the Beach Hut Strategy.
- Develop and implement a Social Value Policy for the Council.
- Undertake a Community Governance Review.

2025/26:

- New Waste, Recycling and Street Cleaning arrangements
- Updated Local Plan (pre-examination).
- Council to implement significant savings.
- Develop a District-wide Coastal Strategy.
- Develop a new Open Space Strategy.
- Look at opportunities for a Beach Festival.

2026/27:

- Council to implement significant savings.
- Tendring-Colchester Borders Garden Community – Spades in the ground to commence.

PREVIOUS RELEVANT DECISIONS

Council on 28 November 2023 (Minute 76) – Adoption of the Corporate Plan

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

A – Corporate Plan 2024-28
 B – Initial Highlight Priorities for 2024/25

REPORT CONTACT OFFICER(S)

Name	Keith Simmons
Job Title	Head of Democratic Services and Elections
Email	ksimmons@tendringdc.gov.uk

This page is intentionally left blank

CHAMPIONING OUR LOCAL ENVIRONMENT

PRIDE IN OUR AREA AND SERVICES TO RESIDENTS

WORKING WITH PARTNERS TO IMPROVE QUALITY OF LIFE

Page 29

RAISING ASPIRATIONS AND CREATING OPPORTUNITIES

PROMOTING OUR HERITAGE OFFER, ATTRACTING VISITORS AND ENCOURAGING THEM TO STAY LONGER

FINANCIAL SUSTAINABILITY AND OPENNESS



TENDRING DISTRICT COUNCIL
CORPORATE PLAN THEMES 2024-28

This page is intentionally left blank

Delivering 'Our Vision' 2024/25

Community Leadership runs through all the priorities

2024-28 Theme (and its supporting text) – Theme A

Pride in our area and services to residents

We want to put residents first, by promoting clean and tidy communities, providing decent housing that everyone deserves, and tackling the things that make a big difference to you. This means getting the basics right on our services. The Council will look to harness the power of digital delivery of services while ensuring that no resident is left behind. We also want to promote pride in our communities by encouraging everyone to take responsibility for keeping their area a pleasant place in which to live and work.

Highlight 2024/25 Year Priorities (and tangible actions to be undertaken in that year)

Getting the basics right.	<i>Extend a 'You said, we did' approach to all major services to the public across the Council.</i>	A1
Supporting decent housing for residents	<i>(1) In the Council's own housing stock – driving improvement with expanded estate management and well informed enhancements around kitchens and bathrooms etc. Enhanced tenancy engagement.</i>	A2
	<i>(2) More widely, develop a revised Housing Strategy to address the needs of the District and its residents. Progress the review of the Local Plan to support sustainable development of quality housing for a range of tenures.</i>	A3
Promoting clean and tidy communities... encouraging everyone to take responsibility for keeping their area a pleasant place.	<i>Options appraisal for waste & street cleaning strategy. Community leadership promoting pride of place.</i>	A4

2024-28 Theme (and its supporting text) – Theme B

Raising aspirations and creating opportunities

Tending is ambitious and our residents will be supported to reach their potential and realise their opportunities. To do this, working with businesses and partners, we want to improve access to skills learning and training so that residents can find employment and enable businesses to thrive; particularly taking the opportunities afforded by Freeport East and the Garden Community. We want to maximise the opportunities for young people and see them enthused with purpose. To inspire those dreams we will celebrate business success, encourage cultural, tourism and economic growth.

Highlight 2024/25 Year Priorities (and tangible actions to be undertaken in that year)

We will celebrate business success, encourage cultural, tourism and economic growth.	<i>(1) Develop a long term plan for Clacton-on-Sea working with partners in a Town Board</i>	B1
	<i>(2) Implement Levelling Up Fund, Capital Regeneration Partnership Projects and</i>	B2

	High Street Accelerator Schemes, taking these through design and planning.	
	(3) Manage the UK Shared Prosperity Fund projects that build pride in place, support training, economic growth, and improve life chances.	B3
Tendring is ambitious and our residents will be supported to reach their potential and realise their opportunities.... particularly taking the opportunities afforded by Freeport East and the Garden Community	(1) Take the opportunities afforded by Freeport East and the development of Bathside Bay.	B4
	(2) Progress the Tendring Colchester Borders Garden Community DPD through the planning process to enable the opportunities for new jobs, housing and infrastructure to be delivered on the ground from 2025/26.	B5
	(3) Work with partners in the North Essex Economic Board to enhance economic advance across North Essex.	B6

2024-28 Theme (and its supporting text) – Theme C

Championing our Local Environment

We believe our environment is special, it is the space where we live and work, and therefore deserves protection. We will be tough on those who do not respect our environment. We want to create and maintain spaces for leisure, wellbeing and healthy lifestyles, and deliver access to open spaces and community resources.

Highlight 2024/25 Year Priorities (and tangible actions to be undertaken in that year)

We believe our environment is special to our residents.	Delivering quality Council open space and street scene.	C1
Our environment deserves protection.	Implement measures from the new Climate Change Action Plan.	C2
We will be tough on those who do not respect our environment.	Enhancing capacity to be tough on those that litter and fly-tip on land for which the Council is responsible.	C3
We want to create and maintain opportunities for leisure, wellbeing and healthy lifestyles.	Implement the Sports and Activity Strategy for the District.	C4

2024-28 Theme (and its supporting text) – Theme D

Working with partners to improve quality of life

We want to promote safer, healthier, well connected and inclusive communities by working with our partners across government, public, private and third sectors. We will strive to build on the firm foundations, developed over time, with those partners to meet the identified needs of our communities. We recognise the vital role volunteers play in caring for others and our environment, and we will support, encourage and facilitate those opportunities.

Highlight 2024/25 Year Priorities (and tangible actions to be undertaken in that year)

We want to promote safer, healthier, well connected and inclusive communities by working with our partners across government, public, private and third sectors.	(1) To support projects to reduce Health inequalities e.g. around Fuel Poverty and access to the jobs market.	D1
	(2) To expand the Pupil Encounters' Project, to provide all school children with	D2

	additional encounters with businesses and employers throughout their Education.	
	(3) To deliver a STEAM event for Primary Schools whereby pupils are introduced to a range of Employers including Galloper, EDF, Dance East, Essex Police and Colchester Zoo.	D3
	(4) To look at measures to address nuisance driving/noisy vehicles and consult with residents on these measures. The appropriate measures would then be introduced.	D4
	(5) To complete enhanced CCTV coverage in public areas.	D5
	(6) Establishing the feasibility for a new wellbeing hub in the District	D6

2024-28 Theme (and its supporting text) – Theme E

Promoting our heritage offer, attracting visitors and encouraging them to stay longer

We want to boost our tourism by attracting more visitors to the 36 miles of sunshine coast and to our rural towns and villages. We will support our unique heritage, work with our partners, run events and promote the district for the benefit of our residents and to encourage visitors to come and to stay for longer.

Highlight 2024/25 Year Priorities (and tangible actions to be undertaken in that year)

We will support our unique heritage, work with our partners, run events and promote the district for the benefit of our residents and to encourage visitors to come and to stay for longer.	(1) Fundraise to support heritage in Tendring, for example the Witches' Trail around Manningtree and the Leading Lights in Harwich	E1
	(2) Re-introduce the Tour de Tendring cycling event	E2
	(3) Working with the Arts Council and others to deliver vibrant cultural and arts activities in the District	E3
We want to boost our tourism by attracting more visitors to the 36 miles of sunshine coast	(1) Developing a programme of events in the District and promoting those events.	E4
	(2) Host the Clacton Air Show and draw in additional sponsorship funding	E5

2024-28 Theme (and its supporting text) – Theme F

Financial Sustainability and openness

To continue to deliver effective services and get things done we must look after the public purse; that means carefully planning what we do, managing capacity, and prioritising what we focus our time, money and assets on. Tough decisions will not be shied away from, but will be taken transparently, be well-informed, and based upon engagement with our residents. We will give clarity on where the Council spends the money it is provided with.

Highlight 2024/25 Year Priorities (and tangible actions to be undertaken in that year)

Prioritising what we focus our time, money and assets on.	Maximise the value of our assets and take advantage of procurement opportunities with partners.	F1
---	---	----

Tough decisions will not be shied away from, but will be taken transparently, be well-informed, and informed from engagement with our residents.	Carefully plan the Council's budget and taking appropriate action to respond to liabilities / costs pressures.	F2
We will give clarity on where the Council spends its money.	(1) Reviewing and reinforce the Council's engagement strategy	F3
	(2) Review its communication strategy.	F4

Listening to and delivering for our residents and businesses

Note: While the Highlight Priorities above have been assigned to one of the Corporate Plan Theme it is recognised that many of the proposed Priorities will also significantly contribute to another or several other of the Themes.

CABINET

15 DECEMBER 2023

REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER

A.3 PROPOSED MINOR AMENDMENTS TO THE COUNCIL'S CONSTITUTION

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

This report asks Cabinet to approve the recommended changes to the Constitution (Council Procedure Rules) for referral onto Full Council following a review undertaken by the former Portfolio Holder for Corporate Finance and Governance (Councillor Guglielmi) through the Councillor Development Portfolio Holder Working Party.

The proposals cover amendments to the Council Procedure Rules 33.3, 34.3 and 34.4, in order to ensure the Council's Constitution remains effective, efficient and consistent at an operational level and to be an expression of best practise and meet expectations of Members.

In addition, this report sets out an update in relation to proposals for amendments to the terms of reference and delegated powers of the Human Resources & Council Tax Committee and its sub-committee.

EXECUTIVE SUMMARY

The Councillor Development Portfolio Holder Working Party (CDWP) met on 23 January 2023. At that meeting the Working Party, inter alia, had considered existing areas of mandatory training together with whether such mandatory training should be expanded to cover other areas such as for members of the Council's overview and scrutiny committee.

In addition, the review of the terms of reference and delegated powers of the Human Resources and Council Tax Committee and its sub-committee to be conducted in accordance with Full Council's decision taken on 29 March 2022 will be undertaken as part of this year's annual review of the Constitution.

A summary of the proposed changes compared to the existing CPRs 33.3, 34.3 and 34.4 is provided in the background section of this report.

RECOMMENDATION

That Cabinet RECOMMENDS TO COUNCIL that the Council's Constitution be amended to reflect the proposed changes as set out in Appendix 1 attached hereto this report.

REASON(S) FOR THE RECOMMENDATION(S)

Having considered the outcome of the review of the mandatory training of Members carried out by the Councillor Development Portfolio Holder Working Party and the Portfolio Holder's recommendation arising therefrom, and in order to enable that recommendation to be submitted to the Full Council for approval and adoption.

ALTERNATIVE OPTIONS CONSIDERED

- (1) Not to approve the recommendation;
- (2) To amend or substitute the recommendation.

PART 2 – IMPLICATIONS OF THE DECISION**DELIVERING PRIORITIES**

Agreeing the proposed changes will ensure that the Council demonstrates good governance and operates efficiently in pursuit of its priorities.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The outcome of the review of the mandatory training carried out by the Councillor Development Portfolio Holder Working Party is reported elsewhere in this report.

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)	Not Applicable in this instance

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

In accordance with Section 37 of the Local Government Act 2000, as amended, a local authority operating executive arrangements must prepare and keep up to date a document which contains a copy of the authority's standing orders for the time being and such other information as the authority considers appropriate.

Schedule 1 to the Local Authorities (Functions and Responsibilities) Regulations 2000, as amended, sets out functions which must not be the responsibility of the Executive and therefore rests with Council or its committees. The power to make amendments to the standing orders and the Constitution rests with full Council.

Article 15 of the Council's Constitution provides that changes to the Constitution are approved by Full Council after receiving a recommendation from Cabinet following consideration of a proposal from the Monitoring Officer and a recommendation via the Portfolio Holder with responsibility for corporate governance. Article 15 also provides authority to the Monitoring Officer to make minor changes to the Constitution arising from changes to the organisational structure of the Council.

Article 12 of the Constitution provides that the Council's Monitoring Officer will ensure the Constitution is up to date. This function takes into account legislative requirements and best practice.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Risk

Providing clarity through clearer and consistent procedure rules contained within the Constitution prevents confusion and different interpretation and enhances the Council's overall governance arrangements.

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

There are no further comments over and above those set out elsewhere in the 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;	N/A
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	N/A
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.	N/A

MILESTONES AND DELIVERY

Review of the mandatory training of Members carried out by the Councillor Development Portfolio Holder Working Party – 23 January 2023.

Submission of Corporate Finance & Governance Portfolio Holder's and the Monitoring Officer's recommendations to formal Cabinet meeting – 15 December 2023.

Submission of Cabinet's recommendations to Full Council for approval and adoption – 30 January 2024.

Publication of approved changes to the Constitution – Early February 2024.

[Review of the terms of reference and delegated powers of the Human Resources and Council Tax Committee carried out by the Monitoring Officer – December 2023 & January 2024 (as part of the 2023 Annual Review of the Constitution).]

ASSOCIATED RISKS AND MITIGATION

Not implementing the amendments to the Constitution will negatively impact the Council's governance arrangements.

EQUALITY IMPLICATIONS

The purpose of the Constitution is to:

- 1 Provide key elements of the Council's overall governance arrangements;
- 2 Enable decisions to be taken efficiently and effectively;
- 3 Create an effective means of holding decision-makers to public account;

- 4 Enable the Council to provide clear leadership to the community, working in partnership with the local community, businesses and other organisations for the long term well-being of the District;
- 5 Support the involvement of the local community in the process of local authority decision making;
- 6 Ensure that no one will review, or scrutinise, a decision in which they were directly involved;
- 7 Help Councillors represent their residents more effectively;
- 8 Ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for their decisions; and
- 9 Provide the framework and structure in which cost effective quality services to the community are delivered.

SOCIAL VALUE CONSIDERATIONS

None

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

No direct implications.

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.

