



CABINET

DATE: Tuesday, 12 March 2024
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

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DATE OF PUBLICATION: MONDAY, 4 MARCH 2024

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 - 6)

To confirm as a correct record and sign the minutes of the last meeting of the Cabinet held on Friday 16 February 2024.

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 referred to the Cabinet by the Council on this occasion.

7 Matters Referred to the Cabinet by a Committee

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

8 Leader of the Council's Items - A.1 - Delivering against the Council's Corporate Plan 2024-28: Final Proposals for Highlight Priorities for 2024-25 (Pages 7 - 24)

The 2024/25 initial proposals for highlight priorities were adopted by Cabinet for consultation purposes in December 2023; this report summarises the responses to that consultation and invites Cabinet to finalise its highlight priorities for 2024/25, giving due consideration to the outcome of the consultation undertaken.

9 Leader of the Council's Items - A.2 - Adoption of a new Communications Strategy (Pages 25 - 44)

To enable Cabinet to consider the adoption of a new Communications Strategy.

10 Cabinet Members' Items - Report of the Corporate Finance & Governance Portfolio Holder - A.3 - Timetable of Meetings: 2024/2025 Municipal Year (Pages 45 - 54)

To enable Cabinet to give consideration to the timetable of meetings for the 2024/2025 Municipal Year.

11 Cabinet Members' Items - Report of the Corporate Finance & Governance Portfolio Holder - A.4 - Annual Capital and Treasury Strategy for 2024/25 (including the Prudential and Treasury indicators) (Pages 55 - 108)

To agree the Annual Capital and Treasury Strategy for 2024/25 (including Prudential and Treasury Indicators) for submission to Council on 19 March 2024.

12 Cabinet Members' Items - Report of the Leisure & Public Realm Portfolio Holder - A.5 - Sport and Activity Draft Strategy for Tendring (Pages 109 - 176)

To present a draft five-year Sport and Activity Strategy for Cabinet approval to invite stakeholder comments, through a public consultation process. Furthermore, to address short term maintenance requirements at the Council's Sports Facilities and ensure continuity of service to customers.

13 Cabinet Members' Items - Report of the Leisure & Public Realm Portfolio Holder - A.6 - Joint Committee Agreement of the North Essex Parking Partnership (Pages 177 - 196)

To inform Cabinet of the current reported financial position of the North Essex Parking Partnership and the options available to Tendring District Council and to also seek authority to service notice to withdraw from the Joint Committee, if required.

14 Management Team Items

There are no items that have been submitted by the Management Team for the Cabinet's determination on this occasion.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Essex Hall - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 19 April 2024.

Information for Visitors

TOWN HALL
FIRE EVACUATION PROCEDURE

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**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 16TH FEBRUARY, 2024 AT 10.30 AM
IN THE COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

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

Group Leaders Present by Standing Invitation: Councillors J D Bray (Leader of the Tendring Residents' Alliance Group), J B Chapman BEM (Leader of the Independents Group) and G V Guglielmi (Leader of the Conservative Group) (except items 83 – 86)

Also Present: None

In Attendance: Ian Davidson (Chief Executive), Lisa Hastings (Assistant Director (Governance) & Monitoring Officer), Damian Williams (Corporate Director (Operations and Delivery)), Lee Heley (Corporate Director (Place & Economy)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Anastasia Simpson (Assistant Director (Partnerships)), Keith Simmons (Head of Democratic Services and Elections & Deputy Monitoring Officer), Ian Ford (Committee Services Manager) and Keith Durrant (Committee Services Officer)

83. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors M Bush (Portfolio Holder for the Environment) and G G I Scott (Leader of the Liberal Democrats Group).

84. MINUTES OF THE LAST MEETING

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

RESOLVED that the minutes of the meeting of the Cabinet, held on Friday 26 January 2024, be approved as a correct record and be signed by the Chairman.

85. DECLARATIONS OF INTEREST

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

86. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

Housing First Conference

The Leader of the Council (Councillor M E Stephenson) and the Housing & Planning Portfolio Holder (Councillor Baker) had, the previous day, attended the Housing First Conference at the University of Essex. The Conference was attended by all North Essex Leaders and Chief Executives and a host of developers, health executives et al. Its purpose was to address the current housing situation and it had been a very good

meeting. The summary document would be coming out to all attendees and he looked forward to sharing that document with cabinet in due course.

Pride of Tending Awards

The Leader reminded Cabinet that that evening the Pride of Tending Awards would be taking place. This event was always a good opportunity to remember all the excellent work that the voluntary sector undertook and especially those 'champions' who had been doing such work for a long time and had made such a commitment to their communities.

Tending Stars Awards

The Leader stated that he had the recent privilege of attending, with other Members, the Tending Stars Awards. Collectively, they had been 'blown away' by the level of commitment shown by TDC staff and especially in the new "Saving Lives" Awards.

87. ANNOUNCEMENTS BY CABINET MEMBERS

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

88. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

89. MATTERS REFERRED TO THE CABINET BY A COMMITTEE

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

90. LEADER OF THE COUNCIL'S ITEMS

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

91. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.1 - ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION

Cabinet considered a report of the Corporate Finance & Governance Portfolio Holder (A.1), which sought its approval of the recommended changes to the Constitution for referral onto Full Council following a review undertaken by the Portfolio Holder for Corporate Finance and Governance through a Working Party constituted for this purpose.

It was reported that the main proposals covered a number of miscellaneous amendments to the Articles of the Constitution, Access to Information Procedure Rules, Overview and Scrutiny Procedure Rules, the Financial Procedure Rules, the Webcasting Protocol, the Members' Referral Scheme for Planning Applications (Planning Code & Protocol), the Members' Allowances Scheme, the Functions and Delegated Powers of Portfolio Holders, Committees and Proper Officers and Officer Employment Procedure Rules, in order to ensure the Council's Constitution remained

effective, efficient and consistent at an operational level. The key changes to each of those documents were highlighted within the body of this Report.

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

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

RESOLVED –

1. That Cabinet **RECOMMENDS TO COUNCIL** that:

- (a) the Council's Constitution be amended to reflect the proposed changes as set out in Appendices A to K and M attached hereto this report;
- (b) Council notes and endorses that a comprehensive review of the Constitution will be undertaken and that it is likely to take place in 2025-2026;
- (c) in accordance with the outcome of consultation with Members, the commencement time of meetings of the Planning Committee should be amended to 5.00 p.m. and that if a Ward Member / referrer for a planning application so requests, the Officers, in consultation with the Chairman of the Committee, should make every effort to list that particular planning application later on in the Planning Committee's agenda; and
- (d) Council notes, welcomes and endorses that the Monitoring Officer, in consultation with the Corporate Finance & Governance Portfolio Holder, intends to exercise her delegated powers and make amendments to the following part of the Council's Constitution:-

Article 10 (Community Consultation and Participation) - Table 2 will be updated.

2. That Cabinet -

- (a) notes that the Leader of the Council will exercise his delegated power (as set out in Schedule 3 (Responsibility for Executive Functions) of Part 3 of the Council's Constitution and specifically principle 1(ii) of Section 3 (General Principles regarding Decision Making by the Cabinet – Part 3.27) to approve the proposed change to the delegated powers of the Corporate Finance & Governance Portfolio Holder, as set out in Appendix L attached hereto this report;
- (b) endorses that a comprehensive review of the Constitution, including its formatting etc. will be undertaken and that it is likely to take place in 2025-2026;
- (c) notes that the Leader of the Council will further investigate whether to recommend, in due course, that the public speaking scheme for the Planning Committee should be amended to include provision for the relevant County Division Member to speak on planning applications before that Committee;

- (d) notes that the Leader of the Council has undertaken to consult the Assistant Director (Partnerships) and the Head of People on the matters raised by the Working Party in relation to the composition of the Human Resources Sub-Committee Panel, which is the body that forms part of the recruitment process for the appointment of Senior Officers (as defined in Paragraph 3 of Part 11 of Schedule 2 of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended)) before deciding whether he wishes to make any recommendations to Cabinet on this matter;
- (e) notes, welcomes and endorses that the Monitoring Officer intends to review the terms of reference and delegated powers of the Human Resources and Council Tax Committee and its sub-committee which would look, in particular, at the relevant Human Resources policies and the model procedures for an Appeals Committee for the dismissal of the statutory and chief officers;
- (f) notes, welcomes and endorses that the Monitoring Officer, in consultation with the Corporate Finance & Governance Portfolio Holder, intends to exercise her delegated powers and make amendments to the following part of the Council's Constitution:-

Article 10 (Community Consultation and Participation) - Table 2 will be updated

- (g) notes, welcomes and endorses that the Monitoring Officer intends to exercise her delegated powers and make amendments to the following parts of the Council's Constitution:-

Article 12 (Officers) – Section 12.01 (b) – Functions and Areas of Responsibility will be updated;

Leisure & Public Realm Portfolio Holder responsibilities - correction of wrong Assistant Director in relation to beaches/beach huts;

Procurement Procedure Rule 1.1 - change reference to "PING" to read "Council's Intranet"; and

Link to Terms of Reference of Committees etc. to be included on the relevant page on TDC website.

92. **CABINET MEMBERS' ITEMS - REPORT OF THE PARTNERSHIPS PORTFOLIO HOLDER - A.2 - DETERMINATION OF A NOMINATION TO REGISTER AN ASSET OF COMMUNITY VALUE: THE LION PUBLIC HOUSE, THE STREET, ARDLEIGH, CO7 7LD**

Cabinet considered a report of the Partnerships Portfolio Holder (A.2), which sought its determination as to whether The Lion Public House met the criteria set out in the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012 following its nomination as an Asset of Community Value by an unincorporated body made up of at least 21 residents from different households that were eligible to vote in the required area. No other criteria were pertinent.

It was reported that a valid nomination to register an asset of community value had been received from an unincorporated body made up of at least 21 residents from different

households that were eligible to vote in the required area, as shown identified in the plan included within Appendix A to the Portfolio Holder's report.

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

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

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

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

RESOLVED that Cabinet agrees that The Lion Public House, The Street, Ardleigh, CO7 7LD does meet the definition of an Asset of Community Value, as set out in Section 88 of the Localism Act 2011, and approves accordingly that the asset be added to the Council's list of Assets of Community Value.

93. MANAGEMENT TEAM ITEMS

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

The Meeting was declared closed at 10.47 am

Chairman

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CABINET

12 MARCH 2024

REPORT OF THE LEADER OF THE COUNCIL

A.1 DELIVERING AGAINST THE COUNCIL'S CORPORATE PLAN 2024-28 – FINAL 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 were adopted by Cabinet for consultation purposes in December 2023; this report summarises the responses to that consultation and invited Cabinet to finalise its highlight priorities for 2024/25, giving due consideration to 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.

Appendix B sets out the final proposed highlight priority actions for 2024/25.

The final proposed highlight priorities for 2024/25 have been reduced following the consultation period. This reflects the engagement undertaken and is to ensure there remains a tight focus

for the Council's activity going forward, considering the totality of the proposed actions and the Council's capacity and resources to deliver against them. Some initial proposed priorities have been removed, or amended, as they are not sufficiently measurable to allow for detailed monitoring and scrutiny; however, this does not mean that activity related to these will not continue.

RECOMMENDATION(S)

It is recommended that:

- a) **Cabinet approves the final highlight priorities for 2024/25, as set out at Appendix B to this report; and**
- b) **Subject to a) above being approved, the Leader of the Council is authorised to agree the specific milestones for reporting against the adopted highlight priority actions for 2024/25.**

REASON(S) FOR THE RECOMMENDATION(S)

Adopting highlight priority actions allows Council activity to remain focused against Our Vision, and provides the framework for the annual performance monitoring system of the Council based on the milestones approved as part of the priority actions.

ALTERNATIVE OPTIONS CONSIDERED

As part of the public consultation, respondents were invited to make alternative suggestions. Details of these are included elsewhere in this report.

Not adopting highlight priority actions is an alternative option; however, this could risk leading to a lack of focus for Council activity, and would mean there would not specific measurable objectives for the Council which can in turn be scrutinised and support transparency around the Council's work.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The 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)

A public consultation was held on the draft proposed Highlight Priority Actions, which was promoted through the local press, on the Council's social media channels, and in emails to stakeholders such as town and parish councils. The results of this are summarised as below; however, caution should be exercised as despite the promotion of the consultation there was a low level of response, which was weighted towards the rural north of the district:

Theme 1 (Pride in Our Area and Services to Residents)

Just over 70% of respondents felt the proposed priorities in this theme reflected the Council's

adopted Corporate Plan ('Our Vision'), and there was broad support for the priorities in this section; additional suggestions made by respondents broadly reflected priorities in other theme areas – such as around supporting environmental initiatives – or outside of this Council's control.

Theme 2 (Raising Aspirations and Creating Opportunities)

There was the same level of support for proposed actions in this theme, both in their reflection of Our Vision, and on the priorities. Feedback included concerns that there was too much of a focus on Clacton and not the rest of the district, particularly Harwich and Dovercourt; the first proposed action relates to the creation of a Town Board, part of a Long Term Deal for Towns government-funded scheme, though the other priorities are district-wide or focused on Harwich and Dovercourt.

Again suggestions for other priorities broadly captured other themes, such as biodiversity or civic pride, or fell outside of the Council's direct control – such as improving and widening the A120 in support of Freeport East, though taking the opportunities from Freeport East is a proposed priority.

Progressing the Tendring Colchester Borders Garden Community was the priority ranked as least important by respondents within this theme.

Theme 3 (Championing Our Local Environment)

In this theme 63% of respondents felt the draft proposed priority actions 'strongly' or 'somewhat' supported Our Vision.

Respondents wanted more detail on the Climate Change Action plan, expressing scepticism on the cost/benefit ratio – while one suggested the proposed action on sport and activity would fit better in a different theme.

Suggestions for alternative priorities within this theme included more electric vehicle charging points, improved cycle infrastructure, and a review of the district's "natural capital" for protection and improvement; the latter is something which to some degree is being picked up through the existing review of the Council's Local Plan.

The draft action to enhance capacity and be tougher on fly-tipping was seen as the least important – receiving no first-choice rankings from respondents – and despite the aforementioned concern about detail, implementing measures from the Council's Climate Action Plan received the most first-choice rankings.

Theme 4 (Working with Partners to Improve Quality of Life)

All respondents felt the proposed actions reflected this Our Vision theme to some extent. Half of respondents did not feel action was required on nuisance vehicles, and some concerns about the need for additional CCTV were raised. The most popular priority was "supporting projects to reduce health inequalities".

Alternative priorities suggested including tackling nuisance parking and speeding; environmental activities; and an action relating to the theme text around volunteering.