Crime and Disorder	None
Health Inequalities	None
Area or Ward affected	None directly

PART 3 – SUPPORTING INFORMATION

BACKGROUND

At its further meeting held on 23 January 2023 the CDWP reviewed various Council Procedure Rules and the following changes are recommended (note that references to Part numbers relate to the Constitution prior to any amendments now submitted):

(a) Council Procedure Rules – Section 2 (Committee Meetings)(Part 4.28 to 4.34):

Rule 33.3 – Training Members of the Audit, Licensing & Registration, Planning and Standards Committees (Part 4.29)

To include within this Rule that members of the Human Resources & Council Tax Committee must receive mandatory training in relation to determining Employment Appeals (for specific senior officer posts) in order to be able to sit on a Personnel Appeals Sub-Committee of that Committee.

To broaden the reference to training for Licensing & Registration Committee members to include all aspects of licensing legislation and not just the Licensing Act 2003.

To also include within this Rule that members of the Council’s overview and scrutiny committees must receive mandatory training on work programming and questioning skills.

Rule 34.3 – Training Substitute Members of the Audit, Licensing & Registration, Planning and Standards Committees (Part 4.30)

To include within this Rule that substitute members of the Human Resources & Council Tax Committee must receive the required mandatory training.

To also include within this Rule that substitute members of the Council's overview and scrutiny committees must receive the required mandatory training.

Rule 34.4 – Substitute Members of the Audit, Licensing & Registration, Planning and Standards Committees (Part 4.30 to 4.31)

Consequential amendments made in order to take into account the above changes.

*The proposed changes to Council Procedure Rules 33.3, 34.3 and 34.4 (Section 2) are shown in **RED** and **PURPLE** in **Appendix 1**.*

PREVIOUS RELEVANT DECISIONS

Cabinet, at its meeting held on 25 February 2022 (Minute 134 – Resolution 2 refers), decided, inter alia, as part of its decision on the annual review of the Constitution, that:

“2. That Cabinet agrees that:

(b) the Councillor Development Portfolio Holder Working Party be requested to consider and report back to Cabinet whether, in the light of the Centre for Governance & Scrutiny’s recommendation, members of this Council’s overview and scrutiny committee(s) should receive mandatory training; and”

Full Council, at its meeting held on 29 March 2022 (Minute 150 – resolution (i) refers), decided inter alia, as part of its decision on the annual review of the Constitution, that:

“(i) it is noted that the Monitoring Officer intends to exercise her delegated powers (as a result of management restructures and legislative requirements) and make appropriate amendments to the Constitution in relation to the following matters:-

- **The terms of reference and delegated powers of the Human Resources & Council Tax Committee and its Sub-Committee; and”***

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

Notes of the meeting of the Councillor Development Portfolio Holder Working Party held on 23 January 2023.

APPENDICES

A.3 Appendix 1 – Proposed amendments to Council Procedure Rules 33.3 & 34.3 & 34.4

REPORT CONTACT OFFICER(S)

Names

Ian Ford

Job Titles

Committee Services Manager

Email/Telephone	iford@tendringdc.gov.uk (01255) 686 584
------------------------	--

A.3 APPENDIX – PROPOSED CHANGES TO CPR 33.3 AND CPR 34.3 & 34.4

CPR 33.3 – TRAINING MEMBERS OF THE AUDIT, HUMAN RESOURCES AND COUNCIL TAX, LICENSING AND REGISTRATION, OVERVIEW AND SCRUTINY, PLANNING AND STANDARDS COMMITTEES

In addition to specific training required as and when necessary, training shall be provided to all Members appointed to the Audit, **Human Resources and Council Tax**, Licensing and Registration, **Overview and Scrutiny**, Planning and Standards Committees on an annual basis at an appropriate date and time after each annual meeting of the Council and such training shall be mandatory. The Monitoring Officer shall define what is meant by the word “mandatory” and they will also decide whether the training offered/provided is/was sufficient and “fit for purpose”.

A Member cannot sit as a member of the Planning Committee unless they have received specific training with regard to the determination of planning applications.

A Member cannot sit as a member of the Licensing and Registration Committee unless they have received specific training with regard to the ~~determination of applications for personal or premises licences submitted under the Licensing Act 2003~~ **broad range of licensing matters, as set out within (but not necessarily limited to) the Licensing Act 2003, the Gambling Act 2005 and the Local Government (Miscellaneous Provisions) Act 1982.**

A Member cannot sit as a member of the Audit Committee unless they have received specific training with regard to the determination of the Council’s Statement of Accounts and comprehension of Auditor reports.

A Member cannot sit as a member of the Standards Committee unless they have received specific training with regard to the Hearings Procedure and participation in Hearings.

A Member ~~cannot sit as a member~~ of the Human Resources and Council Tax Committee cannot sit as a member of a Personnel Appeals Sub-Committee of that Committee unless they have received specific training with regard to determining Employment appeals (for specific senior officer posts).

A Member cannot sit as a member of an Overview and Scrutiny Committee unless they have received specific training with regard to work programming and questioning skills.

No Member can continue to sit as a member of the above committees if they have gone more than two years without attending any of the relevant training events.

CPR 34.3 - TRAINING SUBSTITUTE MEMBERS OF THE AUDIT, HUMAN RESOURCES & COUNCIL TAX, LICENSING & REGISTRATION, OVERVIEW & SCRUTINY, PLANNING AND STANDARDS COMMITTEES

In addition to specific training required as and when necessary, training shall be provided to all named Substitute Members appointed to the Audit, **Human Resources & Council Tax**, Licensing and Registration, **Overview & Scrutiny**, Planning and Standards Committees on an annual basis at an appropriate date and time after each annual meeting of the Council.

CPR 34.4 - SUBSTITUTE MEMBERS OF THE AUDIT, HUMAN RESOURCES & COUNCIL TAX, LICENSING & REGISTRATION, OVERVIEW & SCRUTINY, PLANNING AND STANDARDS COMMITTEES

Group Leaders shall, provide named Substitute Members (in accordance with proportionality rules) and all substitutions will only be permitted from this list. Any member of a political group shall be eligible to act as a named Substitute Member providing that they have received training in relation to all relevant Audit, **Human Resources & Council Tax**, Licensing & Registration, Standards-related, **Overview & Scrutiny** or Planning matters under a continuing programme arranged by the Council. When naming a designated substitute, Group Leaders shall, as far as reasonably practicable, satisfy themselves that the named Member is as conversant with all relevant Audit, **Human Resources & Council Tax**, Licensing and Registration, Standards-related, **Overview & Scrutiny** and Planning matters as the appointed members of those Committees.

CABINET

15 DECEMBER 2023

REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

A.4 UPDATED GENERAL FUND FINANCIAL FORECAST / BUDGET 2024/25

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to consider the updated financial forecast and budget proposals for 2024/25 for consultation with the Overview and Scrutiny Committees.

EXECUTIVE SUMMARY

- A 'live' forecast is maintained and reported to Members throughout the year. The most up to date position in December each year is translated into the detailed budget for the following year for consultation with the Overview and Scrutiny Committees.
- As part of maintaining a 'live' forecast, this report 'builds' on the last position that was presented to Cabinet on 10 November 2023.
- Despite the challenging financial and economic environment, confidence in the long term approach to the forecast remains, which is supported by the forecast risk fund.
- The Council has maintained a prudent and sustainable approach to its long term plan, which provides the 'platform' against which it can consider its financial position in response to the very challenging economic outlook it continues to face.
- Further changes to the forecast have been made since 10 November 2023, with a revised position set out in **Appendix A**.
- The changes required broadly reflect updates to cost pressures and savings.
- Cost pressures included to date reflect unavoidable items. Work remains on-going in consultation with Services and it is likely that additional cost pressures will need to be included in later iterations of the forecast before final budget proposals are recommended for presenting to Council in February 2024.
- In terms of the savings identified to date, these can be considered as 'secured' and not projections, given the nature of the budgets they relate to. Although the income from treasury activities will be subject to various changes during 2024/25 the estimated saving included is based on a prudent approach and assumptions on likely cash balances and projected interest rates.
- Taking the above into account and in comparison with the position reported to Cabinet on 10 November 2023, the net overall position reflects a forecasted annual deficit of **£2.674m** (an increase from £2.422m).

- An annual review of reserves has also been undertaken, which highlights 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.
- At the time of finalising this report, the Local Government Finance Settlement for 2024/25 had yet to be announced. It is understood that the announcement will not be made until after the date of this meeting. Therefore, any changes emerging from the settlement will be reflected in the forecast that will be reported to Cabinet in January when it considers its final budget proposals for recommending to Full Council in February.
- The budget includes a Council Tax levy increase of 3%, with this level of increase expected to be confirmed as part of the Government's wider finance settlement announcements.
- Once the final position for 2024/25 is determined, the remaining years of the forecast will also be revised along with the consideration of extending the forecast period, which will be reported to members later in the budget setting process.
- Both **Appendix B and C** include related in-year adjustments for 2023/24. These will be subject to further review before being finalised for inclusion in the Quarter 3 Financial Performance Report that will be presented to Cabinet later in the financial year.

RECOMMENDATION(S)

It is recommended that Cabinet:

- approves the updated Financial Forecast and proposed budget position for 2024/25 as set out in this report and its appendices; and**
- requests the Overview and Scrutiny Committees' comments on this latest financial forecast and proposed budget position for 2024/25.**

REASON(S) FOR THE RECOMMENDATION(S)

To set out the latest financial forecast as part of the process of developing the budget proposals for 2024/25.

ALTERNATIVE OPTIONS CONSIDERED

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

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

A revised Corporate Plan and Vision was approved by Full Council at its meeting on 28 November 2023. One of the 6 included themes is Financial Sustainability and Openness, with a commitment to continue to deliver effective services and get things done whilst looking after the public purse; that means carefully planning what we do, managing capacity, and prioritising what we focus our time, money and assets on. Tough decisions will not be shied away from,

but will be taken transparently, be well-informed, and based upon engagement with our residents.

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.

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)	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 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. These arrangements mean that there are lower tax bases for the district council, major preceptors and town and parish councils.

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

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

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

In addition to the above, further amending legislation has been introduced since the Local Government Finance Act 1992 that relates to the setting of council tax premiums and discounts, with the latest being the Levelling Up and Regeneration Act 2023.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 set out the requirements of a Minimum Revenue Provision (MRP) Policy Statement which must be approved by Council each year. In calculating a prudent MRP provision, local authorities are required to have regard to guidance issued by the Secretary of State. The latest guidance, issued under section 21(1A) of the Local Government Act 2003, is applicable from 1 April 2019 which the proposed MRP policy reflects.

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.

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

The Best Value Duty relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in Part 1 of the Local Government Act 1999 ("the 1999 Act") to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget (Part 1 of the Local Government Finance Act 1992), provide statutory services and secure value for money in all spending decisions.

Best value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management. They are also required, pursuant to section 3 of the 1999 Act, to consult on the purpose of deciding how to fulfil the Best Value Duty.

Government have recently consulted on revised Statutory Guidance on the Best Value Duty issued to local authorities in England under section 26 of the 1999 Act, which best value authorities are required to have regard to. To provide greater clarity to the sector on how to fulfil the Best Value Duty, the draft statutory guidance sets out seven overlapping themes of good practice for running an authority that meets and delivers best value. These seven best value themes build on the lessons learned from past interventions, including those which the Government published in June 2020, and reflect what most local authorities already do or are striving to achieve. While these themes are all interdependent, strong governance, culture, and leadership underpin effective partnerships and community engagement, service delivery, and the use of resources, continuous improvement is the outcome of all the themes working well together. A detailed description of these themes, including characteristics of a well-functioning local authority and indicators used to identify challenges that could indicate failure, is set out within the draft guidance and financial management and sustainability is a reoccurring expectation throughout the themes and indicators.

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 long term approach to the forecast set out in this report has been discussed with the Council's new External Auditor, albeit informally. There were no major concerns raised but they will undertake their own independent and detailed review as part of their commentary on the Council's use of resources.

Yes	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 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. In terms of an independent view, the Council's previous External Auditor has unfortunately yet to complete their work on the Council's Statement of Accounts for 2020/21 and 2021/22, or started the necessary work on the 2022/23 statements. At the present time it is not known when they will be able to provide their own commentary on the Council's use of resources.
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.	

MILESTONES AND DELIVERY

This report forms part of the Council's wider budget setting processes. Additional update reports will therefore be presented to Cabinet in January as part of developing the detailed estimates that will be presented to Full Council in February 2024.

ASSOCIATED RISKS AND MITIGATION

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. The Council's response is set out in the body of this report and will continue to be addressed as part of the future financial update reports highlighted earlier.

As highlighted earlier, it is likely that further cost pressures will need to be included as part of further iterations of the forecast. As highlighted later in this report, money has been set aside in an associated reserve to help 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 as far as possible.

It is also worth highlighting emerging risks associated with the establishment of the Office for Local Government (OFLOG), which will undoubtedly have a significant financial impact on Local Authorities, either directly or where increased capacity may be required to respond to any emerging requirements. This will be considered further as part of the on-going development of the forecast.

As set out in **Appendix A**, based on the latest position forecast, the Forecast Risk Fund is estimated to be depleted over the remaining years of the forecast period, which adds further financial risks and challenges which may require increased savings to be identified to deliver a sustainable financial position.

However, it is important to note that the Council still prudently maintains reserves to respond to significant / specific risks in the forecast such as **£1.758m** (NDR Resilience Reserve) and **£1.000m** (Benefits Reserve), which can be taken into account during the period of the forecast if necessary. The Council also holds **£4.000m** in uncommitted reserves, which reflects a best practice / risk based approach to support its core financial position.

EQUALITY IMPLICATIONS

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.

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

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

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.

Crime and Disorder

Please see comments above

Health Inequalities

Area or Ward affected

PART 3 – SUPPORTING INFORMATION

UPDATED FINANCIAL FORECAST 2024/25

The long term forecast is updated on an on-going basis, which is reported to Members quarterly, with the most recent position (at the end of September 2023) being reported to Cabinet at its 10 November 2023 meeting. The format of the forecast has been subject to an important albeit relatively minor change to show the annual deficit position before the annual savings ‘targets’ rather than it being an inclusive figure. This better demonstrates the Council’s underlying forecasted deficit position, which is important for a range of potential audiences not least the Government and other representative bodies.

Appendix A sets out an updated forecast for 2024/25 that reflects changes since Cabinet considered the earlier position at its 10 November 2023 meeting. The changes required reflect a slightly worse position – an increased annual deficit of **£0.252m** (from **£2.422m** to **£2.674m**) after taking account of savings.

Work remains on-going as part of the continuing development of the budget, which will need to react to a number of issues such as any announcements from the Government as part of the annual local government financial settlement process. Any changes will be reported to Members as they arise throughout the remainder of the budget setting process and will be included in the final budget proposals to be considered by Cabinet in January before recommendations are made to Full Council in February.

The following table provides a commentary on the changes to the initial forecast set out in **Appendix A** (excludes items where there has been no significant change to the relevant line of the forecast considered by Cabinet on 10 November 2023):

Item in the Forecast	Change since forecast was considered on 10 November 2023	Comments
Underlying Funding Growth in the Budget		
<p>Lines 4 and 6 – Growth in Council Tax – general property / tax base growth, and</p> <p>Collection Fund Surpluses b/fwd - Ctax</p>	<p>Net increased income of £0.030m</p>	<p>These two changes reflect the final council tax base calculations for 2024/25 where the estimated property growth was slightly lower than originally estimated but offset by an increased collection fund surplus position.</p>
Net Cost of Services and Other Adjustments		
<p>Lines 14 and 23 – On-going savings identified / achieved, and</p> <p>On-going savings required</p>	<p>Total savings identified of £1.242m (£0.742m more than the £0.500m 'target' included in earlier forecasts.</p>	<p>Savings have been 'moved up' to Line 14 of the forecast from Line 23 to reflect that they have now been identified / secured rather than remaining a 'target'. As the total amount achieved is greater than the target of £0.500m, Line 23 has been reduced to nil.</p> <p>Appendix B sets out in more detail the savings identified / achieved, with some further commentary included immediately below this table.</p>
<p>Line 18 – Inflation – Employee Costs</p>	<p>Additional costs of £0.255m.</p>	<p>As highlighted at Cabinet on 10 November 2023, the cost of the staff pay award pay for 2023/24 has had the knock-on impact of increasing the on-going base employee costs over and above the original estimated position.</p>
<p>Line 19 – Inflation – Other</p>	<p>Reduction of £0.218m in estimated costs.</p>	<p>This broadly reflects on-going inflationary forecast updates.</p>
<p>Line 20 – Unavoidable Cost Pressures</p>	<p>Increase of £0.987m in estimated costs.</p>	<p>Appendix C sets out a number of items identified to date. As highlighted earlier in the report, work remains on-going in consultation with Services and it is likely that additional cost pressures will need to be included in later iterations of the forecast before final budget proposals are recommended for presenting to Council in February 2024.</p>

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 Cabinet at its January 2024 meeting.

In terms of the savings set out in **Appendix A**, it is very important to highlight that a number of items are one-off or are expected to reduce over time and therefore cannot be seen as on-going in terms of the later years of the forecast. When taking into account the one-off or time limited nature of some items (e.g. treasury income is expected to reduce over the next 24 months in line with the expected reduction in the Bank of England base rate) the on-going savings achieved total **£0.400m**. This therefore places an increased focus on savings required in the later years of the forecast to ensure the necessary on-going savings are achieved over the corresponding time period.

It was expected to be able to include a further on-going saving in excess of **£0.250m** relating to the recent leisure centre VAT court judgement that found in favour of Local Authorities rather than HMRC. However, some conflicting guidance has recently been published by HMRC that introduces enough doubt about the treatment of VAT within leisure centres that it was felt prudent to not include it at this stage. Further work remains on-going and an update will be provided to the next meeting of Cabinet in January.

As set out in earlier reports, developing 'a savings framework' against the context of the Corporate Plan remains a key activity over the coming months. Senior Managers will continue to work alongside Portfolio Holders to bring this information together so that it can be considered against the context of the recently agreed Corporate Plan. The level of time and resources required to not only develop the above framework but to also deliver the required savings should not be underestimated. Set against the ongoing delivery of existing projects such as the Levelling Up Scheme and Freeports, there needs to be a clear focus on the timely development of the plan whilst managing competing resources over the coming months.

In terms of cost pressures included within the forecast, their mitigation continues to form an important element of the long-term financial plan. The cost pressures identified for inclusion in the budget largely reflect unavoidable items at this stage, including the on-going impact of items identified as part of earlier financial performance reports. Similarly to savings, a number of items are expected to be one-off or time limited along with being subject to further decision making / review e.g. Careline.

As experienced by Local Authorities across the country, homelessness costs continue to be a significant challenge, with some Councils citing this as likely being one of the primary reasons for potentially having to issue S114 notices if it continues at current levels. Along with energy costs, this presents a significant on-going risk to the Council. In respect of energy costs, it is likely that the overall impact on the budget will reduce over time but the scale and speed is impossible to accurately forecast. With this in mind, the current cost pressure included is on an on-going basis at this stage but it is acknowledged that opportunities to reduce this figure are expected to arise in the future.

In the Autumn Statement, the Government committed to increasing Local Housing Allowances along with the providing additional grant funding. Although this is welcomed, increased demand for homelessness accommodation is likely to remain in the immediate term, which has been reflected in the scale of the cost pressure currently included.

As set out in **Appendix A**, taking the above adjustments into account, there is now a forecast deficit for 2024/25 of **£2.674m**, compared with the forecasted deficit of **£2.422m** considered by

Cabinet at its 10 November 2023 meeting. Even after identifying savings in excess of the original 'target' of **£0.500m** for 2024/25, such a favourable position has been more than offset by a worsening cost pressure position and estimated inflationary pressures.

The outcome from risk management reviews are reported as part of the quarterly financial performance reports throughout the year (the latest one being reported to Cabinet on 10 November 2023). It is important to highlight that there are no new / significant adverse issues that have arisen in terms of the annual forecast risk fund surpluses since the last position was reported. The associated risk management appendix has therefore not been repeated as part of this report. However, it will continue to form part of the regular reporting of the financial forecast going forward.

As set out in earlier reports, the Council's long-term plan and Forecast Risk Fund provide flexibility and support against which the above can be considered. Extending the current financial forecast period will also be considered as part of developing the forecast over the remainder of the financial year that may provide further financial flexibility and support along with further opportunities to respond to the structural annual budget deficit that is still estimated to remain at the end of 2026/27.

As previously discussed, it is recognised that the use of reserves and one-off amounts to balance the budget is not sustainable in the long term. However, by balancing the use of existing reserves and potentially one-off funding in the short to medium term, it provides additional flexibility to develop the framework in which to identify the required savings from 2024/25.

As indicated in recent S114 notices issued by some Local Authorities, a major issue faced by Councils is not having the necessary practical and pragmatic plans in place to identify the savings required to balance their budgets. Such issues need to be factored into the development of the framework against which savings are delivered as highlighted above.

The current approach to the forecast does enable the flexibility and time to consider the longer-term plan and the further savings that will be required in an informed way and in light of the recently agreed updated Corporate Plan.

Sensitivity Testing

Work remains in progress to update associated sensitivity testing of the forecast, with the outcome planned to be presented in reports later in the year as part of the on-going development of the budget for consideration by Full Council in February 2024.

Reserves

As part of the budget setting process, it is also timely to review the appropriateness of the level of reserves at this stage in the budget cycle.

Following the associated review this year, a summary of the reserves held (excluding revenue and capital commitments reserves) and their purpose is set out in the following table:

Reserve	Purpose of the Reserve	Estimated Balance	Status
Asset Refurbishment/Replacement Reserve	To meet the cost of the maintenance of the Council's assets, including those associated with the Council's commitment to carbon neutrality. This reserve 'protects' the underlying revenue budget from significant one-off expenditure items with expenditure against this reserve being considered as part of the wider management / response to emerging cost pressures.	£1.019m	Review as part of the on-going development of the forecast / cost pressures.
Benefit Reserve	To meet any potential costs arising from the obligation to pay benefits and to support future changes to the Welfare Regime. The future remains uncertain given the on-going extension to the roll-out of universal credit.	£1.000m	Continue to retain this reserve (but will remain under review as part of future welfare reforms and the development of the forecast)
Business Rates Resilience Reserve	To support the Council in reacting to potential future changes in Business Rate appeals and income, especially in light of the potential for changes to the business rate reforms and associated 'resets'.	£1.758m	Continue to retain this reserve (use of this reserve will continue to be considered as part of the development of the long term plan)
Commutated Sums Reserve	Established from commuted sums paid to the Council to	£0.453m	Continue to retain this

	cover such items as maintenance costs of Open Spaces and CCTV, in line with the associated agreements.		reserve to support the commitments established as part of the associated agreements
Election Reserve	To finance future costs associated with holding District Elections on a four yearly cycle.	£0.000m (the reserve was fully spent in 2023/24 to meet the cost of the May 2023 elections)	Continue to retain this reserve to meet the associated cost when due. (supported by a proposed cost pressure from 2024/25 – see Appendix C)
Haven Gateway Partnership Reserve	To support the costs associated with the Haven Gateway Partnership e.g. costs that may be incurred on termination / withdrawal from the current arrangements.	£0.075m	Subject to review against associated risk as this reserve may be able to be removed.
Leisure Capital Projects Reserve	This reserve has been established to fund ongoing investment in Leisure Facilities and will form an important element of supporting the delivery of the upcoming Sports and Activity Strategy.	£0.080m	Continue to retain this reserve
Planning Inquiries and Enforcement Reserve	To meet associated costs relating to planning services.	£0.019m	This reserve is expected to be depleted in 2024/25 with any associated activities having to be met from within

			existing budgets going forward.
Section 106 Agreements Reserve	This reserve holds income received from developers under Section 106 of the Town and Country Planning Act 1990 to be spent on specific projects over a number of years in accordance with the terms of the agreements.	£2.968m	Continue to retain this reserve (this is released as part of separate decisions made during the year)
Forecast Risk Fund	As set out in earlier reports and elsewhere within this report, this reserve continues to be held to support planned annual budget deficits as part of the Long Term Financial Sustainability Plan.	£6.142m (before adjustments from 2024/25 onwards)	Continue to retain this reserve (use of this reserve will continue to be considered as part of the development of the long term plan)
Uncommitted Reserve	General Reserve held to respond to key financial risks such as inflation, income loss, additional burdens etc. which is subject to a risk based assessment on a regular basis.	£4.000m	Continue to retain this reserve

The revenue and capital commitments reserves have not been included above as they broadly reflect the cash flow impact relating to the timing / programming of the delivery of associated projects and initiatives etc.

Although a more detailed statement will be made by the S151 Officer that will be included in the report to Full Council in February, the current level of reserves based on the review above remains adequate, although this position will be subject to on-going review given the risks to the financial forecast highlighted earlier in this report.

Local Government Finance Settlement and Government's Spending Review

As set out in earlier financial performance reports, until it is confirmed or otherwise in the Local Government Finance Settlement no Revenue Support Grant income is usually included in the forecast. However, given the current economic climate and the significant financial challenges faced by Councils, especially in light of the potential increase in Local Authorities issuing S114 notices, it is likely that the Government will provide on-going support, at least in the short to

medium term. A level of financial support therefore continues to be included within the forecast. Based on this revised approach, a total of approximately **£0.700m** in general revenue support grant funding has been included from 2024/25.

In a departure from previous years where the Council has historically refrained from using one-off money to support the underlying budget, estimated income from the New Homes Bonus Grant (and from the Council's continued membership of the Essex Business Rates Pool) are now included. This change was introduced within the Financial Performance report for Q1 2023/24 that was considered by Cabinet on 6 October 2023. Although there are no long term guarantees around such sources of funding, it is expected that they will continue in the short term, which reduces the risk over the remaining years of the forecast. This revised approach will continue to be reviewed on an on-going basis and if any information comes to light that indicates an increased risk to this approach, then the forecast will be updated and reported to Members as soon as practicable. Based on this revised approach, income of **£0.500m** and **£0.400m** relating to the New Homes Bonus and Essex Business Rates Pool respectively has been included in the forecast, which will be confirmed or otherwise when the final budget proposals are presented to Cabinet in January 2024.

Both of the Revenue Support Grant and New Homes Bonus will be confirmed within the Local Government Financial Settlement that is currently expected to be announced by the Government shortly. In terms of business rates, further details are set out later on in this report.

Although it is always difficult to translate the more detailed financial impact from the Government's Autumn Statements, it is worth highlighting two key policy announcements included in the most recent statement. The first relates to homelessness which was discussed in more detail earlier in this report. The second was in connection with business rates with the following commitments being made by the Government:

- For 2024/25, the small business multiplier in England will be frozen for a fourth consecutive year at 49.9p, while the standard multiplier will be updated by September CPI to 54.6p
- The current 75% relief for eligible Retail, Hospitality and Leisure (RHL) properties is being extended for 2024/25. Around 230,000 RHL properties in England will be eligible to receive support up to a cash cap of £110,000 per business.
- Local Authorities will be fully compensated for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs.

As discussed in earlier financial performance reports, although the forecast does not reflect the Government's intended comprehensive spending review, they have stated that *'their ambitions for Levelling Up the country require us to assess our commitments to update local government funding. The government had previously committed to carry out a Review of Relative Needs and Resources and a reset of accumulated business rates growth. Whilst we can confirm that these will not be implemented in this Spending Review period, the government remains committed to improving the local government finance landscape in the next Parliament.'*

The Government have also confirmed that the core settlement will continue in a similar manner for 2024/25, with the major grants continuing as set out for 2023/24. Although the actual position for 2024/25 remains subject to the Annual Local Government Financial Settlement that the Government will announce shortly, their commitment is viewed positively, which may result in additional funding being receivable in 2024/25. However, based on the Government's

statement above, the longer term position is much more unclear and will be subject to a future Government in the next parliamentary period. Therefore any additional funding that may be receivable in 2024/25 should be seen as potentially being on a one-off basis at the present time, with the forecast subject to revision based on future Government announcements.

ADDITIONAL INFORMATION

Council Tax Levy 2024/25

Based on a proposed 3% increase, the Council Tax for a band D property will be **£193.75** in 2024/25. The updated property base is **51,866**, an increase of just over **1.5%** over the 2023/24 figure of **51,050**.