Theme 5 (Promoting our heritage offer, attracting visitors and encouraging them to stay longer)

This theme received the least overall support from the respondents, who suggested finding alternatives to the Clacton Airshow. There was support for promoting the district's fixed heritage and the area's museums, and doing more to promote and celebrate the district's natural resources. Another suggestion was to do more to tidy up the area to make it more attractive to visitors, which could be part of the first Our Vision theme (Pride in Our Area).

Fundraising to support heritage activity was deemed the most important priority by respondents overall.

Theme 6 (Financial Sustainability and Openness)

All respondents felt the proposed actions reflected this Our Vision theme to some extent. One respondent felt the review of the Communications and Community Engagement strategies was not necessary.

Suggestions for other priorities included developing opportunities around the district's heritage (which sits under the previous theme); prioritising spending on climate and environment; investment in sustainable opportunities; while one respondent said they felt the Council should focus on their statutory duties as a priority.

Reviewing the Council's Community Engagement Strategy was the penultimate or last priority of all respondents, while conversely "carefully planning the Council's budget" was everyone's first or second choice.

Other suggestions

The consultation survey invited respondents to propose other priorities. These included:

- Public transport
- A local food network to champion local producers
- More of a focus on rural communities

Other consultation activity

A recommendation from the Resources & Services Overview and Scrutiny Committee, following its consideration of the draft highlight priority actions at its meeting on 10 January 2024, was that the stewardship arrangements for the Tendring Colchester Borders Garden Community be a priority.

Stewardship is a key principle of the Garden Community approach and therefore is a priority to the project overall; the timeline for agreement of a stewardship model comes after the adoption of the Development Plan Document, and will be aligned with the first planning application – and therefore will not be in place during 2024/25.

This issue was also raised in the discussion held by the Community Leadership Overview and Scrutiny Committee when it considered the draft highlight priority actions at its meeting on 11 January 2024.

It has therefore not been recommended for inclusion in these highlight priority actions; but will be considered again as part of the process for developing highlight priority actions for 2025/26 under the Our Vision theme of 'Raising Aspirations and Creating Opportunities'.

The Resources & Services Overview and Scrutiny Committee also recommended that activity arising from the implementation of measures from the new Climate Change Action Plan be fully costs and resourced (or planned to be so). The committee, and the Community Leadership Overview and Scrutiny Committee, both recommended that performance against the adopted priorities be closely monitored.

As set out elsewhere in this report, there is a robust performance management process established as part of the highlight priority action monitoring throughout the year; while the specific financial and governance arrangements for each priority action will be subject to separate decisions which will address these recommendations.

During its discussion of the draft highlight priority actions the Community Leadership Overview and Scrutiny Committee provided some suggestions for the measures used for monitoring of performance of some of the highlight priority actions, and areas the specific actions may cover. Overall the committee endorsed the draft highlight priority actions.

Cabinet itself has also undertaken some further development work and assessment of the

priority actions agreed for consultation to ensure that they remain deliverable in totality given the Council's capacity, and that the priorities can be effectively measured and monitored.

The consultation undertaken in 2023 year as part of the development of the Corporate Plan 2024-28 also helped to shape the proposed highlight priorities of the Cabinet.

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)	Although not a Key Decision, notice of the intention for Cabinet at this meeting to consider the outcome of consultation in order to formally adopt its final priority actions was given as part of the resolved recommendations at Cabinet held on 15 December 2023.

The recommended highlight priorities 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 may 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.

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.

Members are expected to provide quality leadership by setting a clearly articulated, achievable and prioritised vision for officers to follow that puts place and local people at its heart. A well-functioning authority is expected to have senior officers with the capacity and capability to provide the authority with effective strategic direction. The Council's corporate plan is expected to be evidence based, current, realistic and enable's the whole organisation's performance to be measured and held to account. Strategic priorities must be aligned with the Council's financial strategy and delivery arrangements, and respond appropriately to local need, including the plans of partners and stakeholders. It is important that to ensure whilst the Council strives forward with continuous improvement corporate capacity or capability exists to prevent failure in its Best Value Duty. If a corporate plan is unrealistic, unaffordable and/or has too many priorities the government in its draft statutory guidance considers these as indicators of potential failure, therefore suitable and robust risk management must be in place.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The highlight priorities set out at Appendix B include to carefully plan the Council's budget and taking appropriate action to respond to liabilities and cost pressures. In considering all matters, it is vital that the balance of resources can be accommodated by this Council and that it does not put further strain on the Council being able to balance its budget each year; the recommendation from the Resources and Services Overview and Scrutiny Committee that any new measures arising from the new Climate Change Action Plan must be fully costed and resourced, or planned to be so, accords with this.

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

Although there are no significant comments over and above those set out elsewhere in the report, it is worth highlighting the relationship between the delivery of priorities and the Council's budget. As set out in the report to Full Council on 13 February 2024, the cost pressures included within the budget to date broadly reflected unavoidable items. There are therefore many potential additional financial demands that have not yet been funded, which included items to support the delivery of the corporate priorities and objectives such as the Highlight Priorities for 2024/25 and beyond.

With the above in mind, and similar to previous years, it is proposed to review these items using a risk based approach, but outside of the annual 'base' budget setting cycle, with any associated decisions subject to separate reports or included within other key financial reports during the year.

The funding to support the above will come from existing one-off budgets, such as the reserve

set aside to invest in the Council's assets, the balance of the 2024/25 new homes bonus along with the favourable outturn variance from 2022/23. These amounts are separate to the money held in the Forecast Risk Fund. Any longer term / on-going financial impacts will be considered as part of the development of the forecast in future years.

USE OF RESOURCES AND VALUE FOR MONEY

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>The 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 end, the proposed highlight priorities outline actions that at this stage appear appropriate to support good resource management.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>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.</p>
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p>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</p>

MILESTONES AND DELIVERY

The Council has worked rapidly to reach this point following the unanimous adoption by Council of the Corporate Plan 2024-28 on 28 November 2023, and adoption of the proposed highlight priorities for 2024/25 on 15 December 2023.

The commencement of the consultation was delayed due to the pre-election protocol coming into effect for the Bluehouse ward by-election, but the overall adoption timeline for the highlight priorities 2024/25 has been maintained by analysis at pace of the engagement responses to inform the final proposals.

Once adopted, work will then begin to formulate the reporting template to enable regular monitoring of progress against the highlight priority actions to both Cabinet and Overview and Scrutiny committees.

ASSOCIATED RISKS AND MITIGATION

The most significant risk associated with this process is that the 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 and funding to deliver those activities and actions in 2024/25. This risk is considerably mitigated by the process of consultation and evaluation of the resource needs associated with each activity and action which has taken place prior to the adoption of the finalised highlight priorities. As indicated earlier, the development of the priorities for delivery will require further decisions and these risks should be identified with appropriate mitigation and solutions proposed for consideration.

EQUALITY IMPLICATIONS

In developing the proposed final 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:

- 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 deliver against the 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; the recommendation from the Resources and Services Overview and Scrutiny Committee that any new measures arising from the new Climate Change Action Plan must be fully costed and resourced, or planned to be so is noted; this would be a requirement of the plan itself, rather than adoption of the Highlight Priority Actions.

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 undertaken 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:

- 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).
- The initial proposals will be subject to consultation; including Overview and Scrutiny Committees.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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 Council is currently at Step 3.

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.
- Considering measures to address nuisance driving/noisy vehicles.
- Reviewing the Council's engagement strategy

2025/26:

- Undertake a Community Governance Review.
- 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.

Following internal and external engagement on the draft highlight priority actions which were agreed for consultation, these have been further refined to produce a focused set of final proposals (set out in Appendix B), to ensure the adopted priorities are deliverable and measurable. Work may well continue on those actions no longer included, but they will be subject to separate internal monitoring and scrutiny.

PREVIOUS RELEVANT DECISIONS

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

Cabinet on 15 December 2023 (Minute 62) – Delivering against the Council's Corporate Plan 2024-28 – Initial Highlight Priorities for 2024/25

Resources and Services Overview and Scrutiny Committee on 10 January 2024 (Minute 36) – Delivering against the Council's Corporate Plan 2024-28 – Initial Proposals For Highlight Priorities for 2024/25

Community Leadership Overview and Scrutiny Committee on 11 January 2024 (Minute 20) – Delivering against the Council's Corporate Plan 2024-28 – Initial Proposals For Highlight

Priorities for 2024/25
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES
Appendix A – Our Vision (adopted Corporate Plan) Appendix B – Final proposed highlight priority actions for 2024/25

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CHAMPIONING OUR LOCAL ENVIRONMENT

PRIDE IN OUR AREA AND SERVICES TO RESIDENTS

WORKING WITH PARTNERS TO IMPROVE QUALITY OF LIFE

Page 19

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

Listening to and delivering for our residents and businesses

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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 support opportunities for new jobs, housing and infrastructure.	B5

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)

Our environment deserves protection.	Action measures from the new Climate Change Action Plan.	C1
We want to create and maintain opportunities for leisure, wellbeing and healthy lifestyles.	Implement the Sports and Activity Strategy for the District.	C2

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 additional encounters with businesses and employers throughout their Education.	D2
	(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 complete enhanced CCTV coverage in public areas.	D4
	(5) Establishing the feasibility for a new wellbeing hub in the District	D5

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
	(1) Host the Clacton Air Show and draw in additional sponsorship funding	E3

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)

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.	F1
	(1) Review its communication strategy.	F2

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.

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CABINET

12 MARCH 2024

REPORT OF THE LEADER OF THE COUNCIL

A.2 ADOPTION OF A NEW COMMUNICATIONS STRATEGY

(Report prepared by Communications Manager Will Lodge)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to consider adoption of a new Communications Strategy.

EXECUTIVE SUMMARY

The Council's Communications Strategy was last updated in April 2021 to run until 2024, with an explicit link to the Council's Corporate Plan.

Now the authority has adopted a new Corporate Plan, it is appropriate to also update the Communications Strategy; this also allows changes to reflect the continued development of communications best practices.

A draft Communications Strategy has been drawn up to reflect those changes. It seeks to renew the alignment of communications with the Corporate Plan, and sets out a vision of key areas of focus for the team and its work over the next four years.

RECOMMENDATION(S)

It is recommended that Cabinet approved the draft Communications Strategy 2024 for adoption with immediate effect.

REASON(S) FOR THE RECOMMENDATION(S)

Having a Communications Strategy gives focus to the work of the Communications Team, and will allow it to prioritise workload appropriately and in accordance with the Corporate Plan.

ALTERNATIVE OPTIONS CONSIDERED

Not adopting a new Communications Strategy; while the team's work would still be guided by the Corporate Plan (as an overall strategic direction for the authority), there would not be a specific focus to guide and develop the Communications function.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Communications Strategy will support work across the Corporate Plan priority themes; but particularly the Financial Sustainability and Openness theme.

Communications also supports the beginning of the Our Vision strapline: “Listening to and delivering for our residents and businesses”.

It is also one of the emerging highlight priority actions for 2024-25, under the theme of Financial Sustainability and Openness.

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 draft Communications Strategy has been developed working closely with the Leader of the Council, who holds the portfolio for Communications, along with internal officer consultation.

In addition, a new or revised Communications Strategy has been included as a proposed Highlight Priority Action for 2024/25, which has been subject to its own public consultation, and consultation with both the Resources and Services and Community Leadership Overview and Scrutiny Committees.

Feedback from the Community Leadership Overview and Scrutiny Committee included consideration within the Strategy of how Tendring District Council differentiates its services from those provided by others; and makes it clear to the public what this authority is and is not responsible for. This suggestion was based on feedback provided during the public consultation held in Autumn 2023 on the draft (now adopted) Corporate Plan.

While this is not explicitly covered within the draft Communications Strategy, this is a key issue which can be addressed through the Strategy; such as in work under the ‘Pride in Our Area and Services to Residents’ theme of Our Vision, balanced with ‘Working with our Partners to Improve Quality of Life. It could even form its own piece of work, developed through the lens of the Communications Strategy.

The consultation on the proposed Highlight Priority Actions – one of which is a review of the Communications Strategy – also found 70% of respondents thought the proposed activities strongly or somewhat supported this theme.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

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

<p>Under Part 6 of the Tendring District Council Constitution, within the Protocol on Member and Officer Relations, Section 7 sets out arrangements for working with the media. This is covered by the Council's Media Protocol, which is developed separately to the Communications Strategy.</p> <p>The draft Communications Strategy does reference the Recommended Code of Practice for Local Authority Publicity, regulations set out by government which govern the work of Communications teams in local authorities.</p> <p>As part of the Local Government Finance Settlement for 2024/25 the Department of Levelling Up, Housing and Communities is asking authorities to produce a Productivity Plan, to cover four main areas including "Opportunities to take advantage of advances in technology"; elements of the draft Communications Strategy could help to support this objective.</p>	
X	<p>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</p>
<p>The Communications Team sits within the Governance Directorate and the Monitoring Officer, who is also the Assistant Director for Governance has been consulted on various stages of the draft Communication Strategy as it has developed.</p>	
<p>FINANCE AND OTHER RESOURCE IMPLICATIONS</p>	
<p>There are no financial implications as part of the Communications Strategy. Some of the vision/targets do include development of communications tools, but these would all be considered and agreed independently through the Council's established processes – including the development of business cases where necessary.</p> <p>The draft strategy is otherwise designed to be implemented using existing staff resources and equipment.</p> <p>Paid-for communications activity is funded by the requesting service or project; the Communications Team budget is largely for staffing costs, along with equipment and software to support the development of communications. The Council has recently invested additional staffing resource into the Communications Team to reflect the increased activity and supporting the Corporate Plan and Emerging Priorities.</p>	
X	<p>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</p>
<p>The Communications Strategy along with the Community Engagement Strategy form an important element of the Council's use of resources activities, with timely and appropriate communication / engagement being necessary as part of the required response to the challenging financial position the Council faces over the coming years.</p>	
<p>USE OF RESOURCES AND VALUE FOR MONEY</p>	
<p>The following are submitted in respect of the indicated use of resources and value for money indicators:</p>	
<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>Use existing resources; this draft strategy is to provide focus and direction for the existing team.</p>

B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The Communications Strategy will be delivered in accordance with existing rules, policies and procedures.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	The 'Measures of Success' section of the draft strategy enables high-level performance management.

MILESTONES AND DELIVERY

The draft Communications Strategy is written for delivery over a four-year period, to align with the new Corporate Plan.

Key milestones are outlined in the 'Measures of Success' section of the draft strategy.

Delivery will be internal, though some specific pieces of work may require internal collaboration; or, if delivering against the 'Working with partners to improve quality of life' theme of the Corporate Plan then in partnership with others.

Capacity and skills are present within the organisation already to deliver against this, with the support of continuous professional development.

ASSOCIATED RISKS AND MITIGATION

Ineffective communications can cause or augment risks to the organisation; both inherent risks – such as reputational risk which can negatively impact the council's ability to leverage partnership working and external funding – and specific operational and project risks.