The Government have already confirmed their commitment to allow District Councils to increase their share of the council tax by 3%, although future potential increases still remain subject to further Government announcements.

As set out in the Financial Report to Cabinet on 6 October 2022, the Council will continue to opt-in to the Council Tax Sharing Agreement with ECC if it remains financially advantageous to do so. This scheme has continued to provide a financial benefit to the Council over recent years and is expected to continue to do so heading into 2024/25.

Locally Retained Business Rates

The detailed business rates calculations remain on-going alongside the Government's associated deadlines for finalising and reporting the necessary figures, including estimated collection fund balances.

This remains a very complex area of local government financing and includes not only the continued transitional arrangements associated with the cyclical national property revaluation exercise from last year but also the changes announced in the recent Autumn Statement highlighted earlier along with potential changes emerging from the introduction of Freeports.

The impact of the above on the Council's own financial position along with the estimated benefit of the Council's continued membership of the Essex Business Rates Pool will be determined and reported as part of finalising the detailed budget for 2024/25 that will be presented to Cabinet in January 2024.

Fees and Charges

Fees and charges are subject to separate Officer decisions made in consultation with the relevant Portfolio Holder(s) and are reviewed within the framework of the financial forecast and therefore they will be considered against the relevant 'charging power' and where relevant 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

As set out in this report, the Council continues to face a number of significant financial challenges in 2024/25 and beyond. It is therefore important that fees and charges are

considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

Any changes to income will be considered alongside the financial forecast. No changes to the budget are proposed at the present time.

Although agreed separately, a full schedule of fees and charges will be provided to members ahead of the Full Council budget meeting in February 2024.

GENERAL FUND CAPITAL PROGRAMME 2024/25

As has been the case in prior years, only a very limited number of schemes are included 'automatically' in the base budget on a recurring basis and these relate to the on-going cost of replacing the Council's core IT infrastructure along with disabled facilities grants. Estimates of **£0.070m** and **£0.757m** will therefore be included within the 2024/25 Capital Programme respectively, although the latter item is likely to change once confirmation of the actual level of external grant support is received next year.

The investment in IT core infrastructure is funded by a direct revenue contribution, with disabled facilities grants funded by the Government via ECC.

The full multi-year Capital Programme incorporating the above will be included within the final budget proposals that will be considered by Cabinet in January before being presented to Full Council in February and will include cost pressures proposed as part of developing the budget accordingly.

SPECIAL EXPENSES 2024/25

Special expenses amounts cannot be finalised until the budget for the year has been completed and the associated technical adjustments reflected in the budget. Therefore, at this stage of the budget process it is more practical to review the principles against which the special expenses will be calculated rather than the specific amounts themselves, which are subject to change as the budget develops.

It is not proposed to make any changes to the principles behind the calculation of special expenses with the key principles remaining the same as in 2023/24 as set out below:

- A de minimus amount of **£0.025m** is applied to determine which expenses are excluded from the special expenses calculations;
- Any allocation to specific areas less than **£0.001m** is excluded for the purposes of determining special expenses.

Although subject to the final budget calculations, expenses to be allocated as special expenses are likely to remain as in 2023/24 and apply to open space and recreation area costs.

For completeness, the underlying technical background to the calculation of special expenses is set out below:

Certain expenditure referred to as 'Special Expenses' is regarded as being chargeable to only certain parts of the district. The rest of the Council's expenditure is regarded as being chargeable over the whole district and is referred to as 'General Expenses'. Local authorities have the power to pass a resolution in respect of any particular Special Expense to the effect

that the amount of that expense should be charged across the whole district. This is referred to as the contrary resolution.

In exercising this power, the Council also has to consider how the burden of Special Expenses will be charged to the taxpayers of the district.

Information from parish/town councils

Each year parish councils complete a return to identify changes to the services they undertake

Consideration of Determining the Contrary Resolution

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

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

These matters must each be considered and a view taken as to whether it would be appropriate to pass the contrary resolution in respect of some of the budgeted expenditure on Special Expenses.

In determining how the burden of special items should be charged to the taxpayer of the district, the following matters need to be considered.

- i) Where is the facility situated?*
- ii) Who uses it?*
- iii) How much expenditure is to be spent in the various parts of the district?*

Wherever possible the Council aims to charge the cost incurred in performing a function in a part of the district, to the taxpayers of that part. In assessing the area of benefit to which a function identified as a special expense relates, parish boundaries have been treated as the appropriate areas.

The tax base for apportioning Special Expenses to each parish and the unparished area is that used to determine the Council's overall Council Tax base.

OTHER CONSIDERATIONS

Although this report has focused on the updated financial position for 2024/25, **Appendices B and C** also set out the impact of the various items discussed above on the in-year budget position for 2023/24.

These will be kept under review and formally reported to Cabinet as part of the Q3 Financial Performance Report 2023/24 in February / March 2024.

As highlighted within the Q2 Financial Report 2023/24 presented to Cabinet on 10 November 2023, although there are a number of adverse issues emerging, it is still expected that such issues will be more than offset by favourable variances and so they will be able to be accommodated within the overall net in-year financial position of the Council, especially as the income from treasury activity is expected to remain very positive over the remainder of the year.

ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT

Where relevant, figures included in the 2024/25 budget are based on the following policy statement that was agreed by Full Council on 28 November 2023.

In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, the Council’s policy for the calculation of MRP for 2024/25 shall be the Capital Financing Requirement Method for supported borrowing and the Asset Life (equal instalment) Method for prudential borrowing.

PREVIOUS RELEVANT DECISIONS

Financial Performance Report 2023/24 – General Update at the end of July 2023 – Item A.5 Cabinet 6 October 2023

Financial Performance Report 2023/24 – General Update at the end of September 2023 – Item A.3 Cabinet 10 November 2023

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A Updated Financial Forecast 2024/25

Appendix B Net Savings Summary

Appendix C Cost Pressure Summary

REPORT CONTACT OFFICER(S)

Name	Richard Barrett
Job Title	Assistant Director (Finance and IT)
Email/Telephone	rbarrett@tendringdc.gov.uk (01255) 686521

UPDATED FINANCIAL FORECAST 2024/25

Line		Prior Year Budget	Updated Forecast (10 November 2023)	Updated Forecast (15 December 2023)	Change between November and December Positions
		2023/24	2024/25	2024/25	
		£m	£m	£m	£m
	Underlying Funding Growth in the Budget				
1	Council Tax Increase 1.99%	(0.181)	(0.191)	(0.191)	0.000
2	Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.068)	(0.064)	(0.064)	0.000
2a	Council Tax Increase 3%	(0.024)	(0.033)	(0.033)	0.000
3	Growth in Business rates - Inflation	0.000	(0.231)	(0.231)	0.000
4	Growth in Council Tax - general property / tax base growth	(0.217)	(0.187)	(0.158)	0.029
5	Growth in Business Rates - general property / tax base growth	(0.531)	(0.041)	(0.041)	0.000
6	Collection Fund Surpluses b/fwd - Ctax	(0.477)	(0.100)	(0.159)	(0.059)
7	Collection Fund Surpluses b/fwd - BR	(0.307)	0.000	0.000	0.000
		(1.806)	(0.847)	(0.877)	(0.030)
	Net Cost of Services and Other Adjustments				
8	Change in RSG (including other financial settlement funding)	(0.441)	0.750	0.750	0.000
9	Remove one-off items from prior year	(0.352)	(0.375)	(0.375)	0.000
10	Remove one-off items from prior year - Collection Fund Surplus	(3.192)	0.784	0.784	0.000
11	LCTS Grant To Parish Council's	0.004	0.000	0.000	0.000
12	Revenue Contrib. to Capital Programme	(0.012)	0.000	0.000	0.000
13	Specific change in Use of Reserves	3.233	0.073	0.073	0.000
14	On-going savings Identified / Achieved	(0.742)	0.000	(1.242)	(1.242)
15	Other Adjustments	(0.458)	0.000	0.000	0.000
16	Use of New Homes Bonus	0.000	(0.500)	(0.500)	0.000
17	Gain from Essex Business Rates Pool Membership	0.000	(0.400)	(0.400)	0.000
		(1.961)	0.332	(0.910)	(1.242)
	Cost Increases				
18	Inflation - Employee / Members Allowance Costs (including annual review adjustments)	2.117	1.000	1.255	0.255
19	Inflation - Other	1.011	0.701	0.483	(0.218)
20	Unavoidable Cost Pressures	1.444	0.500	1.487	0.987
		4.572	2.201	3.225	1.024
21	Add back Use of Forecast Risk Fund / Reserves in Prior Year	0.431	1.236	1.236	0.000
22	ANNUAL Structural Budget Deficit / (Surplus) BEFORE Required 'Savings'	1.236	2.922	2.674	(0.248)
23	On-going Savings Required	0.000	(0.500)	0.000	0.500
24	ANNUAL Structural Budget Deficit / (Surplus) AFTER Required 'Savings'	1.236	2.422	2.674	0.252
25	Use of Forecast Risk Fund / Other Reserves to support the Net Budget Position*	(1.236)	(2.422)	(2.674)	(0.252)

* For 2023/24, this figure was met from other reserves and not directly by the Forecast Risk Fund

Use of Forecast Risk Fund

Outturn b/fwd from prior years	(3.316)	(6.142)	(6.142)	
Applied in year as set out in the forecast above	0.000	2.422	2.674	0.252
Additional contributions generated / required in year	(0.250)	(0.250)	(0.250)	0.000
Additional contributions via the Financial Strategy Process	(2.576)	0.000	0.000	0.000
Balance to Carry Forward	(6.142)	(3.970)	(3.718)	0.252

	Year	Updated Forecast (10 November 2023)	Updated Forecast (15 December 2023)	Change between November and December Positions
Forecast Risk Fund Summary				
		£m	£m	
Used to Meet Annual Deficit	2025/26	2.146	2.443	0.297
	2026/27	1.291	2.021	0.730
		£m	£m	
Estimated (Surplus) / Deficit Balance at the end of the year	2025/26	(2.074)	(1.525)	(0.549)
	2026/27	(1.032)	0.247	(1.279)

This page is intentionally left blank

NET ON-GOING SAVINGS ITEMS 2024/25

Item	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
(1)	(2)	(3)	(4)	(5)	(6)
Insurance - Non Premium Budgets	(41,320)	(41,320)	(41,320)	(41,320)	ON-GOING - It is proposed to remove a number of 'contingency' budgets that have historically been unspent in previous years. These relate to issues such as consultancy on risk management and other related matters. If expenditure is required in the future it will be managed within other existing budgets within the directorate.
Commercial Investment Property Rent	0	(4,450)	(8,990)	0	ON-GOING - This reflects an inflationary uplift on the rental payments due over the remaining life of the agreement current in place with the tenant of the current investment property held by the Council.
Treasury Income	(1,200,000)	(975,000)	(575,000)	(138,000)	ON-GOING - This reflects the continuing period of higher interest rates balanced against the Council's forecasted cash balances. There is an estimated reduction across the forecast period that reflects the expected change in the Bank of England base rate over time.
Employee Costs - Pension Contributions	(5,720)	(10,000)	(10,000)	(10,000)	ON-GOING - An historic contribution to the pension scheme has come to an end in 2023/24.
Corporate Financial Strategy Allowance	(86,160)	(86,160)	(86,160)	(86,160)	ON-GOING - This reflects a contingency sum that was previously set aside to help manage risks when finalising significant corporate budgets such as employee costs. Such issues will continue to be considered going forward within the relevant line of the forecast but it is proposed 'release' the existing budgeted amount as part of the current budget cycle.
Revenues & Benefits - Project / Agency Staff Costs	(125,000)	(125,000)	(125,000)	(125,000)	ON-GOING - This budget was historically set aside to support initiatives associated with the Council Tax Sharing Agreement with the Major Preceptors. The associated work is now undertaken within existing capacity, such as Officers within the Fraud and Compliance Team and the Revenues and Benefits Service, which enables this budget to be 'released'. Any future initiatives that may incur an additional cost over and above existing resources will be considered within the wider directorate budgets accordingly.
Back to Business	(138,410)				ONE-OFF - A number of projects that were previously agreed as part of this initiative have either been superseded or can be responded to in an alternative way.
Unapplied Accelerated Delivery Budget	(143,910)				ONE-OFF - This reflects money that was previously set aside to support the delivery of projects as it has been partly superseded by corporate restructures and additional capacity can be considered on a project by project basis going forwards.
Reserves Adjustment - Carnarvon House	(11,090)				ONE-OFF - A relatively small residual sum remains held in reserves that relates to an historic agreement with our Health Partners, who were the outgoing tenant before the property was demolished. An agreement was reached with them which saw them pay outstanding annual rental payments to the Council, with this adjustment therefore representing the final 'unapplied' balance.
Total	(1,751,610)	(1,241,930)	(846,470)	(400,480)	

This page is intentionally left blank

COST PRESSURE SUMMARY

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
(1)	(2)	(3)	(4)	(5)	(6)
Unavoidable Items - On-going					
External Audit Fees	77,000	77,000	77,000	77,000	This broadly reflects a 'correction' to the previous national procurement process where External Auditors found themselves unable to meet the various requirements as part of the PSAA arrangements. It also responds to the additional work that Auditors are required to undertake in accordance with the audit code / standards. This adjustment brings the total fee payable per year to just over £160k, which to a large extent replicates the fee payable under the previous Audit Commission regime.
Insurance Premiums Costs	0	26,000	26,000	26,000	This item reflects the increase in insurance costs following the recent renewal process. Costs may increase further during 2024/25 but this will not be known until the next annual renewal process is undertaken during the summer / autumn of 2024. This will therefore be kept under on-going review as part of the Financial Performance reports during next year.
District Elections Costs	0	15,000	15,000	15,000	The budget currently allows for a contribution of £30k per year to be set aside in an associated reserve to meet the cost of the district elections every 4 years. To reflect inflationary cost increases, a one-off amount of £60k was agreed to support the cost of the elections held in May this year. The amounts set out therefore reflect the on-going impact of these inflationary impacts, with the annual contribution increasing from £30k per year to £45k per year.