There is no specific risk by adopting a new Communications Strategy; not adopting one presents a low risk of not meeting best practice and developing the function within the organisation. However, this higher level best practice work would be carried out by the Communications Team as part of its service delivery in any event.

The draft Communications Strategy does set out some areas of focus which would be new to the authority; these may present risks, but the careful and planned development of such work (including the use of research periods, pilot phases, and the organisation's existing project management approach) mitigates those risks.

EQUALITY IMPLICATIONS

In line with the Public Sector Equality Duty, public bodies such as the Council must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race religion or belief, sex, sexual orientation.

Having undertaken an equalities impact assessment, the conclusion is that the proposal does not impact on the protected characteristics.

<p>Effective and accessible communications, as set out in the strategy, can improve equality through ensuring specific groups are appropriately communicated with to enhance and increase levels of engagement between these groups and this organisation.</p> <p>Although a separate document, the Community Engagement Strategy is an important related strategy which the Communications Strategy must align with.</p>	
<p>SOCIAL VALUE CONSIDERATIONS</p>	
<p>The draft Communications Strategy does not directly improve social value considerations; but effective communications will help individual services and projects to do so.</p>	
<p>IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030</p>	
<p>The draft Communications Strategy does not directly help the Council meet its Climate Change Action Plan objectives; but effective communications will help individual services and projects to do so.</p>	
<p>OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS</p>	
<p>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>	
<p>Crime and Disorder</p>	<p>The draft Communications Strategy does not directly relate to crime and disorder considerations; but effective communications will help individual services and projects to do so.</p>
<p>Health Inequalities</p>	<p>The draft Communications Strategy does not directly tackle health inequalities; but effective communications will help individual services and projects to do so.</p>
<p>Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)</p>	<p>N/A</p>
<p>Area or Ward affected</p>	<p>District-wide</p>

PART 3 – SUPPORTING INFORMATION

<p>BACKGROUND</p>
<p>A key finding of the LGA Peer Review held in early 2018 identified that Tendring District Council (TDC) should do more to publicise and celebrate the great work that it does, and this continues to be a focus of the Council's communications work.</p> <p>The current Communications Strategy is due to expire as it aligns with the previous Corporate Plan, and this new draft is designed to renew that alignment with the new Corporate Plan, 'Our Vision'.</p> <p>Communications can support service and project delivery right across the organisation, and therefore help across all of the themes of Our Vision providing a golden thread and narrative</p>

through all of the work carried out.

As set out in the 'Vision for Communications' section, this will be achieved in a number of ways including increases strategic focus for the Communications service and a renewed push for proactivity in its workload.

The draft strategy also sets out some areas for innovation and development, such as utilising new technologies and platforms, and establishing a process for social listening to better capture public feedback.

PREVIOUS RELEVANT DECISIONS

Cabinet, 23 April 2021: Resolved that the draft Communications Strategy 2021 be approved and adopted.

Council, 28 November 2023: Resolved to approve and formally adopt 'Our Vision', the Corporate Plan 2024/28.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

Equality Impact Assessment.

APPENDICES

Appendix A – Draft Communications Strategy 2024

REPORT CONTACT OFFICER(S)

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Communications Strategy



Introduction

Communication is a vital function of Tendring District Council, providing people – residents, businesses and visitors, but also our own staff – with information. That can range from how to access our services, changes in policy, and support transparency and openness about how decisions are made in our democratic institution.

As an organisation, Tendring District Council carries out huge amounts of fantastic work each year to serve and improve the lives of our residents, businesses, and visitors to our area. Some of this work can be very visible: new buildings and facilities, for example. But much of it can slip under the radar, we take it for granted and perhaps only notice it in the rare instances when things go do not go quite right.

I want us to shine a light on this activity; not only to celebrate it and our successes, but on a more basic level to help people understand what we deliver with the money they pay in council tax or business rates. These are core tenets of Our Vision – our Corporate Plan – and why this Communication Strategy is reviewed to align with that that top-level strategic direction of the Council.

With difficult and uncertain times ahead globally, as well as challenging financial times for us as a Council, we must build – earn – trust in what we say from local communities. We must be a trusted authority voice to tackle rising mis- and dis-information (both deliberate and accidental); therefore it is more important than ever that we communicate effectively and efficiently so that we can remain accountable to those we serve and act as community leaders; remembering that our reputation affects not only us as a local authority, but the district as a whole.

Communication is not one-way, and we will endeavour to listen as well as talk to our community.



Councillor Mark Stephenson - Leader of the Council

Vision for Communications

The over-arching vision for communications at Tendring District Council is that it is proactive; externally, sharing information with its audiences before it is requested, and internally that communications is planned in at the beginning of work where possible.

Communications should be innovative, at the forefront of technological and social change – without taking undue risks. There will always be an element of reactive communication, but this should be prepared for as much as possible.

All work of the Communications Team should support the golden thread narrative in Tendring District Council's adopted Corporate Plan. Though this may not always be explicit and direct, for example when considering internal communications, help for operational services, civic activities, or supporting transparency by communicating the work of Council committees, it should be there.

The Corporate Plan – and subsequent annual priorities – will be the determining factor in prioritising the team's focus during periods of peak workload when capacity is reached, while also considering urgent matters and emerging priorities. This is managed through project and activity planning processes adopted during the previous Communications Strategy period.

In order to support this golden thread, more scope will be allowed for strategic planning work, taking a more proactive approach from the Communications service. This does not mean necessarily proactive communications – though this will also continue to be part of the approach – but a move from the Communications team away from solely reacting to other services' communications needs (albeit in a planned way) and beginning to source and develop their own work. This would involve making suggestions to services of how Communications can help, not just in informing audiences, but by being the solution in some cases.

Being on the front foot in this way also extends to reviewing and updating ways in which we can communicate with the public, exploring new channels and opportunities. As always in the fast-paced digital world innovation will be actively encouraged, with the team able to try out new methods – and, where they prove successful, develop a business case for adoption.

This innovation will have a particular focus on assessing and embracing the opportunities provided by Artificial Intelligence (AI), including ensuring it is used in an ethical and safe framework. Within the Communications service this will initially involve testing and using internal tools to improve content and planning creation; but may evolve as the technology does.

In addition to this increased proactive approach, Communications will look to provide inputs into the organisation, not just delivering outputs and outcomes. These inputs will move beyond providing professional advice and expertise, and include feeding back sentiment from the wider public captured from the team's work on social media.

Internal communications will also be a focus, to ensure that staff and Members are all part of the same golden thread. A corporate approach to internal communications will be regularised, with an added focus on improving two-way communications with seldom-heard staff. The recently implemented new intranet provides a potential platform for expansion of internal communications through further phases of development.

Accessibility will continue to be at the centre of communications work, while the service will push for wider adoption of accessible standards – reminding staff that everyone has a role to play in delivering accessibility.

Community engagement is important for Tendring District Council, and while two-way communication should not replace dedicated engagement, it will be a vital pillar to ensure that this engagement is effective. This strategy therefore supports and overlaps with the Council's Community Engagement Strategy – itself due for review under the proposed Highlight Priority Actions for 2024/25 being considered as this strategy is being developed.



Live streaming a Tendring4Growth event



TV interview in Clacton town centre

Who Communicates and How We Communicate

Each and every officer and member of the Council has a responsibility for communication, and to do so effectively, whether that be through everyday conversations, public meetings, letters and emails, or online.

The Communications Team oversees this function by providing advice, guidance and appropriate procedures, to ensure information is exchanged in accordance with this strategy. The team also considers long-term and wider planning of communications, to achieve and manage the overall picture of communications across the whole Council; while individual services retain their own budgets to finance campaigns and communications activity beyond the standard use of our channels and officer time and expertise.

Staff are provided with Customer Service Guidelines, and we also display our Customer Services Standards in our reception and public areas. As society moves increasingly into a digital age our websites, intranet and social media are critical methods of exchanging information, while ensuring anyone not digitally enabled is not excluded. Therefore a close working relationship between the Communications Team, Customer Services Team and the IT Team is essential.

In the ethos of every officer having a responsibility for communication, these tools are not solely owned by the Communications Team.

Internal communication – engaging with our staff and ensuring information flows down, up and across the Council – is also critical so that our organisation acts effectively and as one.

We have a range of channels through which the Council communicates, and people can communicate with us. These include: telephone; face-to-face meetings; our websites; press releases; social media; consultation groups; Council, Cabinet and other Committee meetings and public questions; consultation events and displays; reports and policy documents; staff and member briefings, emails and newsletters; the intranet; and mobile apps.



Who are we Communicating with?

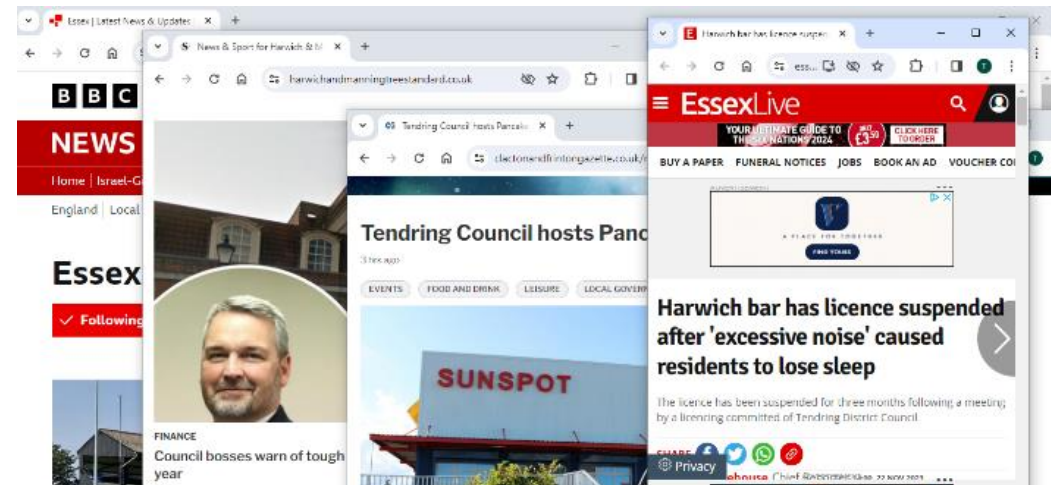
Specific projects will need to reach specific audiences, which will be determined as part of the campaign planning process.

In general terms, though, Tendring District Council has the following audience groups:

- Tendring's public; residents and communities within the district
- Businesses; based in Tendring
- Wider public; such as visitors to our area or potential new businesses
- Partners; we have a number of key partners, such as other public, third and private sector organisations who we do business with on a day-to-day or project basis
- Members; ensuring councillors are also kept informed
- Staff; internal communications are critical to ensure all employees are pulling in the same direction and that they are kept informed about the work taking place across the organisation. This is vital if they are to be effective ambassadors for Tendring District Council and to form good communications interactions with other audiences.



Promoting Special Constable volunteering



Local newspaper titles

Communications and the Corporate Plan

Tendring District Council's adopted Corporate Plan 'Our Vision' (2024-2028) has six areas of focus each containing a number of more specific objectives.

Already the Communications Team supports a vast number of these objectives, directly or indirectly, but in line with the Vision above Communications will now look to deepen that work to uphold and deliver against, the Corporate Plan.

This can be done in a number of ways, such as (but not limited to):

- Promoting clean and tidy communities (**Pride in our area and services to residents**)
- Encouraging responsibility and volunteering opportunities (**Pride in our area and services to residents / Working with partners to improve quality of life**)
- Levelling Up funding, Freeport East, Tendring Colchester Borders Garden Community programme support (**Raising aspirations and creating opportunities**)
- Working closely with the Tourism and Event team (**Promoting our heritage offer, attracting visitors and encouraging them to stay longer**)
- Promoting transparency and publication of decisions and spending, and engagement with residents (**Financial sustainability and openness**)
- Sharing partner campaigns (**Working with partners to improve quality of life**)
- Informing the public on enforcement activity (**Championing our local environment**)
- Continuing to support and possibly lead events for Tendring4Growth (**Raising aspirations and creating opportunities**)
- Critically, Communications can best support the beginning of the Our Vision strapline: "**Listening to and delivering for our residents and businesses**".

Each year planned communications work will be aligned with the Highlight Priority Projects, which are drawn out of the Corporate Plan.

A strong theme in the public consultation held as part of development of Our Vision was the importance of the public engaging with the Council's work; two-way communications can support with this aim.

How Will Communications be Improved?

Over the period of this Communications Strategy, there will be five key focus areas to improve activity:

1. Email and smartphone communications

Building upon and updating the previously developed business case, explore options for increased use of broadcast email to reach audiences. Exploring other social media channels (such as WhatsApp Channels) which will deliver messaging directly to people's smartphones.

2. Adopting AI

Innovate in the use of internal AI tools within the Communications team – and keep abreast of developments in this field to explore further opportunities – while also developing a framework to ensure ethical and legal considerations are adhered to.

3. Internal communications

New methods have begun to be utilised to improve internal communications. These will be explored further, and an overarching approach for internal communications formalised.

4. Social listening

To support the ethos within Our Vision of “listening to residents”, look to capture sentiment around Council services and priorities from communities, particularly within social media; and, crucially, to feed that sentiment into the organisation so we can learn from it.

5. Monitoring and evaluation

Monitoring performance – against outcomes, not just outputs – and evaluating that is vital to ensure the service continues to deliver against its own targets and priorities, as well as those of the wider organisation. While the team does do this currently, it is due for a refresh to ensure it continues to measure and assess the right metrics and report those effectively into senior leadership – as well as agilely within the team. This may support the feedback aspect of the fourth area for improvement (social listening).



How is Success Measured?

Measuring success in communications can be difficult, especially when considering areas such as behaviour change and reputation management – however, that does not lessen the importance of setting specific, measurable objectives. Each communications campaign should have its own specific objectives, aligned to the desired outcomes of the campaign.


This strategy's success must be aligned with its vision and outcomes, and will be measured as below.

- **Establish at least one email newsletter providing news and updates to residents by March 2025.**
This will be dependent upon approval of a business case and appropriate financial and governance processes.
Corporate Plan theme: Financial sustainability and openness
- **Complete a social media audit of all Council channels by the end of 2024.**
Work has already begun on this, but has been paused due to other commitments.
Corporate Plan theme: Cross-cutting all themes
- **Trial the use of WhatsApp Channels, with a trial channel launched by July 2025.**
This is subject to appropriate research and internal process testing.
Corporate Plan theme: Financial sustainability and openness
- **Review and refresh the Council's Branding Guidelines and reinforce their correct use across the organisation by the end of 2025.**
Building upon work completed in the previous Communications Strategy; this does not mean a re-brand of the Council or its logo.
Corporate Plan theme: Financial sustainability and openness
- **Support the development of an ethical framework for the use of AI by the end of 2024; and test AI tools within the Communications service in the following year.**
Work is underway with partners on this framework, which will need cross-organisational support. Internal use of AI tools is intended to support staff with capacity and efficiency.
Corporate Plan theme: Pride in our area and services to residents

- Create an internal communications strategy and/or policy to regularise and formalise current approaches, by the end of 2026.**
 This will help to bolster corporate communication with all staff, and could include a section on the new Intranet.
 Corporate Plan theme: Cross-cutting all themes
- Develop a social listening process, including a feedback loop into the organisation, by June 2026.**
 This may begin in a simple form and be developed over time; for example, with a ‘You Said, We Did’ approach which is an emerging highlight priority.
 Corporate Plan theme: Financial sustainability and openness



Last Year in Communications - 2023

<p><u>FACEBOOK'S TOP THREE ORGANIC POSTS</u></p> <ul style="list-style-type: none"> You don't need to spend Christmas alone - (Dec) Likes: 93 Comments: 13 Shares: 159 Reach: 58.6k Beach Patrol Job Vacancy - (Jan) Likes: 137 Comments: 143 Shares: 189 Reach: 30.8k Parking Charges To Be Introduced At Orwell Place - (Nov) Likes: 82 Comments: 177 Shares: 33 Reach: 26.2k 	<p><u>X'S TOP THREE POSTS</u></p> <ul style="list-style-type: none"> Special Constable Partnership - (Oct) Impressions: 8,934 Engagements: 34 International Women's Day - (Mar) Impressions: 7,062 Engagements: 33 Beach Patrol Training - (May) Impressions: 5,605 Engagements: 103 	
<p><u>FACEBOOK CONTENT</u></p> <p>Facebook has continued to grow as a channel for TDC. Throughout 2023 we reached 290,598 people.</p> <p>Content is key as shown by the year's top post:</p> 	<p><u>SOCIAL MEDIA FOLLOWERS</u></p> <p>Facebook: 9,725 +682 X: 7,832 +44 LinkedIn: 1,597 +513 Instagram: 575 +184</p> <p>Follower numbers increased steadily in 2023 across our channels. Growth on X has slowed due to the ongoing transition of the platform.</p>	<p><u>SOCIAL MEDIA INSIGHTS</u></p> <p>Social media continues to be an important platform for us to reach the wider public; these figures are just for the corporate account and do not factor in others such as leisure centres or the Theatre.</p> <p>Phase two of our social media audit will begin in 2024 to further refine and optimise our channels.</p>
<p><u>TOP ENGAGEMENT TWEET</u></p> <p>Our tweet with most engagement in 2023 was about a flood alert and a flood warning - Nov</p> <p>It received 23.4% engagement rate, 61 engagements, and 261 impressions.</p> 	<p><u>POSTING</u></p> <p>676 posts on our corporate Facebook page. We received 327 conversational messages from the public on our Facebook page and 50 on our X page. 350 tweets on our corporate X page. 204 posts on our corporate Instagram page. 128 all-district posts on our NextDoor page. 142 posts on our LinkedIn page.</p>	
<p>The top tweet and top media tweet are already provided by the Twitter algorithm and these are determined by how many impressions the Tweet received.</p>		

Code of Recommended Practice on Local Authority Publicity

The Code of Recommended Practice on Local Authority Publicity (2011) says that:

“Publicity by local authorities should be: lawful; cost-effective; objective; even-handed; appropriate; have regard to equality and diversity, and be issued with care during periods of heightened sensitivity.”

We will have regard to the Code of Recommended Practice on Local Authority Publicity and all our communication will be free of political bias

As such, we are committed to making all our communications activities:

- **Two-way** - making it easy for people to get in touch with us in ways that suit them.
- **Relevant and appropriate** - 'speaking in the language of our audience', using plain English that people understand. Using the right channel to reach the audience, and putting the right content on each channel.
- **Easily available and easily understood** - in different formats.
- **Consistent** - consistency of messages, tone, style and presentation, with a clear narrative across the range of Council core communications.
- **Honest** - telling it how it is, and not over promise.
- **Accountable** - making it clear who is responsible for decisions taken by the Council.
- **Timely** - responding promptly to enquiries from third parties such as the media, partners and stakeholder groups. We will make sure that communications are up-to-date.
- **Identifiable** - making clear use of branding to show the communication has come from the Council.
- **Efficient** - avoiding unnecessary duplication or contradictory/mixed messages.
- **Planned, but flexible** - ensuring that communication is considered as an integral and early part of service and project planning; while being agile to adapt as situations change and maximising opportunities as they arise.
- **Accessible** - in line with accessibility best practice.
- **Give a Return on Investment** - for services' spending.

Communications must also have regard to other regulations, such as the Code of Corporate Governance and Tendring District Council's Constitution; and local authorities should pay particular regard to the legislation governing publicity during the period of heightened sensitivity before elections and referendums.

The Civil Contingencies Act (2004) also confers a duty on local authorities to 'Warn and Inform' on potential and occurring critical incidents; the Council has a separate Media Plan for such occasions.

Supporting Protocols

This Communications Strategy outlines the overarching approach we plan to take to reach our stakeholders. It is linked to, and supported by, the following guidance and protocols:

- Branding Guidelines
- Media Protocol
- Social Media Policy
- Social Media Guidelines
- Drone Policy
- Community Engagement Strategy
- In addition, this strategy is intended to support the Corporate Plan.

Contacts

If there are any queries regarding the Communications Strategy please contact the Communications Manager communications@tendingdc.gov.uk.

Annex – Previous Strategy

The previous Communications Strategy set out five broad areas of focus to improve communications at Tendring District Council:

- Video content
Over the period of the previous strategy there has been some improvement in generating video content; but there is more work to do to embed this as part of the team process
- Project work
New processes have been put in place both internally within the Communications team and also with engagement across the organisation. This will continue to be refined
- Social media
The Council has expanded the range of social media it uses, including the introduction of corporate Instagram and NextDoor accounts. Work is underway on an audit of existing channels to refine these
- Email and SMS communications
This became downgraded as a priority over the lifespan of the strategy, though email has seen an expanded use in internal communications.
- Internal communications
Some improvements have been made in this area, which can now be built upon and refined.

Although these previous objectives have now been superseded by the new strategy, they will continue to play a role in communications activity as embedded practice.

There is value in reflecting upon the success or otherwise against the measures set-out in the previous (2021) Communications Strategy:

- **By 2024 increase the number of videos created each year by 50% from 2020 figure (baseline: 50).**
In 2023 the service fell behind this target – having been on track in 2022 – largely due to capacity and resource constraints. Video remains an important part of the team’s work and will continue to be developed.
- **Ensure every initiative which goes through the Council’s projects boards has a communications plan.**
The organisation’s approach to project management changed; however, new planning processes set up within the Communications team achieve this target.

- **Grow the number of Facebook followers on Tendring District Council's corporate account to 8,000 by 2024 (baseline: 5,300).**

This was achieved in Q1 2022. At the end of 2023 the figure was 9,725.

- **Increase the number of staff actively posting to the Council's corporate Facebook page by 300% by 2024 (baseline: 5).**

This target was missed, though it was identified early on that the target needed re-aligning as the Council's approach to social media changed and practices introduced during Covid-19 were discontinued.

- **Present a business case for email communications software, and reinforce the Council's Branding Guidelines with regards to email content, by 2024.**

Branding Guidelines were refreshed and reinforced internally, while a business case for email communications software was presented as part of the Transformation Project, but a decision made not to progress it at that time.

- **Work with the IT Team as part of its review of SMS communications software, scheduled for completion by January 2022.**

This workstream was discontinued as other work took a higher priority.

- **Review and improve the TDC's Communications Group and the Intranet, refreshing both by the end of 2021.**

The TDC Communications Group set new Terms of Reference and focus, while a new Intranet was rolled out in Autumn 2023.

CABINET

12 MARCH 2024

REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER

A.3 TIMETABLE OF MEETINGS: 2024/2025 MUNICIPAL YEAR

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to give consideration to the timetable of meetings for the 2024/2025 Municipal Year.

EXECUTIVE SUMMARY

This report will enable Cabinet, as required by the Constitution, to submit for formal approval to the Annual Meeting of the Council a timetable of meetings for the 2024/2025 Municipal Year.

RECOMMENDATIONS

- (a) That the timetable of meetings for the Council and Committees, as set out in the Appendix to this report, be agreed, in principle, and be submitted to the Annual Meeting of the Council for formal approval; and
- (b) that the proposed dates for All Members' Briefings and Councillor Development Sessions be noted.

REASON(S) FOR THE RECOMMENDATION(S)

Having considered the timetable of meetings proposed by the Corporate Finance & Governance Portfolio Holder and in order to enable the timetable of meetings to be submitted to the Annual Meeting of the Council for approval and adoption, in accordance with the Council's Constitution.

ALTERNATIVE OPTIONS CONSIDERED

- (1) Not to approve the timetable of meetings;
- (2) To amend or substitute some or all of the proposed dates.

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 Committee Services Manager, in preparing an initial timetable of meetings for the Portfolio Holder to consider, consulted with senior officer colleagues within the Council.

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:		
<p>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 agree a timetable of ordinary meetings of the Full Council and its Committees rests with the Full Council at its Annual Meeting. This is set down in the Council's Constitution in Council Procedure Rule 1 (Annual Meeting of the Council), specifically Rule 1.1(xii) (Timing and Business). This is confirmed in Council Procedure Rule 3 (Ordinary Meetings) and in Council Procedure Rule 35 (Meetings of Committees), specifically Rule 35.1 (Ordinary Meetings).</p> <p>Schedule 3 (Responsibility for Executive Functions) in Part 3 (Scheme of Delegation) of the Council's Constitution and specifically section 4.2.1 (Overall Responsibilities of the Leader and the Portfolio Holders), sets out that the Portfolio Holder for Corporate Finance & Governance has the overall strategic responsibility for the Council's Democratic Services which, in turn, undertakes corporate administration in relation to timetabling and servicing meetings of the Council, Cabinet and Committees.</p> <p>Article 7 (The Executive) of the Council's Constitution and, specifically, Article 7.08 (Cabinet Procedure Rules) – section 1.1 (Cabinet Meetings), states that the Cabinet will meet at times and at locations to be agreed by the Leader of the Council.</p>			
FINANCE AND OTHER RESOURCE IMPLICATIONS			
Risk			
Providing clarity through a clearly defined timetable of prevents confusion and enhances the Council's overall governance arrangements thereby helping to ensure that the Authority makes informed decisions and properly manages its risks.			
X	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:		
No further comments to make in addition to those set out elsewhere within 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

Preparation of a timetable of meetings for the forthcoming municipal year by the Committee Services Manager, including consultation with senior officer colleagues – late January to early February 2024.

Submission of draft timetable of meetings to the Corporate Finance & Governance Portfolio Holder for their review – February 2024.

Submission of Corporate Finance & Governance Portfolio Holder's recommendations to formal Cabinet meeting – 12 March 2024.

Submission of Cabinet's recommendations to the Annual Meeting of the Council for approval and adoption – 30 April 2024.

ASSOCIATED RISKS AND MITIGATION

Not approving and implementing an agreed timetable of meetings will negatively impact the Council's governance arrangements.

EQUALITY IMPLICATIONS

Under Article 3 (Citizens and the Council) in the Council's Constitution, the public have a right to attend meetings of the Council and its Committees and Sub-Committees except where confidential or exempt information is likely to be disclosed and attend meetings of the Cabinet when key decisions are being considered. The public also have a right to participate by submitting written questions to Full Council meetings and contribute to investigations by the Overview and Scrutiny Committees. The public can also participate at meetings of the Planning Policy & Local Plan Committee, the Planning Committee and the Tendring Colchester Garden Border Community Joint Committee in accordance with the relevant Public Speaking Schemes. At meetings of the Council, its Committees or Cabinet, members of the public must treat Councillors and Officers with respect and courtesy and must not wilfully harm the property of the Council, Councillors or Officers.

Article 2 (Members of the Council) states, inter alia, that Councillors attending meetings will represent their communities and bring their views into the Council's decision-making process, i.e. become an advocate for their communities; effectively represent the interests of their ward and of individual residents; be involved in decision-making for the people of the District as a whole; and contribute to the governance and effective management of the Council's business at meetings of the Council, Cabinet and other Committees and Sub-Committees, maintaining the highest standards of conduct and ethics.

Article 5 (Chairing the Council and Committees) states, inter alia, that Chairmen will preside over meetings so that its business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community; and ensure that the meeting is a forum for

debate of matters of concern to the local community.	
SOCIAL VALUE CONSIDERATIONS	
None	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
The encouragement of Members to opt out of the default position of receiving printed copies of the summons of a meeting (with agendas and reports) and reverting to solely receiving summons via electronic notifications from May 2023 was consistent with the Council's policy of its operations becoming carbon neutral by 2030.	
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
<p>In accordance with the Constitution a draft timetable of meetings has been prepared and approved and is set out as an Appendix to this report.</p> <p>The meetings of the Full Council, the Community Leadership Overview and Scrutiny Committee, the Human Resources and Council Tax Committee and the Resources and Services Overview and Scrutiny Committee will normally commence at 7.30 p.m.</p> <p>Meetings of the Licensing and Registration Committee will normally commence at 6.30 p.m.</p> <p>Meetings of the Planning Policy and Local Plan Committee and the Tendring Colchester Border Garden Community Joint Committee will normally commence at 6.00 p.m.</p> <p>Meetings of the Planning Committee have been provisionally scheduled with a 5.00 p.m. commencement time pending Full Council's formal decision at its meeting on 19 March 2024 on the Planning Committee's request (which was formally supported by Cabinet at its meeting on 16 February 2024) to amend its start time from 6.00 p.m. to 5.00 p.m.</p> <p>Meetings of the Licensing & Registration Committee and the Tendring Colchester Border Garden Community Joint Committee will be arranged as and when required.</p> <p>Meetings of the Standards Committee will normally commence at 10.00 a.m.</p> <p>Meetings of the Audit Committee will normally commence at 10.30 a.m.</p> <p>Cabinet meetings are fixed by the Leader of the Council in accordance with Article 7.08 Cabinet Procedures Rule sub-section 1.1 of the Council's Constitution and therefore the scheduling et cetera may change. The public meetings of the Cabinet listed will normally commence at 10.30 a.m.</p>

The timetable does not show meetings of the Sub-Committees, which are arranged either at meetings of the relevant Sub-Committee or from time to time when required.

Dates for All Members' Briefings and Councillor Development Sessions have been included in order to assist Members in keeping their diaries up-to-date. These will be held either in person or online via Microsoft Teams.

For the same reason the dates of known Portfolio Holder Working Party meetings in 2024 have also been included.

Wednesday evenings are avoided, wherever possible, for meetings of Committees et cetera as the Princes Theatre is used in term time for the Princes Theatre Youth Group and it is felt that to have a publicly accessible meeting on the same night will raise significant safeguarding issues. In addition, Monday evenings have been avoided, wherever possible, to avoid clashing with meetings of the Arts & Literature Society in the Princes Theatre for similar reasons.