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
Commercial Investment Property Potential Rental Income Reduction	0	0	0	125,000	The current lease agreement for the investment property in Clacton comes to an end in 2025/26. The adjustment proposed allows for a potential reduction in the rent payable (from approx. £225k per annum to £100k per annum) from 2026/27. This will be subject to further review / revision over the life of the remaining years of the existing lease agreement, with the adjustment proposed reflecting a pragmatic / prudent view for the purposes of the forecast.
Waste Collection Contract - Costs of disposing of collected waste to an alternative ECC site.	0	90,000	90,000	90,000	Within the Q1 Financial Performance Report considered by Cabinet on 6 October 2023, an adjustment was made in 2023/24 that reflected the fact that collected waste now had to be disposed of at an alternative site provided by ECC. This adjustment therefore reflects the on-going impact from 2024/25 onwards.
Taxi Testing - Reduced Income	25,000	25,000	25,000	25,000	The existing base budget currently reflects income derived from the in-house team undertaking vehicle testing for local taxi operators. This stopped during the period of the COVID 19 pandemic and over time operators have made alternative arrangements with other providers. The proposed budget adjustment therefore reflects the on-going impact.
The Council's Corporate Income Management System	0	10,000	10,000	10,000	Within the Q1 Financial Performance Report considered by Cabinet on 6 October 2023, an adjustment was made in 2023/24 that reflected the additional costs associated with an 'upgrade' to the Council's income management IT system. The adjustment included from 2024/25 reflects the on-going impact as also highlighted in the Q1 Financial Performance Report.
Modern.gov IT costs	10,000	3,270	3,270	3,270	This reflects additional costs associated with the on-going development of the system.

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
BT phone line discount no longer available	17,000	34,000	34,000	34,000	BT have recently advised the Council that from 01 October 23 they are ceasing all 'multi-line accumulator discounts' applicable to the various fixed phone lines across the Council. Work is now underway to identify options that could include terminating a number of phones lines where it may be operationally possible to do so. The figures currently included reflect the worst case scenario of not being able to significantly reduce the number of phone lines required, however this will be kept under review and updated accordingly over the remainder of this budget cycle.
IDOX Contract Page 67	41,630	10,450	10,450	10,450	IDOX is a corporate IT system that provides the Council with a document / property / case management solution e.g. the system used by the Planning Service. As part of the existing 3 year contract, there is a requirement to migrate to the software providers own cloud based system. The costs included represent the one-off migration costs in 2023/24 and then additional on-going annual licencing costs. It is important to highlight that the Council is working in partnership with other LA's with the aim of developing viable alternatives in response to potential further increases in future costs.
Homelessness Costs	250,000	500,000	500,000	500,000	Although the Government have recently announced a number of changes that are expected to have a favourable knock on impact on the level of homelessness and the increasing costs faced by Local Authorities nationally, there is still likely to be a cost pressure over and above the existing base budget. Although in respect of 2023/24, an additional amount of £250k has already been included in the budget as part of earlier financial performance reports, further costs are still expected. The figures for 2024/25 reflect the estimated on-going impact whilst also recognising the positive impact that Spendalls House will have from 2024 onwards. The Service remains committed to exploring options to reduce the on-going financial impact on the Council and further changes may be necessary later in the financial year.

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
Energy Costs	0	300,000	300,000	300,000	Although the market is subject to volatility, there is some relative stability at the moment and the amounts included are based on the most up to date prices for gas and electric, which have seen a reduction compared to those last year. It is still expected that any increase in 2023/24 can be met from the contingency budget that was set aside rather than having to include additional funding in the budget via this report.
Total of On-Going Items	420,630	1,090,720	1,090,720	1,215,720	

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
Unavoidable Items - One-Off					
Careline Net Costs	120,000	296,000	0	0	As reported during the year, the department is actively exploring options to reduce the net cost of the service, the outcome of which will be reported to Cabinet as early as possible in 2024. The figures currently proposed reflect the estimated worse-case scenario in 2023/24 and 2024/25 pending the outcome of this review. This will therefore remain under on-going consideration, including the potential impacts in 2025/26 and beyond before the budget proposals for 2024/25 are finalised for reporting to Council in February 2024.
Garden Waste - Potential Unrecoverable Debt	70,000	0	0	0	Following earlier discussion during the year, it is proposed to set aside this level of funding to meet the cost of income that may prove to be unrecoverable for reasons set out in earlier reports. The service continues to implement a number of actions in response to the associated issues, which may in turn enable this figure to be reduced accordingly.
Key Financial Management IT System Upgrade	0	100,000	0	0	Similarly to the position experienced elsewhere in the Council this year, the Council's main financial management IT system becomes unsupported from December 2024. It is therefore proposed to set aside the potential upgrade costs as part of the 2024/25 budget, although a final decision will be made during next year, which will include the exploration of options available to the Council along with associated risks.
Waste & Street Cleansing Contract Inflation	123,500	0	0	0	The figure highlighted for 2023/24 reflects a higher inflationary uplift than included within the original budgets. The knock on impact for 2024/25 and beyond is included within a separate line of the forecast (Line 19 Appendix A)
Total of One-Off Items	313,500	396,000	0	0	
Total of Unavoidable Items Included in the Forecast	734,130	1,486,720	1,090,720	1,215,720	

	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Comments
Change across years for Inclusion within the forecast		-	(396,000)	125,000	

CABINET

15 DECEMBER 2023

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION AND TOURISM

A.5 GOVERNMENT FUNDING OPPORTUNITIES FOR TENDRING

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide Cabinet with an overview of the different funding streams totalling up to £40,237,000 made available to the Council by Central Government, and to set out their purpose in regeneration opportunities for the district. This report also sets out the implications to resourcing and managing these significant projects, and the decisions to accept the funding for the High Street Accelerator, the Long-Term Plan for Towns, and to establish the management of Town Boards for the respective funds.

EXECUTIVE SUMMARY

At its meeting on 10 November Cabinet agreed the final proposals for ('Our Vision') the Corporate Plan 2024/28. This included ambitions to:

- Raise aspirations and create opportunities
- Work with partners to improve quality of life
- Promote our heritage offer, attracting visitors and encouraging them to stay longer

Further to this, through a number of adopted strategies and policy documents, the Council has ambition to make transformational improvements in Clacton-on-Sea town centre, Jaywick Sands and Harwich and Dovercourt. These ambitions are set out in the Economic Development Strategy (2020-24), the Love Clacton Vision, Jaywick Place Plan, Dovercourt Revisited, and Creative and Cultural and Heritage strategies.

The Council is already making progress towards its strategic objectives through a number of recently completed, and ongoing projects, including the Sunspot Business Centre, Orwell Place Car Park and Events Space, and the Levelling Up Fund Clacton Civic Quarter scheme, and the Dovercourt Town Centre Improvement Corridor Capital Regeneration Project.

The Council has a wider vision for Clacton, Harwich and the district, with Levelling Up Funding part of a cohesive approach to deliver a broader renaissance, also including arts, culture and tourism. Recent government announcements have provided an opportunity to accelerate progress towards the Council's ambitions and delivering for local people against the newly adopted Corporate Plan.

These funding streams provide a range of opportunities across the district's largest towns, as Government has targeted interventions to specific locations in Tendring.

The three funding streams are set out below; a table that illustrates each funding stream and its link to Council priorities and outcomes for residents is provided as Appendix A.

Levelling Up Partnerships

At the Budget Speech on 15 March 2023, Government announced 20 towns which would be selected to form Levelling Up Partnerships (LUP) with the Department of Levelling Up, Housing and Communities, which included Tendring on the list at number eight. This was considered at Cabinet on 23 June 2023,

Government officials will visit Tendring between January and March 2024 to carry out a 'Deep Dive'. This will be a review of data, documents, and meetings with key partners. To prepare for this process, a capital pipeline of projects will be developed. Government has requested projects which require funding within 12 months of March 2024, for example, purchasing land or property or implementing capital projects that have already been developed.

Government ministers will make the ultimate decision on what the £20m will fund, and their officials will complete the business cases for the funding to demonstrate they are value for money.

Long Term Plan for Towns Funding

On 1 October 2023 Government announced that Clacton-on-Sea will be one of 55 towns across the UK to receive a ten-year endowment-style fund, with £20 million of funding and support to give towns long term certainty to deliver projects over multiple years. Government have confirmed that the Long-Term Plan for Towns Funding will be 25 percent resource, 75 percent capital.

The Council will be required to establish a Town Board, to be chaired by a local business or community leader, and then to develop a plan setting out priorities for investment and regeneration, aligned to themes of safety and security, high streets, heritage and regeneration, and transport and connectivity. Towns will be required to demonstrate how they have developed plans in consultation with local people.

High Street Accelerators Pilot Programme

On 13 September 2023, the Council were advised by the Department for Levelling Up Housing and Communities (DLUHC) that Tendring had been identified as one of 10 districts nationally selected to pilot the Government's new High Street Accelerator Pilot Programme. This programme is looking to fund the establishment of a Town Centre Board and will pilot projects selected in partnership, making £237,000 in total available over the next two financial years.

Following a meeting between officers and DLUHC on Monday 9 October, DLUHC indicated they would be supportive of an application for Dovercourt to be a pilot area for the programme. The deadline for submission was 16th October 2023. The existing Harwich and Dovercourt Tourism Group would meet the requirement for a 'board' to discuss and deliver potential projects under the scheme. Dovercourt was formally announced by government as a participating location in the pilot, on Wednesday 6th December.

The objective of the High Street Accelerators Pilot Programme is for local stakeholders to work in partnership to support the long-term revival and regeneration of declining high streets. The work could be focused on reinventing the high street as a community hub that local people can be proud of, and the projects underpinning it could range from the repurposing of spaces, (such as the building of new parklets and gardens), to projects which improve the energy

efficiency of high street buildings, or tackle vacancy rates by helping match community groups and small businesses with empty properties.

In addition to these Government funded schemes, the Council could also consider appropriate existing Section 106 contributions in these areas, to support the work being undertaken and increase the outputs for local people.

The key to making the most significant impact on local ambitions is to ensure a considered choice of the most appropriate blend of projects, to deliver transformational change against local priorities and the criteria for each funding stream.

The existing Council strategies include a range of exciting ambitions which can be developed into a project pipeline and form the basis of planned improvements to the towns identified. There will not be sufficient funding to implement all projects, so careful consideration will be required with partners in Central Government and those who work with the Council to identify the most appropriate course of action.

Over the next six months, the Council will work with partners, including Central Government and residents, to develop a suite of projects in each location. This will culminate in a funded plan for each funding stream, to maximise the opportunities they provide. The plan for LU Partnerships will be developed through the Deep Dive process signed off by ministers. For the Long Term Plan for Towns the Council will produce a Long Term Plan for Clacton by July 2024, in consultation with a newly constituted towns board, to be in place by April. Given the helpful timing, the Council will be able to draw on the work of the Levelling Up Partnership as an input of information to support the plan for Clacton.

A further report will be brought to Cabinet in April 2024, setting out further detail on projects to be funded, and the respective funding streams which will support them, and timescales for delivery.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) accepts the High Street Accelerator Funding offered by the Department for Levelling Up, Housing and Communities and authorises the Corporate Director (Place and Economy) and the Section 151 Officer to enter into a Memorandum of Understanding on behalf of the Council, which sets out the agreement;**
- b) subject to a), delegates the forming of the High Street Accelerator Board, and acceptance of its Terms of Reference, to the Portfolio Holder for Economic Growth, Regeneration & Tourism;**
- c) accepts the Long Term Plan for Towns Funding offered by the Department for Levelling Up, Housing and Communities and authorises the Corporate Director (Place and Economy) and the Section 151 Officer to enter into a Memorandum of Understanding on behalf of the Council, which sets out the agreement**
- d) subject to c), delegates the forming of the Towns Board, and acceptance of its Terms of Reference, to the Portfolio Holder for Economic Growth, Regeneration & Tourism;**
- e) delegates the authorisation of the spending of the £45,000 Levelling Up**

Partnership Capacity Payment to the Portfolio Holder for Economic Growth, Regeneration & Tourism; and

- f) delegates entering into any agreements with the Department for Levelling Up, Housing & Communities for the funding streams set out in this report (LU Partnership, Long Term Plan For Towns, High Streets Accelerator) to the Corporate Director (Place and Economy) in consultation with the Section 151 Officer.

REASON(S) FOR THE RECOMMENDATION(S)

These funding streams will enable the Council to accelerate progress towards further achieving the Council's ambitions and delivering for local people against the newly adopted Corporate Plan, offering a chance to support a range of opportunities across the district's largest towns, as Government has targeted interventions to specific locations in Tendring.

Many of the funding streams have a short timeline to achieve their objectives and the recommendations above allow delivery to continue at pace.

ALTERNATIVE OPTIONS CONSIDERED

There are other options which have been considered:

Not accepting these funding offers from government would allow officer time to be focused on other projects and would reduce any financial or delivery risk to the Council from running major capital works.

However, not accepting the funding would also reduce the opportunity for investment in the towns of Clacton and Dovercourt at a significant scale, with the benefits that will bring, and have a negative reputational implication.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

'Our Vision' the Corporate Plan 2024-28

The projects reflect the ambitions in the forthcoming Corporate Plan, 2024-28:

- Raise aspirations and create opportunities
- Working with partners to improve quality of life
- Ensure residents have the skills and information to participate

Corporate Plan (2020-2024)

Council to meet the following priorities in the current Corporate Plan:

Building Sustainable Communities for the Future

- Vibrant Town Centres

- Building and managing our own homes

A Growing and Inclusive Economy

- Develop and attract new businesses
- More and better jobs

Community Leadership Through Partnerships

- Joined up public services for the benefit of our residents and businesses

Tendring District Council Local Plan 2013 - 2033

Delivery of projects via these funding streams will align with the following strategic objective set out in Section 1 of the Local Plan, adopted on 26 January 2021:

- Fostering economic development

Economic Strategy 2020-24

The Tendring Economic Strategy was updated in 2020. The Strategy uses evidence from Office of National Statistics to demonstrate that there have been some important changes in the district's economy in recent years which require a change in approach.