Venues for Meetings of the Council, Cabinet and Committees Etc.

Meetings of the full Council will normally be held in the Princes Theatre in the Town Hall, Clacton-on-Sea.

Meetings of the Cabinet and Committees will normally be held in the Committee Room in the Town Hall.

PREVIOUS RELEVANT DECISIONS

None

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Proposed Timetable of Council and Committee Meetings for the 2024/25 Municipal Year.

REPORT CONTACT OFFICER(S)

Name	Ian Ford
Job Title	Committee Services Manager
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A.3 APPENDIX

TIMETABLE OF MEETINGS – 2024/2025 MUNICIPAL YEAR (& PART WAY BEYOND)

2024

Body	Time	Day	Date	Notes
ANNUAL COUNCIL (Already agreed)	7.30 p.m.	Tuesday	30 April	
Planning Committee	5.00 p.m.	Tuesday	14 May	Note 8
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	15 May	
Cabinet	10.30 a.m.	Friday	17 May	
Freeport East Portfolio Holder Working Party	4.00 p.m.	Monday	20 May	
COUNCIL	7.30 p.m.	Tuesday	21 May	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	22 May	
Planning Committee	5.00 p.m.	Tuesday	11 June	
Levelling Up Fund & Capital Regeneration Projects Portfolio Holder Working Party	2.00 p.m.	Monday	17 June	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	18 June	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	19 June	
Cabinet	10.30 a.m.	Friday	21 June	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	26 June	
Audit Committee	10.30 a.m.	Thursday	27 June	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	2 July	
Planning Committee	5.00 p.m.	Tuesday	9 July	
Standards Committee	10.00 a.m.	Wednesday	10 July	
Human Resources & Council Tax Committee	7.30 p.m.	Thursday	11 July	
COUNCIL	7.30 p.m.	Tuesday	16 July	
Cabinet	10.30 a.m.	Friday	19 July	
Planning Policy & Local Plan Committee	6.00 p.m.	Tuesday	23 July	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	24 July	
Freeport East Portfolio Holder Working Party	4.00 p.m.	Monday	29 July	
Planning Committee	5.00 p.m.	Tuesday	6 August	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	21 August	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	28 August	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	3 September	
Levelling Up Fund & Capital Regeneration Projects Portfolio Holder Working Party	2.00 p.m.	Thursday	5 September	
Planning Committee	5.00 p.m.	Tuesday	10 September	
COUNCIL	7.30 p.m.	Tuesday	17 September	
Cabinet	10.30 a.m.	Friday	20 September	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	25 September	
Audit Committee	10.30 a.m.	Thursday	26 September	
Freeport East Portfolio Holder Working Party	4.00 p.m.	Monday	30 September	
Planning Committee	5.00 p.m.	Tuesday	8 October	
Standards Committee	10.00 a.m.	Wednesday	9 October	
Planning Policy & Local Plan Committee	6.00 p.m.	Thursday	10 October	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	15 October	
Human Resources & Council Tax Committee	7.30 p.m.	Thursday	17 October	
Cabinet	10.30 a.m.	Friday	18 October	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	23 October	
Planning Committee	5.00 p.m.	Tuesday	5 November	
Levelling Up Fund & Capital Regeneration Projects Portfolio Holder Working Party	2.00 p.m.	Thursday	7 November	
Cabinet	10.30 a.m.	Friday	15 November	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	20 November	
COUNCIL	7.30 p.m.	Tuesday	26 November	

A.3 APPENDIX

COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	27 November	
Freeport East Portfolio Holder Working Party	4.00 p.m.	Monday	2 December	
Planning Committee	5.00 p.m.	Tuesday	3 December	
Planning Policy & Local Plan Committee	6.00 p.m.	Tuesday	10 December	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	17 December	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	18 December	
Cabinet	10.30 a.m.	Friday	20 December	

2025

Resources and Services Overview & Scrutiny Committee (INFORMAL)	7.30 p.m.	Monday	6 January	Note 1
Planning Committee	5.00 p.m.	Tuesday	7 January	
Community Leadership Overview & Scrutiny Committee (INFORMAL)	7.30 p.m.	Wednesday	8 January	Note 1
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Monday	13 January	Note 2
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	14 January	Note 2
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	15 January	
COUNCIL	7.30 p.m.	Tuesday	21 January	

COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	22 January	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	28 January	
Audit Committee	10.30 a.m.	Thursday	30 January	
Cabinet	10.30 a.m.	Friday	31 January	Note 3
Planning Committee	5.00 p.m.	Tuesday	4 February	
Standards Committee	10.00 a.m.	Wednesday	5 February	
COUNCIL (Budget & Council Tax setting)	7.30 p.m.	Tuesday	11 February	Note 4
Cabinet (PROVISIONAL)	10.30 a.m.	Wednesday	19 February	Note 5
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	19 February	
Cabinet	10.30 a.m.	Friday	21 February	
Human Resources & Council Tax Committee	7.30 p.m.	Monday	24 February	Note 6
Planning Policy & Local Plan Committee	6.00 p.m.	Wednesday	26 February	
COUNCIL (PROVISIONAL)	7.30 p.m.	Thursday	27 February	Note 7

Planning Committee	5.00 p.m.	Tuesday	4 March	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	11 March	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	12 March	
Cabinet	10.30 a.m.	Friday	14 March	
COUNCIL	7.30 p.m.	Tuesday	25 March	

ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	26 March	
Audit Committee	10.30 a.m.	Thursday	27 March	
Planning Committee	5.00 p.m.	Tuesday	1 April	
Planning Policy & Local Plan Committee	6.00 p.m.	Tuesday	8 April	
Standards Committee	10.00 a.m.	Wednesday	9 April	
Cabinet	10.30 a.m.	Friday	11 April	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	15 April	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	16 April	
ANNUAL MEETING OF THE COUNCIL	7.30 p.m.	Tuesday	29 April	

A.3 APPENDIX

2025/2026 MUNICIPAL YEAR

(Provisional dates for early cycles of meetings in 2025/2026 – for information only, subject to change)

Body	Time	Day	Date	Notes
Cabinet	10.30 a.m.	Friday	9 May	
Planning Committee	5.00 p.m.	Tuesday	13 May	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	14 May	
COUNCIL	7.30 p.m.	Tuesday	20 May	

ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	21 May	
Cabinet	10.30 a.m.	Friday	6 June	
Planning Committee	5.00 p.m.	Tuesday	10 June	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	17 June	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	18 June	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	25 June	
Audit Committee	10.30 a.m.	Thursday	26 June	
Community Leadership Overview & Scrutiny Committee	7.30 p.m.	Tuesday	1 July	

Cabinet	10.30 a.m.	Friday	4 July	
Planning Committee	5.00 p.m.	Tuesday	8 July	
Standards Committee	10.00 a.m.	Wednesday	9 July	
Human Resources & Council Tax Committee	7.30 p.m.	Thursday	10 July	
COUNCIL	7.30 p.m.	Tuesday	15 July	

ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	23 July	
Cabinet	10.30 a.m.	Friday	1 August	
Planning Committee	5.00 p.m.	Tuesday	5 August	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	20 August	
COUNCILLOR DEVELOPMENT SESSION	6.00 p.m.	Wednesday	27 August	
Planning Committee	5.00 p.m.	Tuesday	2 September	
Resources and Services Overview & Scrutiny Committee	7.30 p.m.	Tuesday	9 September	
COUNCIL	7.30 p.m.	Tuesday	16 September	
ALL MEMBERS' BRIEFING	6.00 p.m.	Wednesday	24 September	
Audit Committee	10.30 a.m.	Thursday	25 September	
Cabinet	10.30 a.m.	Friday	26 September	

Notes

1. Informal Meeting arranged to allow the Overview & Scrutiny Committee to conduct pre-scrutiny on the Cabinet's Financial Forecast and initial budget and special expenses proposals.
2. Extra Meetings arranged to allow the Overview & Scrutiny Committees to consider and then formally comment on the Cabinet's Financial Forecast and initial budget and special expenses proposals. Also, to allow the Committees to discuss those proposals with Portfolio Holders.

A.3 APPENDIX

Portfolio Holders are requested to reserve these dates in their diaries in the likelihood that the meeting will take place.

3. At this meeting Cabinet will approve its final proposals in relation to the Council's Budget and Council Tax precept for 2024/25 for submission to Full Council.
4. Meeting of the Council to approve the Cabinet's budget proposals and set the Council Tax for Tendring District Council but excluding County, Fire and Police Council Tax calculations.
5. Provisional extra meeting of the Cabinet arranged in order to allow the Cabinet to meet and consider the Council's objections/amendments to the Budget (which may arise following the Council meeting referred to in note 7 above.)
6. Meeting to formally confirm the County, Fire and Police precepts on the Council's Collection Fund and for each Council Tax band in the parished and unparished areas of the District.
7. Provisional extra meeting of the Council arranged in order to allow the Council to meet and consider the Cabinet's revised budget proposals or the Cabinet's disagreement with the Council's budget objections (which may arise following the meetings referred to in notes 4 and 5 above.)
8. The start time for this meeting and all subsequent meetings of the Planning Committee in 2024/25 and beyond is subject to confirmation by Full Council at its meeting due to be held on 19 March 2024.

CABINET

12 MARCH 2024

A.4 ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2024/25 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To agree the Annual Capital and Treasury Strategy for 2024/25 (including Prudential And Treasury Indicators) for submission to Council on 19 March 2024.

EXECUTIVE SUMMARY

- The Local Government Act 2003 and supporting regulations require the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both documents were issued in December 2021, which come into force in 2023/24.
- The Capital Strategy continues to be combined with the Treasury Strategy into one document, which is required to be updated / approved annually.
- The Annual Capital and Treasury Strategy for 2024/25, including Prudential and Treasury Indicators, was approved by the Finance and Governance Portfolio Holder on 26 February 2024 for consultation with the Resources and Services Overview and Scrutiny Committee.
- The Resources and Services Overview and Scrutiny Committee are due to consider the Strategy at its meeting on 5 March 2024. Their comments will be presented separately.
- The proposed Annual Capital and Treasury Strategy for 2024/25 is set out in **Appendix A**. *(For completeness, **Appendix A** also includes the report considered by the Finance and Governance Portfolio Holder that was considered when approving the strategy on 26 February 2024 for consultation with the Resources and Services Overview and Scrutiny Committee).*
- The Capital Strategy element of the combined document covers the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.
- The Treasury Strategy element of the combined document covers the various elements that satisfy the requirements of the various codes that govern the borrowing and investment activities of the Council and has been prepared in the light of advice received from the Council's Treasury advisors and reflects the latest codes and guidance.

- Prudential and Treasury indicators are included as an Annexe to the combined strategy and are therefore included within **Appendix A**.
- Under the Prudential Code the Council has freedom over capital expenditure as long as it is prudent, affordable and sustainable. The Prudential Indicators either measure the expected activity or introduce limits upon the activity and reflect the underlying capital appraisal systems and enable the Council to demonstrate that it is complying with the requirements of the Prudential Code.
- The Council's investments will be undertaken in accordance with its Treasury Management Practices.
- It is worth highlighting the new requirements introduced by the Levelling Up and Regeneration Act 2023 that relate to 'trigger points' and risk thresholds, which if breached would see the Government provide risk mitigation directions to Local Authorities. These are set out in more detail within the attached report that was considered by the Portfolio Holder for Finance and Governance on 26 February 2024.

RECOMMENDATION(S)

That Cabinet:

- Notes the report of the Portfolio Holder for Finance and Governance attached; and**
- subject to a) above, agrees that the Annual Capital and Treasury Strategy for 2024/25 (including Prudential and Treasury Indicators) attached within Appendix A be submitted to Council for approval.**

REASON(S) FOR THE RECOMMENDATION(S)

To support the process of ensuring that a Capital and Treasury Strategy for 2024/25 is approved by Full Council before 1 April 2024.

ALTERNATIVE OPTIONS CONSIDERED

Not applicable given the requirements set out elsewhere in this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The adoption of the Capital and Annual Treasury Strategy for 2024/25 will ensure that the Council's Investment and Treasury Management activities are carried out and managed in accordance with best practice, thereby safeguarding money held by the Council and making an appropriate contribution to the Council's overall financial position.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The Strategy is planned to be considered by the Resources and Services Overview and Scrutiny Committee at their meeting on 5 March 2024.

LEGAL REQUIREMENTS (including legislation & constitutional powers)			
Is the recommendation a Key Decision (see the criteria stated here)	Yes	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days.
<p>The Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 include the requirement for local authorities to have regard to CIPFA guidance. By adopting / approving an Annual Treasury Strategy and a Capital Strategy based on the requirements of the relevant and updated codes, the Council is complying with the regulations.</p> <p>S78 of the Levelling Up and Regeneration Act 2023 inserted new sections 12A to 12D into the Local Government Act 2003, which came into force on 31st January 2024. These new sections cover capital finance risk management and include risk mitigation directions, risk thresholds, restrictions of power to give risk-mitigation directions and a duty to cooperate with independent expert. These changes essentially seek to respond to the financial crisis that some local Authorities have found themselves in over the last year or two. A summary of each section is set out in the attached report that was considered by the Portfolio Holder for Finance and Governance as part of their associated decision on 26 February 2024.</p> <p>As set out in para 4.3 Part 3.37 of the Constitution, the Portfolio Holder for Finance and Governance has delegated authority to agree the Capital and Treasury Strategy for consultation with the Resources and Services Overview and Scrutiny Committee.</p>			
YES	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:		
<p>Since last year's Capital and Treasury Strategy was agreed by Full Council in March 2023, the Best Value Inspection of Thurrock Council has been published, which included some significant learning points that are worth reviewing in light of this Council's own strategy and governance arrangements. Those significant points included the following:</p> <ul style="list-style-type: none"> • The positioning of their Investment Strategy at the heart of their strategy to tackle significant funding pressures - there was clearly some confusion within the Council as to the clarity and purpose of the strategy. • A significant level of delegation was given to their Section 151 Officer to place investments in 'business' type investments such as solar farms etc. at a scale that the review described as 'extraordinary'. The delegation was also made without consideration of the experience and skills that would be needed - experience and skills that did not exist within their Council. • Lack of managerial / political oversight and limited or no reporting of the performance of 			

the investment programme to their Management Team or Cabinet.

- Internal checks were weak or wholly absent.
- The level of risk associated with their investment programme was never properly identified or made explicit within strategic risk reports and there was no focus from their internal audit function.
- Lack of transparency e.g. where members did request information it was denied internally and only minimal / high level information was provided within other reports etc. with no explanatory information. External challenge and criticism was readily dismissed and downplayed within the Council.
- The Council had not set a clear and consistent strategic direction. Their Cabinet avoided difficult choices on the prioritisation of resources. In years when budget savings had to be identified, Cabinet members rejected all savings options, leaving it to officers to develop plans to achieve a balanced budget.