- The Levelling Up Fund scheme complements the following areas for Action set out in the Strategy:
- Supporting long term investment into local civil society, citizen engagement and participatory activities within Jaywick Sands and Clacton
- Support the town centres of Clacton and Dovercourt, via meeting objectives set out in the Love Clacton Vision, and Dovercourt Revisited.

Tendring Creative & Cultural Strategy 2019 - 2024

The projects offer the chance to meet the following objectives in the above strategy:

- To build high levels of cultural participation
- To be a centre for creative innovation

Heritage Strategy

Projects could offer the chance to meet the following objectives in the heritage strategy:

- Ensure the sustainable management of all heritage assets, including buildings, landscapes, monuments, landscapes and settlements, through the appropriate conservation and protection of their significance;
- Recognise and promote the value heritage offers to people's wellbeing, health, identity and sense of belonging by supporting improvements in accessibility to Tendring's heritage sites

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to

the Budget and Policy Framework)

All adopted strategy documents which contain potential projects that could be supported by the forthcoming funding streams have already been subject to consultation, however the Council is committed to engaging with and listen to residents as we turn these ambitions into reality with our partners. We will:

- Set up a town board in Clacton by April 2024, and engage the with members on the development of the Long Term Plan for the town
- Set up a town board in Dovercourt subject to the provision of High Street Accelerator Funding
- Draw on the previous consultations carried out via engagement with local people
- Carry out consultation online and in person with residents
- Engage with local councillors.

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 type="checkbox"/> Involves £100,000 expenditure/income <input checked="" 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)	12 October 2023

MOUs have not yet been received for any of the funding streams set out above, however the above delegation to the Section 151 Officer will allow the Council to enter into any required agreements with Government.

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

The comments above are noted. Currently there are no additional comments over and above those set out in the report although it is worth highlighting that further financial commitments will be subject to separate decisions later on as part of any associated governance processes and in accordance with the Council’s Constitution as appropriate. Where advice is or may be required, this should be sought at an early stage and in order that all relevant governance procedures are met.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Levelling Up Partnership (LUP)

DLUHC will provide £90,000 of capacity funding, split equally across this financial year (2023/24) and next (2024/25). The LUP will then make capital spending available to support projects that can help lead to early improvements against priorities identified through the Levelling Up Partnership. Given that twenty places benefit from the national fund, it is expected that approximately £20m capital expenditure will be made available, as a twentieth share of the £400m fund.

Long Term Plan for Towns Funding

£20 million of funding and support will be available over the next ten years. Government have confirmed that the Long Term Plan for Towns Funding will be 25 percent resource, 75 percent Capital.

High Street Accelerators Pilot Programme

This programme will make a total of £237,000 available over two financial years (2023/24) and (2024/25).

Section 106 Contributions

Through the planning permission granted to Hutchison Ports in relation to the Freeport East Development at Harwich, Section 106 funding was made available for Harwich and Dovercourt, in September 2022. £330,000 is available for improvements to the Harwich Town Conservation Area, and £21,000 is available for improvements to Dovercourt Town Centre.

Levelling Up Fund Capacity Payment

The Council has received a £70,000 capacity payment from DLUHC, to facilitate the delivery of the existing Levelling Up Fund project, the Clacton Civic Quarter. This payment is not ringfenced so could be used to fund resources which can support delivery of other projects which fall under the Levelling Up banner.

<input type="checkbox"/>	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
--------------------------	---

There are no further comments over and above those set out in the report although it is worth highlighting that further financial commitments will be subject to separate decisions later on as part of any associated governance processes.

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;	Accelerator and Levelling Up Partnership are short term funds. An assessment of the use of the assets which benefit from investment is expected be undertaken during the Deep Dive phase, to ensure that where capital spending takes place there is a viable long term use for asset.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	Spending on the Long Term Plan for Towns funding will be governed by a Plan, to be developed during 2024, and consulted on with the Towns Board. Spending on the Levelling Up Partnership will take place after a deep dive

	and business case run and developed by civil servants.
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.	

MILESTONES AND DELIVERY

Key milestones within the three government funding sources are set out below:

Timing	Levelling Up Partnerships	High Streets Accelerator	Long Term Plan for Towns
Oct – Dec 2023	Preparation	Submission October 2023, acceptance of funding, agreement of partnership structure and appointment of Chair December 2023	
Jan – March 2024	Deep dive by Government civil servants who engage locally, and make recommendations to ministers	Development of vision and development of delivery plans	Development of Town Board in advance of capacity funding being made available: begin to set out a vision, investment priorities, and engage with local communities
April – June 2024	Projects approved via a further report to Cabinet and funding provided	Project delivery from April 2024	Capacity funding available spring 2024
July – September 2024	Capital scheme delivery underway		Long Term Plan to be produced 'no later than' Summer 2024

Any Section 106 monies not spent within 5 years of receiving the funding, will be returned to Hutchison Ports. The Dovercourt Section 106 contribution must be spent by February 2024.

ASSOCIATED RISKS AND MITIGATION

The development of a pipeline of projects, and subsequent delivery of schemes funded via the various funding streams on offer, will require **additional officer resource capacity**. Government have provided a £45,000 capacity payment to help develop proposals related to the Levelling Up Partnership, and a further capacity payment will be made to TDC in spring, in relation to the Long-Term Plan for Towns Fund.

There are already two sizeable capital projects to be delivered by the Council which fall under the Levelling Up banner; the Dovercourt Town Centre Improvement Corridor (funded via Capital Regeneration Projects, and the Clacton Civic Quarter Levelling Up Fund scheme. Additional large scale projects will require substantial staff and contractor resources.

The Council has recently successfully completed the Orwell Place scheme, and the Sunspot project in Jaywick and has learnt from the delivery of these schemes. For example, the importance of site specific matters including contamination and ground conditions; strong communication across the programme team; strong gateway control; and the allocation of appropriate contingencies.

- Consider the differences in provision of subsidised housing and commercial viability

The additional funding streams also offer the chance to build on these existing projects and investments within the district and complement the planned town centre interventions which will be supported via the Shared Prosperity Fund.

Impact risk. There is a risk that the individual projects are not sufficient by themselves to deliver transformative change. The Council will take an overarching approach to coordinating project delivery so that the suite of projects collectively drive a renaissance of the towns. In addition, communications and engagement will be planned with residents to ensure the projects are embedded in the local community.

Partnership risk. The Levelling Up Partnership funding is for investment in a range of partner projects, not just projects owned by TDC. The decision on project funding rests with ministers, not the Council or local partners, so there is a risk that investment does not support council priorities. TDC Officers will work closely with the Government's Deep Dive team to ensure the merit of the projects in our strategies is understood.

There would be **financial risks** to mitigate in delivering additional capital schemes. The larger the overall project cost, the larger the financial impact of even small percentage variances in costs would be to the Council. Build cost inflation is hard to predict and will need to be mitigated via informed forecasting and monitoring.

There are also risks relating to the **delivery timescales** associated with the Levelling Up Partnership funding in particular, which expects to see a large-scale capital scheme implemented rapidly following the funding award. The Deep Dive process during January – March 2024 will include an assessment of the delivery risks of the Levelling Up Partnership capital pipeline.

EQUALITY IMPLICATIONS

No impacts to any protected group are anticipated prior to the acceptance of any of the above funding streams.

As individual projects are identified, fuller descriptions of Equality Impact Assessments relating to the projects will be developed accordingly.

SOCIAL VALUE CONSIDERATIONS

The suite of funding opportunities available under the Government's Levelling Up banner are targeted towards areas which have a need for economic recovery and growth, and a need for regeneration. The funds set out in this report have a particular focus on town centres and offers the opportunity to regenerate key leisure and retail sites and encourage new businesses and public services to locate there.

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

The current proposals do not have a quantifiable impact on the Council's aim to be net zero by 2030 as they set out a process for future funding which is yet to be agreed, and may not be spent on council assets.

At the same time, the availability of additional capital funding raises the potential for future investment in council assets; and the Sunspot shows how modern designs have the potential to be more energy efficient than current buildings.

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.

Crime and Disorder	The Long Term Plan For Towns funding specifically has an aim to decrease anti social behaviour
Health Inequalities	It is likely that the funding set out in this report, when allocated, will have a positive impact on health inequalities, given the objectives of the funding. However, the specific impacts will only be known when projects for investment have been identified.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	The Council will follow subsidy control legislation and regulations in the receipt and allocation of any funding through the schemes outlined in this report.
Areas affected	Clacton, Jaywick, Dovercourt and Harwich

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Government have made a number of funding streams available to Tendring District Council which complement existing investments in the district, and support the Council's existing Corporate Plan priorities, as well as its draft vision.

Levelling Up Partnership (LUP)

At Budget on 15 March 2023 the Government announced 20 places which would be selected to form Levelling Up Partnerships (LUP) with the Department of Levelling Up, Housing and Communities, with Tendring on the list at number eight. This was announced at Cabinet on 23rd June 2023. It is expected that this funding will focus on the largest urban area within the district.

DLUHC will provide £90,000 of capacity funding, split equally across this financial year (2023/24) and next (2024/25). The primary purpose of the capacity funding is to enable the development of proposals for capital spending projects that can be funded within the spending profile available for the programme.

The Government will make capital spending available to support projects that can help lead to early improvements against priorities identified through the Levelling Up Partnership. Capital spending projects will be subject to a business case that will be written by the Levelling Up Partnership team in DLUHC and signed off by DLUHC Ministers.

Long Term Plan for Towns Funding

On 1 October 2023, the Government announced that Clacton will be one of 55 towns across the UK to receive a ten-year endowment-style fund, with £20 million of funding and support. The aim is to give long term certainty to deliver projects over multiple years. The £20 million includes an amount of capacity funding to be confirmed.

High Street Accelerators Pilot Programme

On 13 September 2023, TDC were advised by the Department for Levelling Up Housing and Communities (DLUHC) that Tendring had been identified as a potential place to pilot the Government’s new High Street Accelerator Pilot Programme. This programme is looking to fund 10 pilot projects, making £237,000 available over the next two financial years as follows:

Financial Year 2023/24	Financial Year 2024/2025
£50,000 available to each High Street Accelerator	£187,000 available to each High Street Accelerator

Following a meeting between officers and DLUHC on Monday 9 October, DLUHC indicated they would be supportive of an application for Dovercourt to be a pilot area for the programme. The existing Harwich and Dovercourt Tourism Group would meet the requirement for a ‘board’ to discuss and deliver potential projects under the scheme. Dovercourt was formally announced by government as a participating location in the pilot, on Wednesday 6 December.

Section 106 Contributions

Through the planning permission granted to Hutchison Ports in relation to the Freeport East Development at Harwich, Section 106 funding was made available for Harwich and Dovercourt, in September 2022. £330,000 is available for improvements to the Harwich Town Conservation Area, and £21,000 is available for improvements to Dovercourt Town Centre. Once a decision has been taken on which projects the S106 contributions will fund, the Council must notify Hutchison Ports within 56 days of applying the funding. Any S106 monies not spent within 5 years of receiving the funding, will be returned to Hutchison Ports.

PREVIOUS RELEVANT DECISIONS

None

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

[Long Term Plan For Towns](#)

[Levelling Up Partnerships: Methodology Note](#)

APPENDICES

None

REPORT CONTACT OFFICER(S)

Name	Lee Heley
Job Title	Corporate Director – Place and Economy
Email/Telephone	lheley@tendringdc.gov.uk 01255 686 006

APPENDIX A

Funding Stream	Location	Scheme Priorities	Corporate Plan Priorities	What will Tending look like?
Levelling Up Partnerships	Clacton on Sea and Jaywick Sands	<p><i>Levelling Up Missions (abridged)</i></p> <ul style="list-style-type: none"> • Rising pay, employment and productivity • Increased investment in Research & Development outside the Greater South East • Improved local public transport connectivity • Nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population. • Significantly increased number of primary school children achieving the expected standard in reading, writing and maths • Increased number of people 	<ul style="list-style-type: none"> • Pride in our area and services to residents • Raising aspirations and creating opportunities • Championing our local environment • Working with partners to improve quality of life • Promoting our heritage offer, attracting visitors and encouraging them to stay longer 	<p>By 2030, employment opportunities for local people will have increased, both in terms of job satisfaction and higher pay. The increased skills offering will result in better access to higher paid jobs for residents</p> <p>Local businesses in investment locations will thrive and the suite of projects agreed through the Levelling Up partnership will support increased investment in the District – both through the commercial and wider public sector funding.</p> <p>The retail spaces will be more connected to the seafront – with the increased footfall and viability that entails</p>

		<p>successfully completing high-quality skills training</p> <ul style="list-style-type: none"> • Narrowing gap in Healthy Life Expectancy between local areas where it is highest and lowest • Improved well-being in every area of the UK • Rising pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community • Increasing secure path for renters to ownership with the number of first-time buyers increasing 		<p>Vibrancy, animation and a higher quality retail offer will attract more visitors to our town centres and an improved sense of pride in their area.</p>
Long Term Plan for Towns	Clacton on Sea	<ul style="list-style-type: none"> • Safety and Security • High St, Heritage and Regeneration • Transport and Connectivity 	<ul style="list-style-type: none"> • Pride in our area and services to residents • Raising aspirations and creating opportunities • Championing our local 	<p>Clacton will be a visually enhanced, vibrant and animated town centre, with both the street scene and buildings more attractive - with improved accessibility to residents, businesses and visitors.</p> <p>Public spaces, buildings and street scene will have</p>

			<p>environment</p> <ul style="list-style-type: none"> • Working with partners to improve quality of life • Promoting our heritage offer, attracting visitors and encouraging them to stay longer 	<p>improved in terms of how they look and how they are animated.</p> <p>The retail spaces will be more connected to the seafront – with the increased footfall and viability that entails</p> <p>There will be a decrease in anti-social behaviour and an increase in how safe our resident's feel.</p>
High Street Accelerator	Dovercourt	<p>Regeneration to revitalise the high street and tackle vacancy. Initiate projects which help to make the area cleaner, safer and/or more visually appealing</p>	<ul style="list-style-type: none"> • Pride in our area and services to residents • Raising aspirations and creating opportunities • Championing our local environment • Working with partners to improve quality of life 	<p>Dovercourt will be a visually enhanced, vibrant and animated town centre, with both the street scene and buildings more attractive - with improved accessibility to residents, businesses and visitors.</p> <p>The retail spaces will be more connected with green spaces– with the increased footfall and viability to local businesses that entails.</p> <p>There will be a decrease in anti-social behaviour in the</p>

			<ul style="list-style-type: none">• Promoting our heritage offer, attracting visitors and encouraging them to stay longer	main retail centre and an increase in how safe our residents feel.
--	--	--	---	--

CABINET

15 DECEMBER 2023

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

A.6 UPDATED HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET PROPOSALS 2024/25

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out and seek approval of an updated Housing Revenue Account (HRA) Business Plan, which includes proposed changes in 2023/24 along with budget proposals for 2024/25.