The above places significant importance on the capital and treasury plans of local authorities which for Tendring District Council are encapsulated within the Annual Capital and Treasury Strategy and Treasury Management Practices. These two documents set out the governance framework in which capital spend, borrowing and investments are made. Clear roles and responsibilities are set out in the strategy and it is important to highlight that there is no delegation to any single Officer, such as the Section 151 Officer to undertake any investments outside of the more 'traditional' money market activities such as lending to other Local Authorities and depositing money in banks and building societies. In terms of these latter investments, the parameters in which the Section 151 Officer can make such investments are set out within the documents referred to above and include a number of criteria such as overall lending / borrowing limits and minimal credit ratings etc.

Treasury performance is reported during the year by way of an outturn report for the preceding year along with quarterly updates during the year, which includes a more detailed half yearly update in September / October.

Any decision to invest in 'non-traditional' money market activities or to undertake any borrowing activities would be subject to separate reports to Cabinet / Council as necessary, which would set out various issues such as risks and resource implications including the level of skill and expertise to manage any associated investments.

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 to "*make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness*". Best Value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management. Failure to deliver best value can occur within any aspect of governance, delivery of services or financial management. Unlawful or excessively risky borrowing and investment practices with no adequate risk management strategy in place for financial losses is an indicator of potential failure under the Use of Resources definition for a Best Value authority, within the Government's draft statutory guidance on Best Value Standards and Intervention, issued in 2023.

Members need to be satisfied with the governance arrangements set out within the strategy, which can be supported via training etc. as necessary.

The Council does employ external treasury management advice and to date they have not

raised any concerns / issues with the Council's borrowing / investment activities. Early in 2024/25, the Council should be receiving the new External Auditor's Value for Money commentary which should also provide additional assurances to members. Access to both of these parties can be made directly and not via any one Officer such as the Section 151 Officer, which also supports the transparency / independent view of the various treasury activities undertaken by the Council.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Treasury and Capital Management Strategies and procedures will ensure that the Council's investments and borrowing will be undertaken in such a way as to minimise the Council's exposure to risk. At the same time, they will seek to maximise income from investments and minimise the costs of borrowing within the Council's accepted level of risk.

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

The S151 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 and appendices where relevant.
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 has been highlighted elsewhere within this report.

ASSOCIATED RISKS AND MITIGATION

The placing of investments involves a number of risks. These risks and how the Council will manage them are set out in the Council's Treasury Management Practices.

As highlighted elsewhere within the attached, investments are undertaken within an overall risk-averse approach, which is reflected in Treasury Management Practices. With this in mind, a significant level of investment is undertaken with other Local Authorities and with the Government.

As with recent examples, money lent to other Local Authorities is not at risk of not being repaid, as ultimately the Government would take the necessary steps to ensure liabilities are met as part of any intervention. The risk of lending money to another Local Authority is therefore not the same as lending money to a commercial / private organisation, which is one of the reasons why Councils lending to other Councils is common practice nationally.

As part of the mid-year treasury management review that Cabinet considered in November 2023, an update on the money lent to Birmingham City Council was set out in the context of

their S151 Officer issuing a S114 report. At the time it was reported that the Council had lent them **£6.000m** in total, with **£4.000m** due to be repaid in February 2024 and the balance of **£2.000m** repayable in June 2024. In terms of providing a further update to the information set out within the attached, the **£4.000m** due to repaid in February has now been received and there are no further changes that impact on the underlying low risk associated with the outstanding **£2.000m** loan repayment.

When undertaking lending to other Local Authorities, the Council continues to apply as much 'market intelligence' as possible, which would include any adverse reporting in the markets, the media, the risk of S114 reports being issued along with information from our own External Treasury Advisors. The new measures and metrics that have been introduced via the Levelling Up and Regeneration Act 2023 as set out earlier along with any potential indicators introduced by OFLOG will also likely be additional 'tools' that can be used to complement information already applied in managing the Council's day to day treasury management activities. This will be considered as part of developing the strategy in future years.

As reported previously, the investment property in Clacton is performing satisfactorily against the financial target set out within the original decision to purchase the property, with budgeted investment income continuing to be achieved each year. It is important to highlight that the rental payments can be seen as paying back the original investment made in purchasing the property. The budget for 2024/25 that was agreed by Full Council on 13 February 2024 includes an adjustment to reflect the potential for rental income to reduce once the current lease held by the existing tenant expires.

Within the above context, the overall performance of the investment therefore needs to take into account such considerations over the life of the Council's ownership of the property rather any shorter term position in isolation. It is also important to highlight that the latest valuation of the property set out in **Appendix A**, is an 'accounting' valuation and not a direct value that would be achieved on the market if it was sold.

It is also worth highlighting that the Council's Commercial Property Investment Policy is underpinned by robust risk management actions, which will respond to any changes to the situation. With the latter point in mind and as set out within the Commercial Property Investment Policy, the Council's wider treasury management activities are designed to ensure that the Council is not faced with a position of having to sell the property for cash flow purposes. This in turn ensures that the Council remains in control of when the property is ever exposed to the market rather than potentially having to sell the property during a period where there may be a downturn in commercial property prices.

EQUALITY IMPLICATIONS

There are no direct implications.

SOCIAL VALUE CONSIDERATIONS

There are no direct implications.

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

There are 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	Please see comments above
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The Annual Capital and Treasury Strategy for 2024/25 is set out in **Appendix A** and is based on the most up to date Treasury Management Code of Practice and the revised Prudential Code, both of which were published by CIPFA in December 2021.

Also attached is the covering report considered by the Portfolio Holder for Finance and Governance as part of their associated decision on 26 February 2024, which sets out additional important details / points and includes the following:

- Changes to the code last year, which continue to be reflected in the proposed Strategy for 2024/25;
- There have been no major changes required to the Strategy for 2024/25, with only timely updates required along with the introduction of new technical accounting adjustments relating to assets that the Council leases in. The changes required are shaded in grey and are in italic font within **Appendix A**.
- By approving the Annual Capital and Treasury Strategy for 2024/25, the Council will be adopting the latest CIPFA Code of Practice for Treasury Management in the Public Services. (the '2021 code').
- The need to borrow money may arise in future years to reflect the Council's current commitments, corporate priorities and strategies. If the need / option to borrow money was identified, then it would form part of associated and separate decision-making process and would be considered within the overall Treasury Strategy framework.
- The Council maintains a very low risk appetite approach to its treasury activities. However, set against this context, officers will still continue to explore opportunities to maximise investment returns in 2024/25.
- Draft Prudential Indicators are set out in **Annex 1 to Part 2** of the Capital and Treasury Strategy. **Annex 2 to Part 2** of the Treasury Strategy sets out the specified and Non-Specified investments the Council may use in 2024/25.

PREVIOUS RELEVANT DECISIONS

The previous Capital and Treasury Strategy for 2023/24 was agreed by Full Council at its meeting on 2 March 2023.

Treasury Management Performance 2022/23 was reported to Cabinet at its 21 July 2023 meeting.

A mid-year Treasury Performance review was presented to Cabinet at its 10 November 2023 meeting.

On 26 February 2024, the Portfolio Holder for Finance and Governance agreed the Annual Capital and Treasury Strategy 2024/25 for consultation with the Resources and Overview Scrutiny Committee on 5 March 2024.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Annual Capital and Treasury Strategy for 2024/25 (*including Prudential and Treasury Indicators and the covering report considered by the Finance and Governance Portfolio Holder on 26 February 2024*)

REPORT CONTACT OFFICER(S)

Name	Richard Barrett
Job Title	Assistant Director Finance and IT
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FINANCE AND GOVERNANCE PORTFOLIO HOLDER

26 FEBRUARY 2024

A.4 ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2024/25 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek the agreement of the Portfolio Holder for Finance and Governance to the Annual Capital and Treasury Strategy for 2024/25 (including the Prudential and Treasury indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.

EXECUTIVE SUMMARY

- The Local Government Act 2003 and supporting regulations require the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both documents were issued in December 2021, which come into force in 2023/24.
- The Capital Strategy continues to be combined with the Treasury Strategy into one document, which is required to be updated / approved annually.
- The proposed Annual Capital and Treasury Strategy for 2024/25 is set out in **Appendix A** and it continues to reflect the various changes set out in the latest Codes mentioned above.
- The Capital Strategy element of the combined document covers the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.
- The Treasury Strategy element of the combined document covers the various elements that satisfy the requirements of the various codes that govern the borrowing and investment activities of the Council and has been prepared in the light of advice received from the Council's Treasury advisors and reflects the latest codes and guidance.
- Prudential and Treasury indicators are included as an Annexe to the combined strategy and are therefore included within **Appendix A**.
- Under the Prudential Code the Council has freedom over capital expenditure as long as it is prudent, affordable and sustainable. The Prudential Indicators either measure the expected activity or introduce limits upon the activity and reflect the underlying capital appraisal systems and enable the Council to demonstrate that it is complying with the requirements of the Prudential Code.

- The Council's investments will be undertaken in accordance with its Treasury Management Practices. These include the use of non-specified investment in property to yield both rental income and capital gains. The new Codes require clear separation of commercial investments from treasury investments. As the Council only has one such investment, which will be clearly identified within the Strategy and the TMPs, a separate suite of Investment Management Practices is not proposed to be produced.
- As is always the case, other 'quality' investment opportunities will always be explored during the year in consultation with the Council's external advisors to maximise returns on investments within a continuing and overall risk-averse approach.
- It is worth highlighting the new requirements introduced by the Levelling Up and Regeneration Act 2023 that relate to 'trigger points' and risk thresholds, which if breached would see the Government provide risk mitigation directions to Local Authorities. Although further details are set out within the legal section later on in this report, at the present time the thresholds that would class as a breach against each of the newly introduced metrics have not been specified by the Government. Once received, future reports will look to set out the Council's position against each one. Although such 'trigger' events would be managed via the Council's existing financial governance and control arrangements, based on the Council's current position, there is effectively no risk of breaching any of the new metrics at the present time.

RECOMMENDATION(S)

That the Portfolio Holder for Finance and Governance approves the Annual Capital and Treasury Strategy for 2024/25 (including Prudential and Treasury Indicators) for consultation with the Resources and Services Overview and Scrutiny Committee.

REASON(S) FOR THE RECOMMENDATION(S)

To support the process of ensuring that a Capital and Treasury Strategy for 2024/25 is approved by Full Council before 1 April 2024.

ALTERNATIVE OPTIONS CONSIDERED

Not applicable given the requirements set out elsewhere in this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The adoption of the Capital and Annual Treasury Strategy for 2024/25 will ensure that the Council's Investment and Treasury Management activities are carried out and managed in accordance with best practice, thereby safeguarding money held by the Council and making an appropriate contribution to the Council's overall financial position.

OUTCOME OF CONSULTATION AND ENGAGEMENT

It is currently planned to consult the Resources and Services Overview and Scrutiny Committee at their meeting on 5 March 2024.

LEGAL REQUIREMENTS (including legislation & constitutional powers)			
Is the recommendation a Key Decision (see the criteria stated here)	Yes	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days.
<p>The Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 include the requirement for local authorities to have regard to CIPFA guidance. By adopting / approving an Annual Treasury Strategy and a Capital Strategy based on the requirements of the relevant and updated codes, the Council is complying with the regulations.</p> <p>S78 of the Levelling Up and Regeneration Act 2023 inserted new sections 12A to 12D into the Local Government Act 2003, which came into force on 31st January 2024. These new sections cover capital finance risk management and include risk mitigation directions, risk thresholds, restrictions of power to give risk-mitigation directions and a duty to cooperate with independent expert. These changes essentially seek to respond to the financial crisis that some local Authorities have found themselves in over the last year or two, with a summary a brief summary of each section as follows:</p> <p>Risk Mitigation Directions (Section 12A) - The Secretary of State may give one or more risk-mitigation directions to a local authority in England, for the purpose of reducing or mitigating the financial risk to the authority, if a trigger event has occurred in relation to the local authority, and the Secretary of State is satisfied that the direction is appropriate and proportionate to the level of that financial risk.</p> <p>A “trigger event” occurs if a risk threshold is breached by the local authority, a report is made by the Chief Finance Officer of the local authority under section 114(3) of the Local Government Finance Act 1988, where the Secretary of State gives a direction in response to a request for expenditure to be, or not be, treated as capital by a local authority, or the Secretary of State makes a grant to the local authority under an enactment for the purpose of preventing circumstances arising that would require such a report to be made.</p> <p>The following are “risk-mitigation directions:</p> <p>(a) a direction that sets limits in relation to the borrowing of money by the local authority;</p> <p>(b) a direction that requires the local authority to take action specified in the direction. This could include a requirement for a local authority to take action to divest itself of a specified asset.</p> <p>The Secretary of State may not give a risk-mitigation direction unless they have given the local authority notice of the proposed direction, and of the right of the local authority to make written representations to the Secretary of State about it within the period specified in the notice, and has considered any representations made by the local authority to the Secretary of State within</p>			

that period.

References to financial risk means the risk that the expenditure of the local authority (including expenditure it proposes to incur) in the current or any future financial year is likely to exceed, or further exceed, the resources (including sums borrowed) available to it to meet that expenditure.

Risk Thresholds (Section 12B) – A risk threshold is breached by a local authority in England if (and when) a capital risk metric for the local authority breaches the specified threshold for the following metrics:

- the total of a local authority's debt (including credit arrangements) as compared to the financial resources at the disposal of the authority;
- the proportion of the total of a local authority's capital assets which is investments made, or held, wholly or mainly in order to generate financial return;
- the proportion of the total of a local authority's debt (including credit arrangements) in relation to which the counter-party is not central government or a local authority;
- the amount of minimum revenue provision charged by a local authority to a revenue account for a financial year;
- any other metric specified by regulations made by the Secretary of State.

The Secretary of State may, by regulations, make further provision including specifying whether the specified threshold for a particular metric is breached by a failure to reach that threshold or by that threshold being exceeded and about how the metrics specified are to be calculated for the purpose of determining whether the specified threshold for that metric has been breached.

Before making such regulations the Secretary of State must consult all local authorities in England.

Restriction of power to give risk-mitigation directions (Section 12C) – The Secretary of State is required to give a cessation notice where at least 12 months have elapsed since the they last became aware of a trigger event having occurred in relation to the authority, any risk-mitigation direction given to the authority has been complied with or revoked, and the Secretary of State is satisfied no further risk-mitigation direction is likely to be required in the foreseeable future for the purpose of reducing or mitigating the financial risk to the authority,

Duty to cooperate with independent expert (Section 12D) – Where a trigger event has occurred and the Secretary of State has appointed an independent expert to review the level of the financial risk to the local authority, the local authority must, so far as reasonably practicable, co-operate with the independent expert in any way that the independent expert considers necessary or expedient for the purposes of the conduct of the review.