EXECUTIVE SUMMARY

- Similarly, to the General Fund's long-term forecast, a 'live' HRA Business Plan is 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.
- A number of changes have been made to the business plan for 2024/25 onwards that largely reflect increased inflationary pressures. Some of these pressures are also being experienced in 2023/24, with corresponding adjustments set out accordingly.
- Unlike last year where the Government intervened and set a rent increase 'cap', unless the Council hears to the contrary, it is proposed to increase rents in-line with the formula set out by the Regulator for Social Housing which allows rents to increase by up to CPI+1% each year.
- Although Councils can 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 and imbalance it would create as expenditure would be increasing ahead of income increases. Such an impact was experienced when the Government required Councils to reduce rents by 1% over the 4 year period from 2016/17 to 2019/20 that continues to have an impact over the long-term life of the business plan.
- Based on the above, the average weekly rent proposed for 2024/25 is **£100.89** (£93.68 in 2023/24)
- After taking into account the various adjustments set out in **Appendix A** and discussed in more detail later on in this report, there is an estimated budget deficit of **£0.764m in 2023/24** and an estimated surplus of **£0.180m** in 2024/25. In respect of 2023/24, this is **£0.484m** more than the budgeted deficit.
- It is proposed to fund the estimated deficit for 2023/24 by calling money from HRA balances as an alternative to reducing expenditure, which is partly offset by the proposal to transfer the estimated surplus in 2024/25 to the same reserve.
- HRA General Balances are currently estimated to total **£3.572m** at the end of 2024/25

(after taking account of the use of balances highlighted above) that remains available to support the 30 year Business Plan and associated risks to the forecast.

- There will undoubtedly be further changes required to the forecast before the detailed estimates are finalised for reporting to Cabinet in January 2024, which will provide the opportunity to revisit the above proposals accordingly.
- The proposed HRA Capital Programme for 2024/25 reflects the commitment to maintain the necessary investment in the existing tenant's homes.
- HRA debt continues to reduce year on year as principal is repaid with a total debt position at the end of 2024/25 forecast to be **£32.535m**, which also takes into account the refinancing of an historic loan via an internal borrowing approach.
- In addition to requesting comments from the Resources and Services Overview and Scrutiny Committee, it is also proposed to consult with the Tenant's panel during January, with the outcome reported to Cabinet later that month, where the final HRA budget proposals will be considered for recommending onto to Full Council in February 2024.

RECOMMENDATION(S)

That Cabinet:

- a) approves the updated Housing Revenue Account (HRA) 30 year Business Plan, which includes the proposed revised position for 2023/24 along with budget proposals for 2024/25; and**
- b) requests the Resources and Services Overview and Scrutiny Committee's comments on this latest HRA financial forecast.**

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 2023/24 along with the proposed HRA budget for 2024/25 for consultation with the Resources and Services Overview and Scrutiny Committee.

ALTERNATIVE OPTIONS CONSIDERED

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

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

A revised Corporate Plan and Vision was approved by Full Council at its meeting on 28 November 2023. One of the 6 included themes is Pride in our Area and Services to Residents, with a commitment to providing decent housing that everyone deserves.

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

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 business plan / budget, and is carried out early in the year with the budget proposals presented to the Tenant's Panel for discussion / feedback.			
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)	This item has been included within the Forward Plan for a period in excess of 28 days.
<p>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.</p> <p>The self-financing regime for the Housing Revenue Account that came into effect from April 2012 was enabled by the Localism Act 2011.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>			

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 intervened last year, as based on this formula, rents would have increased by amounts in excess of 10% for 2023/24 given the high level of CPI at the time. Therefore to 'protect' existing tenants, whilst balancing the financial impact on Local Authorities, the Government set a rent increase 'cap' of 7% for 2023/24. The Government made it clear that this rent 'cap' would be set for only 2023/24 rather than for any longer period.

To date there has been no further direction provided by the Government so it is assumed that the 'standard' CPI+1% increase remains applicable in 2024/25. As set out elsewhere in this report, the proposed rent increase for 2024/25, is 7.7% based on the level of CPI at September 2023 of 6.7%.

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 2025. 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 Social Housing (Regulation) Act 2023 received royal assent earlier in the year which will see new era of regulation for the social housing sector, with a some of key elements as follows:

Enhanced powers for the Regulator of Social Housing - The Act will facilitate the introduction of proactive consumer regulation by strengthening the RSH, allowing intervention in cases where landlords are performing poorly on consumer issues. This will enable the Regulator to take action to address any shortcomings and protect tenants.

Stronger enforcement powers - The Act establishes stronger enforcement powers for the Regulator to take action including provisions for regular inspections of social housing properties to ensure landlords are providing high-quality services and accommodation. These inspections will help maintain and improve the standard of housing for tenants across the country. The Regulator has the powers to issue unlimited fines as well Personal Improvement plans to those Authorities that fail to meet the new standards.

Tenant empowerment - The Act will establish strict time limits for social landlords to address hazards and empowers social housing tenants to request information from their landlords, promoting transparency and accountability. This will ensure tenants have the right to access crucial information about their homes and can access swift redress where things go wrong.

Standards for Registered Providers - The Act introduces a set of standards for registered housing providers, requiring social housing managers to possess specific qualifications or be

actively working towards gaining them. These standards will help ensure residents receive the best possible service from their housing associations.

Now that the Act has received Royal Assent, the Regulator of Social Housing will consult on revisions to the consumer standards, and the Department of Levelling Up, Housing and Communities (DLUHC) will consult on the measures to take forward the government's social housing reform programme such as Awaab's Law, changes to the Decent Homes Standards and professionalisation of the sector.

These consultations will play a crucial role in shaping the implementation of the Act and in turn the impact on the HRA over the 30 Year Business Plan. The Council is taking a timely, positive and proactive approach to this new era for social housing, which will include working with partners and stakeholders to deliver meaningful actions and deliver expected outcomes.

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 2024/25 reflects the latest / updated forecast position set out in **Appendix A**.

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

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.

It is also necessary to highlight the key elements of the Best Value Duty that is set out within the General Fund Budget report presented earlier in the agenda. These equally apply to the HRA with financial management and sustainability a reoccurring expectation of a well-functioning local authority.

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.

YES	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 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. In terms of an independent view, the Council's previous External Auditor has unfortunately yet to complete their work on the Council's Statement of Accounts for 2020/21 and
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.	2021/22, or started the necessary work on the 2022/23 statements. At the present time it is not known when they will be able to provide their own commentary on the Council's use of resources.
--	---

MILESTONES AND DELIVERY

This reports forms part of the Council's wider budget setting processes and sets out the most up to date HRA Business Plan and proposed budget for 2024/25 for consultation with the Resources and Services Overview and Scrutiny Committee (RSOSC) in January.

Final budget proposals, taking into account the comments of the RSOSC, will be considered by Cabinet at the end of January 2024, which will include their associated recommendations to Full Council.

In February 2024, Full Council will be asked to consider the detailed HRA Budget proposals for 2024/25 as recommended by Cabinet.

ASSOCIATED RISKS AND MITIGATION

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 and new era of social housing regulation mentioned earlier. 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.

The inherent risks associated with the 30 year business plan forecast include:

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

In view of the above, it is important that a sufficient level of balances / reserves is available to support the HRA. HRA General Balances are currently forecast to be **£3.572m** at the end of 2024/25. 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.

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 and changes to the regulatory regime.

EQUALITY IMPLICATIONS

See comments below within the *'Other Relevant Considerations or Implications'* section.

SOCIAL VALUE CONSIDERATIONS	
See comments below within the <i>'Other Relevant Considerations or Implications'</i> section.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
See comments below within the <i>'Other Relevant Considerations or Implications'</i> section.	
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>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>Work undertaken within the HRA and associated capital programme will take into account any opportunities to contribute to this key priority where possible. The on-going stock condition survey work will also support this approach.</p>	
Crime and Disorder	Please see comments above
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

BACKGROUND
<p>The HRA is the Council's landlord account and it is 'ring fenced' for this purpose. Comprehensive rules and requirements surround the HRA such as specific accounting treatment and what items can or cannot be charged to the account. Authorities are required to set a balanced HRA budget each year and agree the level of rents it wishes to charge.</p> <p>From April 2012, the Housing Revenue Account has operated under the self-financing approach introduced as part of the Localism Act 2011, which required the Council to 'buy' itself out of the previous subsidy arrangements via a debt settlement process.</p> <p>From 2016/17, the Government imposed annual rent reductions of 1% each year for a period of 4 years. As mentioned earlier, the Regulator of Social Housing has confirmed rents can be increased by up to CPI+1% per year for a period of 5 years starting from 1 April 2020. The rate of CPI used is the figure for September of the preceding year that the increase will apply to. For 2024/25, the figure for September 2023 was 6.7%.</p> <p>As highlighted within budget reports from previous years and discussed earlier in this report, one area that is important to note as it may have a bearing on the overall financial position of the HRA in future years is the emerging regulatory regime for social housing. This is in addition to the national trend of increases in housing disrepair claims made against local authorities. As highlighted in the delivering priorities section above, the Council has always</p>

been committed to providing good quality housing in terms of both its current stock of housing and in its ambition of building / acquiring new homes for local people. Given the financial issues set out in this report, the balance between the two remains increasingly more challenging in the short term.

The Council remains alert to any changes that may be required in managing its housing stock, which are reflected in the 30 year business plan as necessary, with further commentary set out below.

HOUSING REVENUE ACCOUNT UPDATED BUSINESS PLAN, PROPOSED IN-YEAR BUDGET CHANGES FOR 2023/24 ALONG WITH THE PROPOSED BUDGET FOR 2024/25

The latest iteration of the 30 year HRA Business Plan is set out within **Appendix A**.

Similarly to the General Fund position reported elsewhere on the agenda, a number of issues that will have an impact in 2023/24 will also have an impact in 2024/25 and future years. Columns (3) and (6) of **Appendix A** highlight the changes against the previously reported figures for 2023/24 and 2024/25 respectively. **Appendix A** also includes a RAG risk rating against each line of the forecast.

The table below sets out the changes proposed in 2023/24 and 2024/25 along with additional commentary:

The relevant line of the 30 year Business Plan	Change / Impact in 2023/24	Change / Impact in 2024/25	Comments
Line 1 - Maintenance	Increase of £2,000	Reduction of £234,800	<p>The figure for 2023/24 reflects minor forecasting changes / separate decisions during the year.</p> <p>In respect of 2024/25 there has been an underlying inflationary increase of 10%. However this has been more than offset by a change to recharges that was highlighted in the report to Full Council in February 2023 – please see associated comments further on in this table. It is important to emphasise that this latter change has not reduced the overall ‘spending power’ but simply reflects the</p>

			movement of costs across lines of the budget / business plan.
Lines 2 & 3 - Depreciation and the Revenue Contribution to the Major Repairs Allowance	Increase of £400,000	0	As reported during the year, additional expenditure is being incurred across a number of capital programme elements. Although these are actively being managed within the wider capital programme, it is likely that additional expenditure will be incurred for items such as boiler replacements etc. It is therefore proposed to increase the contribution /use of the Major Repairs Reserve in the short term with the aim of making a corresponding adjustment elsewhere in the capital programme in 2024/25 by way of a reduced use of the same Major Repairs Reserve in that year.
Line 4 - Management Costs	Increase of £254,870	Increase of £335,780	These primarily reflect the increase in employee costs resulting from the recent Officer pay award along with the addition of a number of items (and their on-going impact) that were subject to an earlier separate decision made by the Leader in response to the emerging Social Housing Regulator requirements.
Line 5 - Utilities	Increase of £150,000	Increase of £157,500	The increase to this budget reflects the continuing / relatively

			volatile environment within the energy markets.
Line 10 – HRA Interest Repayments	0	Reduction of £38,040	These changes largely reflect the reduced costs from not refinancing an existing loan of £1.200m via external finance. Further comments are set out later on in this report.
Line 12 - Recharges	Increase of £164,870	Increase of £612,990	The figures include underlying estimated increases in recharges from the General Fund that reflect increased costs such as employee, utility and other expenditure included within the updated forecast. In terms of 2024/25, this also reflects the 'technical' change in recharges that was set out in the report to Full Council in February 2023 that also relates to the maintenance line of the forecast highlighted above.
Total Change / Impact on Expenditure	Increase of £971,740	Increase of £833,431	
Line 13 - Dwelling Rents	0	Increase of £735,880	This reflects a proposed 7.7% increase – further commentary is set out later on in this report.
Line 14 - Service Charges	0	Increase of £11,830	
Line 15 - Garage Rents	0	Increase of £8,330	
Line 16 – Non Dwelling Rents	Increase of £44,890	Increase of £103,800	This primarily reflects the income for the Sunspot units in Jaywick Sands that are accounted for within the

			HRA.
Line 17 - Misc. Income	Increase of £4,290	Increase of £4,290	This minor change reflects the annual rent review across various non- dwelling properties 'held' within the HRA.
Line 18 - Investment Income	Increase of £232,590	Increase of £237,540	Similarly to the General Fund, income from treasury activities is higher than earlier forecasts due to current high interest rates.
Total Change / Impact on Income	Increase of £281,770	Increase of £1,101,670	
Line 20 – Planned Use of Reserves	£205,760	£152,460	These adjustments relate to the separate decisions made by the Leader earlier in the year where the costs are to be met from the HRA General Reserve in the short term with the on-going impact now also reflected in later years of the business plan.
Net Change Impact	Increase of £484,210	Reduction of £420,699	

* Although the table above reflects the changes for 2023/24 and 2024/25, the 30 year Business Plan set out in **Appendix A** reflects the knock-on impact of the above where appropriate along with inflationary uplifts where necessary from 2025/26 onwards along with known changes such as those relating to the repayment of debt and interest charges as they represent fixed costs over the life of the respective loans. The above changes also reflect further accounting entries associated with the operation of the Sunspot in Jaywick sands which are accounted for within the HRA.

Some additional commentary against the major items highlighted (including those with a red RAG rating) within **Appendix A** are set out below.

Line 1 - Maintenance

Similarly to this year, an inflationary uplift of just over 10% has been reflected in the forecast for 2024/25. However there is a risk that additional inflationary / spending pressures may emerge in the short term. This will remain under review over the next stages of the budget cycle and in-year as part of the regular financial performance reports.

Lines 2 and 3 - Depreciation and the Revenue Contribution to the Major Repairs Allowance

This line of the plan represents the capital investment in existing stock that is over and above

the more routine maintenance highlighted above. This therefore includes major items such as replacement kitchens, bathrooms, windows and doors etc.

The risk to this line of the plan is not only inflationary pressures, but also from the new era of social housing regulation highlighted earlier within this report, which will include updated decent homes standards.

Given the current net estimated position for 2024/25, it would not be possible to increase this line of the forecast without putting the budget into a deficit position. This issue will therefore be kept under review as this is unlikely to be a sustainable position in the longer term given the regulatory reforms discussed earlier and on-going inflationary pressures. It may also be necessary to review current maintenance / replacement cycles and frequencies in later years of the forecast to ensure a financial sustainable position can be delivered. Stock condition survey work will continue within the HRA to inform these future investment requirements and the knock-on impact on the business plan.

It is also recognised that there is a continuing need to balance the focus of maintaining the existing stock with the affordability, scale and speed of other activities such as investing in housebuilding / acquisitions.

Line 5 - Utilities

Although at a smaller scale to the issues facing the General Fund, the volatility in energy prices will also impact on HRA budgets. Additional estimated amounts have been included in both 2023/24 and 2024/25, which will be kept under review going forward to enable further action to be taken as necessary during 2024.

Line 13 - Dwelling Rents

Unlike in 2023/24 where the Government intervened and 'capped' the annual rent increases, the forecast currently includes a 'standard' CPI+1% rent increase of 7.7% in 2024/25.

Councils have the ability to set rents at below this level but lower increases in rents will add risk to the future sustainability of the HRA given the 'telescopic' impact over the remaining years of the business plan along with the fact that many HRA expenditure lines of the budget are likely to see increases in-line with CPI or even above. As highlighted last year, this approach also helps the continuation of recovering from the unsustainable 1% reduction in rents over the period 2016/17 to 2019/20 that was imposed by the Government.

Based on the 7.7% increase, this results in an average rent of **£100.89** (an increase from £93.68 in 2023/24). After taking account of other adjustments such as estimated void periods and the level of right to buy sales, this will raise additional income of **£0.736m** compared to the figure originally included in year 13 of the business plan (or **£1.100m** over and above the budget for 2023/24).

In line with the increases above, the figures set out within **Appendix A** also reflect 7.7% increases in service charges and garage rents. This approach reflects the underlying cost of providing the associated services and current inflationary increases to expenditure.

In conclusion, the business plan from 2024/25 onwards continues to react to changes in costs / prices, demands on the service, loan refinancing and other timely changes to the forecast.

The following table sets out a summary of the overall HRA position for 2023/24 and 2024/25 after taking into account the adjustments set out above:

	2023/24 £	2024/25 £
Estimated Expenditure	16,517,530	16,692,630
Estimated Income	(15,547,430)	(16,720,040)
Planned Use of Reserves	(205,760)	(152,460)
Net (Surplus) / Deficit Position	764,340	(179,870)

In terms of 2023/24, it is proposed to meet the above deficit from HRA balances rather than reduce other lines of the budget which could be an alternative approach. Many of the other lines of the forecast are effectively 'fixed' or largely unavoidable, for example the financing of loan repayments, with the only viable option therefore relating to potentially reducing officer capacity or expenditure on tenants homes etc. These options would be a significant risk given the new era of social housing regulation explained earlier. As was the case last year, the use of balances strikes a necessary balance of 'protecting' the investment in tenant's homes whilst recognising the need to use reserves to respond to the on-going financial challenges that the Council continues to face. It is however recognised that this is not a sustainable long-term solution, but it enables the Council to meet its key priorities in the immediate term, which can be revisited as part of the HRA Business Plan in future years.

In terms of 2024/25, it is proposed to contribute the net surplus to HRA balances which partly offsets the proposed use of this reserve in 2023/24.

The forecast will undoubtedly change as part of finalising the budget that will be presented to Cabinet in January 2024, so there may be opportunities to revisit this approach as part of that process.

Based on current projections, the 30 Year Business Plan is still expected to deliver annual surpluses in the medium to longer term to support the on-going financial viability of the HRA in the years ahead.

HRA Capital Programme

Although a more detailed schedule will be included in the report to Cabinet in January as part of finalising the budget for presenting to Full Council in February, it is not proposed to reduce the existing overall level of investment in 2024/25, although it is recognised there may be changes to the timing of when cyclical / planned maintenance is carried out that reflects inherent financial and capacity challenges.

HRA BALANCES / RESERVES

The forecast position for HRA balances at 31 March 2024 and 31 March 2025 will vary over time depending on the outturn positions for 2023/24 and 2024/25 as well as the emergence of other unexpected or unplanned matters that could occur in or across these years.

Based on the updated Business Plan attached, the total HRA reserves are forecast to total **£8.014m** by the end of 2024/25, with the general balances element within this amount being

£3.572m.

The above figures reflect the proposed transfers to and from reserves in 2023/24 and 2024/25 that were set out earlier in this report.

HRA DEBT

The total HRA debt at the end of 2023/24 is estimated to be **£33.949m.**

With forecast repayments of principal along with the proposed refinancing of an historic loan highlighted below, the level of HRA debt at the end of 2024/25 is forecast to be **£32.535m**

With the Government's removal of the HRA debt cap, any future borrowing will need to be considered against the 30 Year Business Plan and underlying prudential code principles.

It is possible to use the Major Repairs Reserve that currently supports the capital programme to pay down historic debt where it is financially advantageous to do so. The total of this reserve is estimated to be **£4.442m** at the end of 2024/25, but a balance needs to be struck between investing in capital projects and tenant's homes and reducing / managing debt repayment costs. Although no adjustments are included within the proposed budget for 2024/25, this option can be revisited in future years of the business plan.

HRA Interest Payments on Debt and Principal Repayments on Debt

Loans taken out to support the self-financing reforms back in 2012 continue to be repaid each year, with individual loans being completely paid off on a five year cycle that reflects the loan structure agreed at the time. This approach results in lower debt and interest payments on an on-going basis over the 30 years of the business plan.

As part of previous business plan reviews it was agreed that more historic debt would be considered in future years, especially as it became repayable. Historic debt was traditionally based on 'interest only' type loans, which were 'replaced' as they matured. With this in mind, an historic loan of **£1.200m** matures in 2024/25. However rather than simply refinance the loan with a further external loan, it is instead proposed to be refinanced via internal borrowing that takes advantage of the current positive cash flow position of the Council, whilst avoiding the current high interest rates at the present time. This therefore reduces net interest costs, which has been reflected in the attached business plan. It is important to highlight that even though the money has been 'borrowed' internally, it is still included within the total outstanding HRA debt, which will need to be repaid at some time in the future either directly via revenue contributions / major repairs allowance or via 'replacement' external loans.

Although no provision has been made to repay the loan off at the present time, the position will be considered in future years along with the other historic HRA loans that were in place before the self-financing reforms to provide a prudent / sustainable approach to managing this debt in the longer term.

The above extends the same approach that was adopted back in 2022/23 where a previous external loan of **£0.800m** was 'refinanced' via internal borrowing rather than via external loan finance.

OTHER HRA RELATED MATTERS

Although there are no underlying / significant issues to raise at this stage of the budget setting

process, it is always acknowledged that the Government may revisit / consider further housing policy changes that could have an impact on the 30 Year HRA Business Plan. Such issues will be considered as they arise and will be reported to members at the earliest opportunity along with the impact of the business plan where necessary.

PREVIOUS RELEVANT DECISIONS

The last iteration of the HRA 30 Year Business Plan was report to Cabinet on 16 December 2022 with further general updates included in subsequent budget reports and regular financial performance reports as follows:

Financial Performance Report 2023/24 – General Update at the end of July 2023 – Item A.5
Cabinet 6 October 2023

Financial Performance Report 2023/24 – General Update at the end of September 2023 –
Item A.3 Cabinet 10 November 2023

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Updated HRA 30 Year Business Plan

REPORT CONTACT OFFICER(S)

Name	Richard Barrett
Job Title	Assistant Director (Finance and IT)
Email/Telephone	rbarrett@tendringdc.gov.uk (01255) 686521

This page is intentionally left blank

HRA 30 Year Business Plan (revised Year 12 to Year 30)

Line	RAG Rating								Medium Term			Longer Term			Totals
		Year 12 Original	Year 12 Revised	Year 12 Change	Year 13 As Last Reported (Dec 22)	Year 13 Revised	Change	Year 14	Year 15	Year 16	Years 17 To 20	Years 21 to 25	Years 26 to 30		
		2023/24 (1) £	2023/24 (2) £	2023/24 (3) £	2024/25 (4) £	2024/25 (5) £	2024/25 (6) £	2025/26 £	2026/27 £	2027/28 £	£	£	£	£	
Expenditure															
1		3,291,150	3,293,150	2,000	3,857,330	3,622,530	(234,800)	3,731,270	3,826,490	3,924,130	16,722,440	23,415,270	26,555,990	85,091,270	
2		2,906,670	2,906,670	0	2,906,670	2,906,670	0	2,906,670	2,906,670	2,906,670	11,626,680	14,533,350	14,533,350	55,226,730	
3		407,570	807,570	400,000	407,570	407,570	0	407,570	407,570	407,570	1,630,280	2,037,850	2,037,850	8,143,830	
4		2,376,130	2,631,000	254,870	2,412,350	2,748,130	335,780	2,800,910	2,853,800	2,907,630	12,193,270	16,640,290	18,934,090	61,709,120	
5		504,860	654,860	150,000	530,100	687,600	157,500	721,980	758,080	795,980	3,602,320	5,613,520	7,164,420	19,998,760	
6		55,440	55,440	0	55,440	55,440	0	55,440	55,440	55,440	221,760	277,200	277,200	1,053,360	
7		130,090	130,090	0	77,830	77,830	0	78,600	79,380	80,170	328,680	429,500	451,190	1,655,440	
8		71,800	71,800	0	75,389	75,390	1	77,650	79,980	82,379	354,982	507,021	587,776	1,836,977	
9		613,630	613,630	0	613,630	613,630	0	613,630	613,630	613,630	2,454,520	3,068,150	3,068,150	11,658,970	
10		1,205,860	1,205,860	0	1,191,570	1,153,530	(38,040)	1,062,330	977,610	919,510	3,380,800	3,660,080	3,252,470	15,612,190	
11		1,414,300	1,414,300	0	1,414,300	1,414,300	0	1,414,300	1,414,300	1,080,970	4,323,880	3,529,850	1,829,850	16,421,750	
12		2,568,290	2,733,160	164,870	2,317,020	2,930,010	612,990	3,042,210	3,143,240	3,241,000	13,929,120	19,810,170	22,907,500	71,736,410	
		15,545,790	16,517,530	971,740	15,859,199	16,692,630	833,431	16,912,560	17,116,190	17,015,079	70,768,732	93,522,251	101,599,836	350,144,807	
Income															
13		(14,288,790)	(14,288,790)	0	(14,653,150)	(15,389,030)	(735,880)	(15,781,450)	(16,183,880)	(16,596,570)	(70,727,680)	(99,040,540)	(112,328,870)	(360,336,810)	
14		(542,490)	(542,490)	0	(572,430)	(584,260)	(11,830)	(600,040)	(616,240)	(632,880)	(2,707,080)	(3,815,860)	(4,359,600)	(13,858,450)	
15		(166,430)	(166,430)	0	(170,920)	(179,250)	(8,330)	(184,090)	(189,060)	(194,160)	(830,480)	(1,170,640)	(1,337,450)	(4,251,560)	
16		(81,570)	(126,460)	(44,890)	(81,570)	(185,370)	(103,800)	(212,575)	(239,780)	(251,065)	(1,021,860)	(1,277,325)	(407,850)	(3,722,285)	
17		(28,620)	(32,910)	(4,290)	(28,620)	(32,910)	(4,290)	(32,910)	(32,910)	(32,910)	(131,640)	(164,550)	(164,550)	(625,290)	
18		(138,260)	(370,850)	(232,590)	(92,180)	(329,720)	(237,540)	(189,070)	(189,070)	(189,070)	(756,280)	(945,350)	(945,350)	(3,914,760)	
19		(19,500)	(19,500)	0	(19,500)	(19,500)	0	(19,500)	(19,500)	(19,500)	(78,000)	(97,500)	(97,500)	(370,500)	
		(15,265,660)	(15,547,430)	(281,770)	(15,618,370)	(16,720,040)	(1,101,670)	(17,019,635)	(17,470,440)	(17,916,155)	(76,253,020)	(106,511,765)	(119,641,170)	(387,079,655)	
20		0	(205,760)	(205,760)	0	(152,460)	(152,460)	(35,860)	(5,920)	0	0	0	0	0	
Surplus (-)/Deficit (+) on HRA Balance		280,130	764,340	484,210	240,829	(179,870)	(420,699)	(142,935)	(360,171)	(901,076)	(5,484,288)	(12,989,514)	(18,041,334)	(36,934,848)	

This adjustments relates to a separate decision earlier the year

This page is intentionally left blank