The above metrics may overlap with the work of the OFLOG who may introduce their own metrics, including those relating to the financial standing etc. At the present time it is understood that within the work of OFLOG, they do not want to replicate or cut across the metrics above, but they may wish to set out complimentary metrics in the future, which will be reviewed accordingly. It is also likely that the OFLOG will 'collect' the relevant data against each of the metrics set out above as part of their overall regulatory activities.

As set out in para 4.3 Part 3.37 of the Constitution, the Portfolio Holder for Finance and Governance has delegated authority to agree the Capital and Treasury Strategy for consultation

with the Resources and Services Overview and Scrutiny Committee.

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

Since last year's Capital and Treasury Strategy was agreed by Full Council in March 2023, the Best Value Inspection of Thurrock Council has been published, which included some significant learning points that are worth reviewing in light of this Council's own strategy and governance arrangements. Those significant points included the following:

- The positioning of their Investment Strategy at the heart of their strategy to tackle significant funding pressures - there was clearly some confusion within the Council as to the clarity and purpose of the strategy.
- A significant level of delegation was given to their Section 151 Officer to place investments in 'business' type investments such as solar farms etc. at a scale that the review described as 'extraordinary'. The delegation was also made without consideration of the experience and skills that would be needed - experience and skills that did not exist within their Council.
- Lack of managerial / political oversight and limited or no reporting of the performance of the investment programme to their Management Team or Cabinet.
- Internal checks were weak or wholly absent.
- The level of risk associated with their investment programme was never properly identified or made explicit within strategic risk reports and there was no focus from their internal audit function.
- Lack of transparency e.g. where members did request information it was denied internally and only minimal / high level information was provided within other reports etc. with no explanatory information. External challenge and criticism was readily dismissed and downplayed within the Council.
- The Council had not set a clear and consistent strategic direction. Their Cabinet avoided difficult choices on the prioritisation of resources. In years when budget savings had to be identified, Cabinet members rejected all savings options, leaving it to officers to develop plans to achieve a balanced budget.

The above places significant importance on the capital and treasury plans of local authorities which for Tendring District Council are encapsulated within the Annual Capital and Treasury Strategy and Treasury Management Practices. These two documents set out the governance framework in which capital spend, borrowing and investments are made. Clear roles and responsibilities are set out in the strategy and it is important to highlight that there is no delegation to any single Officer, such as the Section 151 Officer to undertake any investments outside of the more 'traditional' money market activities such as lending to other Local Authorities and depositing money in banks and building societies. In terms of these latter investments, the parameters in which the Section 151 Officer can make such investments are set out within the documents referred to above and include a number of criteria such as overall lending / borrowing limits and minimal credit ratings etc.

Treasury performance is reported during the year by way of an outturn report for the preceding year along with quarterly updates during the year, which includes a more detailed half yearly update in September / October.

Any decision to invest in 'non-traditional' money market activities or to undertake any borrowing activities would be subject to separate reports to Cabinet / Council as necessary, which would

set out various issues such as risks and resource implications including the level of skill and expertise to manage any associated investments.

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 to “*make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness*”. Best Value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management. Failure to deliver best value can occur within any aspect of governance, delivery of services or financial management. Unlawful or excessively risky borrowing and investment practices with no adequate risk management strategy in place for financial losses is an indicator of potential failure under the Use of Resources definition for a Best Value authority, within the Government’s draft statutory guidance on Best Value Standards and Intervention, issued in 2023.

Members need to be satisfied with the governance arrangements set out within the strategy, which can be supported via training etc. as necessary.

The Council does employ external treasury management advice and to date they have not raised any concerns / issues with the Council’s borrowing / investment activities. Early in 2024/25, the Council should be receiving the new External Auditor’s Value for Money commentary which should also provide additional assurances to members. Access to both of these parties can be made directly and not via any one Officer such as the Section 151 Officer, which also supports the transparency / independent view of the various treasury activities undertaken by the Council.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Treasury and Capital Management Strategies and procedures will ensure that the Council’s investments and borrowing will be undertaken in such a way as to minimise the Council’s exposure to risk. At the same time, they will seek to maximise income from investments and minimise the costs of borrowing within the Council’s accepted level of risk.

YES	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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The S151 Officer is the co-author of this report.

USE OF RESOURCES AND VALUE FOR MONEY

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This is addressed in the body of the report and appendices where relevant.
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 has been highlighted elsewhere within this report.

ASSOCIATED RISKS AND MITIGATION

The placing of investments involves a number of risks. These risks and how the Council will manage them are set out in the Council's Treasury Management Practices.

As highlighted elsewhere in this report, investments are undertaken within an overall risk-averse approach, which is reflected in Treasury Management Practices. With this in mind, a significant level of investment is undertaken with other Local Authorities and with the Government.

As with recent examples, money lent to other Local Authorities is not at risk of not being repaid, as ultimately the Government would take the necessary steps to ensure liabilities are met as part of any intervention. The risk of lending money to another Local Authority is therefore not the same as lending money to a commercial / private organisation, which is one of the reasons why Councils lending to other Councils is common practice nationally.

As part of the mid-year treasury management review that Cabinet considered in November 2023, an update on the money lent to Birmingham City Council was set out in the context of their S151 issuing a S114 report. At the time it was reported that the Council had lent them **£6.000m** in total, with **£4.000m** due to be repaid in February 2024 and the balance of **£2.000m** repayable in June 2024. In terms of providing a further update, the **£4.000m** due to repaid in February is due back on 29 of the month and there are no further changes that impact on the underlying low risk associated with the outstanding loan repayment.

When undertaking lending to other Local Authorities, the Council continues to apply as much 'market intelligence' as possible, which would include any adverse reporting in the markets, the media, the risk of S114 reports being issued along with information from our own External Treasury Advisors. The new measures and metrics that have been introduced via the Levelling Up and Regeneration Act 2023 as set out earlier along with any potential indicators introduced by OFLOG will also likely be additional 'tools' that can be used to complement information already applied in managing the Council's day to day treasury management activities. This will be considered as part of developing the strategy in future years.

As reported previously, the investment property in Clacton is performing satisfactorily against the financial target set out within the original decision to purchase the property, with budgeted investment income continuing to be achieved each year. It is important to highlight that the rental payments can be seen as paying back the original investment made in purchasing the property. The budget for 2024/25 that was agreed by Full Council on 13 February 2024 includes an adjustment to reflect the potential for rental income to reduce once the current lease held by the existing tenant expires.

Within the above context, the overall performance of the investment therefore needs to take into account such considerations over the life of the Council's ownership of the property rather any shorter term position in isolation. It is also important to highlight that the latest valuation of the property set out in **Appendix A**, is an 'accounting' valuation and not a direct value that would be achieved on the market if it was sold.

It is also worth highlighting that the Council's Commercial Property Investment Policy is underpinned by robust risk management actions, which will respond to any changes to the situation. With the latter point in mind and as set out within the Commercial Property Investment Policy, the Council's wider treasury management activities are designed to ensure that the

Council is not faced with a position of having to sell the property for cash flow purposes. This in turn ensures that the Council remains in control of when the property is ever exposed to the market rather than potentially having to sell the property during a period where there may be a downturn in commercial property prices.

EQUALITY IMPLICATIONS

There are no direct implications.

SOCIAL VALUE CONSIDERATIONS

There are no direct implications.

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

There are 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

Please see comments above

Health Inequalities

Area or Ward affected

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The Annual Capital and Treasury Strategy for 2024/25 is set out in **Appendix A** and is based on the most up to date Treasury Management Code of Practice and the revised Prudential Code, both of which were published by CIPFA in December 2021.

Last year, the Annual Capital and Treasury Strategy was subject to a number of changes to reflect the latest codes mentioned above, with a summary of those changes as follows:

- Changes to the definition of investments, splitting them between treasury investments, commercial investments and service investments, with commercial and service investments arrangements being separated out in reporting and supported by investment management practices. Tending currently has no service investments and just one commercial investment, the investment property in Clacton, so separate documentation has not been produced but instead the Strategy clearly reflects issues which relate to the investment property.
- Local authorities must not borrow to invest for the primary purpose of financial return.
- Local authorities must consider as part of the decision-making whether to divest any commercial investments before deciding to borrow.
- Introduction of a liability benchmark indicator which is in the form of a chart showing approved capital programmes and approved borrowing to maturity.
- A new affordability indicator showing the ratio of income from commercial and service investments as a proportion of the Council's net revenue stream.
- Requirement to include the Council's policy and practices relating to environmental, social and governance (ESG) investment considerations within TMP1 on risk management.
- Requirement to report treasury quarterly, which the Council already does via the

Corporate Budget Monitoring process.

- Various wording changes and amendments resulting from the new Codes on TMPs, which are reflected in the current TMPs.
- Amendments in areas such as the general economic outlook and interest rate forecasts.

It is important to highlight that the changes to the Codes highlighted above did not require the Council to take any direct action / remedial activities in terms of its investment / treasury processes.

In terms of 2024/25, there have been no major changes required, with only timely updates required along with the introduction of new technical accounting adjustments relating to assets that the Council leases in. The changes required are shaded in grey and are in italic font within **Appendix A**.

In terms of the technical accounting adjustments associated with leases referred to above, these will be treated as borrowing within the Council's accounts, although in reality it does not change the Council's overall liabilities, with the 'borrowing' being 'repaid' each year to reflect the actual lease payments made.

By approving the Annual Capital and Treasury Strategy for 2024/25, the Council will be adopting the latest CIPFA Code of Practice for Treasury Management in the Public Services. (the '2021 code').

The need to borrow money may arise in future years to reflect the Council's current commitments, corporate priorities and strategies. If the need / option to borrow money was identified, then it would form part of associated and separate decision-making process and would be considered within the overall Treasury Strategy framework.

The Council maintains a very low risk appetite approach to its treasury activities. However, set against this context, officers will still continue to explore opportunities to maximise investment returns in 2024/25.

In terms of sources of funding, the Government introduced a significant new constraint in terms of borrowing from the Public Works Loan Board (PWLB) in 2020/21. If a local authority purchases assets or plans to purchase assets over a future three-year period to generate investment income, then they will no longer be able to borrow money from the PWLB. This applies to all such purchases regardless of how they are funded. Although no such purchases are currently planned, this constraint may need to be considered in the future, as the Council could lose access to the preferential rates available from the PWLB.

Draft Prudential Indicators are set out in **Annex 1 to Part 2** of the Capital and Treasury Strategy. **Annex 2 to Part 2** of the Treasury Strategy sets out the specified and Non-Specified investments the Council may use in 2024/25.

In accordance with the relevant codes, the Capital and Treasury Strategy is subject to consultation with the Resources and Services Overview and Scrutiny Committee before being recommended to Council for approval before the start of each financial year.

PREVIOUS RELEVANT DECISIONS

The previous Capital and Treasury Strategy for 2023/24 was agreed by Full Council at its

meeting on 2 March 2023.

Treasury Management Performance 2022/23 was reported to Cabinet at its 21 July 2023 meeting.

A mid-year Treasury Performance review was presented to Cabinet at its 10 November 2023 meeting.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A - Annual Capital and Treasury Strategy 2024/25

REPORT CONTACT OFFICER(S)

Name	Richard Barrett
Job Title	Assistant Director Finance and IT
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Tendring
District Council



**ANNUAL CAPITAL AND
TREASURY STRATEGY
2024/25**

PART 1 – CAPITAL STRATEGY 2024/25 to 2026/27

1. Introduction

SECTION A - Achieving Outcomes / Delivering Against Priorities

2. Corporate Priorities and Links to Other Key Strategies
3. Roles and Responsibilities in Respect of the Capital Strategy and the Formulation and Monitoring of the Capital Programme

SECTION B - Capital Investment and Sources of Funding

4. Capital Investment Considerations
5. Sources of Funding

Part 1 Annex 1 – Quick Reference Guide – Information Expected to be Included in Capital Investment Decisions Where Relevant

Part 1 Annex 2 – General Fund and Housing Revenue Account Capital Programmes 2024/25 to 2026/27

PART 2 – TREASURY STRATEGY FOR 2024/25

1. Introduction
2. Treasury Limits for 2024/25 to 2026/27
3. Prudential and Treasury Indicators for 2024/25 to 2026/27
4. Current Portfolio Position
5. Borrowing Requirement
6. Economic Position
7. Interest Rates
8. Borrowing strategy
 - 8.1 External v internal borrowing
 - 8.2 Gross and Net Debt Positions
 - 8.3 Policy on borrowing in advance of need
9. Debt Rescheduling
10. Annual Investment Strategy
 - 10.1 Investment Policy
 - 10.2 Creditworthiness Policy
 - 10.3 Credit Limits
 - 10.4 Country Limits
 - 10.5 Investment Strategy
 - 10.6 Allocation of Investment returns between GF and HRA.
 - 10.7 End of year investment report

Part 2 Annex 1 – Proposed Prudential Indicators 2023/24 revised, 2024/25 and forecasts for 2025/26 to 2026/27

Part 2 Annex 2 – Specified and non-specified investments

PART 1 – CAPITAL STRATEGY

INTRODUCTION

The Capital Strategy is an overarching document that sets out the Council's approach to Capital Investment and how it seeks to deliver value for money against the following underlying key principle, which is subject to review by the Council's External Auditor each year:

The Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources, which comprises of:

1. Taking informed decisions;
2. Deploying resources in a sustainable manner; and
3. Working with partners and other third parties.

Against this backdrop, the Capital Strategy is divided into two sections:

Section A provides an introduction and sets out the context for the Capital Strategy. It sets out how the plan links to corporate priorities and shows how they link to other key resource strategies and the related roles and responsibilities of members and officers.

Section B covers the framework within which capital financing decisions are considered and provides background to the funding sources available to meet the costs of capital projects that are included within the Capital Programme.

The Corporate Investment Plan along with the Capital Programme forms the basis of the Council's rolling plan of investment in assets. The Capital Programme spans a number of years and contains a mix of individual schemes.

Investment can include expenditure on:

- Infrastructure such as open spaces, coast protection
- New build
- Enhancement of buildings through renovation or remodelling;
- Major plant, equipment and vehicles;
- Capital contributions to other organisations enabling them to invest in assets that contributes to the delivery of the Council's priorities.

The Capital Programme is distinct from the Council's revenue budget which funds day-to-day services, but they are both linked and are managed together.

There is a strong link with the Treasury Management Strategy set out in PART 2 that provides a framework for the borrowing and lending activity of the Council.

The Council has set a de-minimus level of £10,000, below which expenditure is not classed as capital expenditure, but is charged instead to the revenue account.

SECTION A - ACHIEVING OUTCOMES/DELIVERING AGAINST PRIORITIES

CORPORATE PRIORITIES

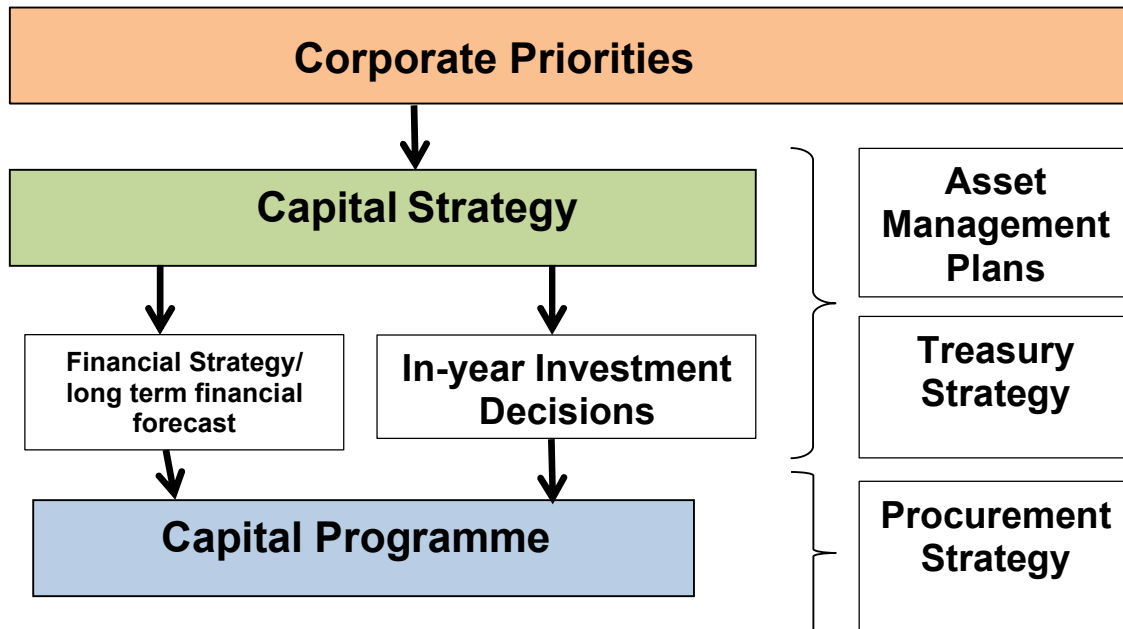
The Capital Strategy is subject to ongoing review and has a key role in supporting the delivery of the Council’s Corporate Priorities

The Capital Strategy aims to set out the arrangements and processes in place to manage capital resources, the relationship with the Council’s other key resource strategies and the practical/sustainable outcomes of those arrangements and processes by:

1. Setting out how schemes are evaluated and prioritised within the resources available.
2. Ensuring that any investment decision is prudent, sustainable and affordable in accordance with the prudential code and therefore represents value for money.
3. Setting out the performance processes in place to ensure that projects are delivered on time and within budget.
4. Ensuring that expected outcomes are delivered and lessons learnt from previous investment decisions.

LINKS TO OTHER KEY STRATEGIES

The ability of the Council to undertake capital investment to deliver its corporate objectives will be influenced or have direct links to a number of strategies, with the key ‘links’ set out below:



The above sets out the strategies/processes that are more closely aligned to the capital investment decision but are by no means exhaustive. Although subject to changes over the life of this Strategy, other key strategies and

policies may also need to be reflected in the investment decision such as those associated with workforce/staff capacity and ICT delivery. Decision-making must therefore reflect these requirements where relevant/necessary.

In respect of ICT within the Council, associated strategies or requirements set out how the Council intends to use technology to support service delivery and transform the way it delivers its services. ICT is therefore recognised as a key enabler in supporting capital investment and delivering sustainable outcomes.

The **long-term financial forecast** plays a pivotal role in developing and delivering capital investment. The long-term financial forecast not only determines the financial resources available to fund capital investment, both in terms of the initial investment and any revenue consequences of the capital investment itself, it also provides a key element within the framework for considering and prioritising capital projects. It is however recognised that to remain flexible to take advantage of investment opportunities that may arise during the year, decisions may be required in line with the Council's Financial Procedure Rules. The long-term financial forecast is reported to Cabinet each quarter, which allows this flexibility. To ensure consistency, such decisions should also follow the same requirements set out within the Capital Strategy.

The Council's cost pressure and investment plans also forms a key element within the framework above as it forms a further link between the Corporate Priorities and the Financial Strategy and complements the development of the long-term forecast and prioritised projects that are included within the Capital Programme.

The Treasury Strategy is also highlighted above as a key influence as it sets out the Council's overall approach to debt and borrowing. This approach along with affordability form part of the investment decisions that are brought together via the long-term financial forecast process on a rolling basis through the year.

Other significant influences include the Local Development Framework (LDF) which sets out the Council's vision for change and new growth in the Tendring District in the long term which could present the Council with investment opportunities for consideration alongside other investment options.

ROLES AND RESPONSIBILITIES IN RESPECT OF THE CAPITAL STRATEGY AND THE FORMULATION AND MONITORING OF THE CAPITAL PROGRAMME

Management Team – As the most senior officer team of the Council the Management Team approves the Capital /Treasury Strategy for submission to Cabinet and having regard to the Council's priorities, recommends projects for inclusion in the Capital Programme in consultation with Portfolio Holders/ Cabinet (via the long-term financial forecast process). Management Team also considers all significant investment decisions via a project initiation /

development process prior to formal reporting to Members, especially those associated with in-year investment decisions.

Departments support Management Team in the above process through the development and investigation of investments opportunities and submitting reports / project initiation and development documentation in support of the associated capital projects.

Cabinet (including Portfolio Holders acting within approved delegations)

– The Cabinet recommends the 5-year capital programme to Council. The Cabinet and the Finance and Governance Portfolio Holder can, within the limits set by the Council's Financial Procedure Rules, approve supplementary estimates or approve virements between schemes during the year as part of separate investment decisions. The Cabinet is required to approve the Capital / Treasury Strategy each year.

Council – Approves a multi-year Capital Programme as part of the budget setting process in February each year and approves the Capital / Treasury Strategy in March each year or as soon as possible thereafter.

Subject to the limits set out in the Council's Financial Procedure rules, Council may be required to approve supplementary estimates to increase the costs of approved schemes or add new schemes over and above amounts that individually or on aggregation are over and above those amounts ordinarily agreed by Cabinet as part of in-year investment decisions.

CONSULTATION

The views of the local community and stakeholders are an important element in developing the priorities for the Council and identifying capital investment opportunities. This can be achieved in a number of ways depending on the specific investment that is considered, which should be complemented by wider consultation exercises such as those associated with the development of corporate priorities and the long-term forecast/corporate investment plans where necessary.

In addition to the above, Departments are expected to review the need to undertake consultation and the scale of that consultation, as appropriate, as part of the investment decision-making process.

MONITORING OF THE CAPITAL INVESTMENT/CAPITAL PROGRAMME

In terms of performance and monitoring the delivery of capital investment, this is primarily achieved through the existing and comprehensive financial processes such as the long-term financial forecast and budget setting process, outturn review and the quarterly financial performance reporting. In respect of the quarterly financial performance reports, an update on the delivery of projects and the position against the budget is included, which is reported to both Cabinet and the relevant Overview and Scrutiny Committee during the year. Some capital projects may also form part of the Council's

separate Performance Monitoring process that is also reported to Members during the year.

Where capital investment is material, the scheme or project may be subject to review by internal audit which would be at the discretion of the Internal Audit Manager as part of the annual Internal Audit Plan or if required by other key stakeholders.

SECTION B – CAPITAL INVESTMENT AND SOURCES OF FUNDING

CAPITAL INVESTMENT CONSIDERATIONS

The Council's capital investments are made in accordance with the Prudential Code, which aims to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, which should also include where necessary a prioritisation and appraisal process. Under the Code the Council is free to determine the amount it borrows to finance capital investment.

All of the Council's capital investment is managed in accordance with the requirements of the Prudential Code. The prioritisation of capital investment is directly linked to the long-term financial forecast and/or in-year budget amendment processes as previously explained, which is complemented by the Council's cost pressure and investment plans, all of which will be undertaken in an open and transparent manner.

Schemes that are agreed but not funded as part of the long-term financial forecast process will be considered as part of a prioritised list within wider cost pressure and investment plans and be a 'live' schedule of investment opportunities against which further investment opportunities should be considered during the year.

The Council faces ongoing significant financial challenges over the period of this Capital Strategy due to the significant reductions in Government Funding over recent years, the current high levels of inflation and the potential longer impact of the COVID 19 pandemic on Council funding. The latest long-term financial forecast for 2024/25 to 2026/27 reflects annual deficits over the remaining period of plan, which is supported by the Forecast Risk Fund. To deliver the level of efficiencies and transformation that will in turn support the delivery of the long-term forecast, the following key principles have been identified which should be a key consideration of capital investment decisions:

Design schemes/projects to limit as far as possible any negative impact on the Council's on-going revenue budget.
Promote capital investment which allows either invest to save outcomes or generates a revenue and/or capital return and/or generates additional external grant (e.g., new homes bonus) or core funding (e.g. Business Rates) whilst clearly setting out how it contributes to the Council's Corporate Priorities.
Foster effective working relationships with potential funders/partners.
Carefully consider value for money and efficiency of projects and associated outcomes.
Project risk is fully explored, and mitigating actions identified and taken as necessary.
Ensure appropriate project management tools and documentation are used and that project timescales are adequately matched to the capacity to deliver the project, both internally and externally (where internal, this needs to include services such as Legal, Finance and HR).
Responsibility for the delivery of the project is clearly defined and understood.
How the proposed investment contributes to the Council's commitment to be carbon neutral by 2030.

Although not always necessarily subject to formal reporting, as part of the Council's project management processes, Departments are expected to evidence the outcome from any investment undertaken against the key criteria set out within this Capital Strategy to inform future investment decisions with high level information being available within the usual performance/budget monitoring reports.

To promote consistency, a quick reference guide for detailed information that is expected to form part of any investment decisions is set out as **Annex 1**.

As highlighted above, the Corporate Investment Plan forms part of the overall governance framework in terms of linking corporate priorities and strategies to investment priorities. This framework takes into account a number of key priority 'drivers' such as financial viability / sustainability, non-financial consequences such as reputation / health and safety, the outcome from external assessment / regulatory reviews along with being outcome driven.

Impact Assessments

Impact assessments may be required depending on the specific capital investment decisions being considered. Therefore, as part of the Council's project management processes, Departments are expected to consider whether it is necessary to complete an impact assessment based on the Council's usual processes and documentation at the time a decision is made.

SOURCES OF FUNDING

Capital investment will have to be undertaken within the Council's limited resources and challenging financial environment.

In limited cases the cost of capital investment is supported by external grants/contributions. Any other capital investment the Council wishes to make has to be funded from its own resources or by borrowing (the revenue cost being met entirely by the Council). The Council's Financial Strategy/long term financial forecast includes consideration of a ten-year forecast, taking into account the revenue implications of capital investment plans and the resources available to fund capital investment. The level of capital investment will be constrained by the available resources identified via the long-term financial forecast process including revenue contributions or the ability to attract external funding and the generation of capital receipts. Any decision to invest in capital projects will need to match the available resources against criteria set out above, including how it meets corporate priorities within wider cost pressure and investment plans. The process also includes consideration of, where appropriate, whether to divest any commercial investments, in accordance with the requirements of the updated Prudential and Treasury Management Codes.

In planning any capital investment to contribute towards the achievement of the Council's priorities, the following resources are available:

- a) **Revenue Funding (Including Reserves)** – This continues to be limited each year given the challenging financial environment and on-going government grant reductions. This funding stream will need to be considered within the overall financial planning processes each year, including that for the HRA, which operates under a self-financing environment where changes in Government Policy have limited the revenue contributions available to support capital investment.
- b) **Capital grants/contributions** – These have contributed significantly to past and current capital projects and many aspects of the Council's and its partners' objectives can only be met if this funding source continues to be pursued. The delivery of the Council's priorities and commitments continue to be supported by successful grant applications. Section 106 money flowing from the planning process is also a significant source of external funding.

- c) **General Fund Capital Receipts** – It is acknowledged that the Council's current property/land holdings are not of significant high value or volume. Nevertheless, the Council recognises this important funding source and continually reviews its assets as part of separate asset management / investment plans which provide the context to consider opportunities to dispose of any assets that are surplus to requirements and/or not contributing to the delivery of the Council's priorities or where they provide alternative investment opportunities.
- d) **Borrowing within the Prudential Framework (Prudential Borrowing)** – The Council has the freedom to borrow to finance its capital expenditure provided it can demonstrate the prudence of the investment and its affordability and sustainability. During 2020/21 the rules governing borrowing from the PWLB were amended such that from 25 November 2020 no borrowing from the PWLB is allowed if an authority has purchased assets for yield in its capital programme for the following three years. Neither the General Fund nor the Housing Revenue Account capital programmes for 2024/25 to 2026/27 involve any such schemes. This means the Council is still able to access PWLB funding at preferential rates if it is prudent, affordable and sustainable.

CAPITAL STRATEGY CONCLUSIONS

The Capital Strategy sets out the high-level arrangements and processes to ensure that capital investment is managed within the Council's overall financial framework. It aims to ensure that its limited resources are applied consistently and effectively towards delivering the priorities of the Council. It links together the capital expenditure implications of various plans and strategies.

PART 1 - ANNEX 1**QUICK REFERENCE GUIDE – Information Expected to be Included in Capital Investment Decisions Where Relevant**

Formal Investment Considerations/Decisions/Business Cases
Link to priorities (including commitment to be carbon neutral by 2030) and/or 'safeguarding' of a Council Asset and what are the measurable benefits of the planned investment
Return on Investment/Net Present Value
Whole Life Costing/Revenue Consequences
Payback Periods
Key risks and how they will be managed
Alternative Options/Opportunity Costs
Sustainability
Financial Resources Available/Funding Options
Impact assessment where relevant
Capacity/Deliverability
Other considerations/important information to discuss/share with relevant internal department(s) and/or for inclusion in the formal decision making process if significant
Cash Flow Forecasts
VAT Arrangements/Implications
Insurance issues
Risk Management implications
Procurement processes

PART 1 - ANNEX 2**General Fund Capital Programme 2023/24 to 2026/27**

Capital Expenditure - General Fund £000s	2022/23 Actual	2023/24 Revised	2024/25 Estimate	2025/26 Forecast	2026/27 Forecast
Total Capital Expenditure	3,931	15,362	827	827	827
Financing - General Fund					
External contributions	(505)	(889)	-	-	-
Section 106	(80)	(224)	-	-	-
Government grants	(242)	(846)	-	-	-
Disabled Facilities Grant	(993)	(10,260)	(757)	(757)	(757)
Capital receipts	-	(1,000)	-	-	-
Direct revenue contributions	(178)	(196)	(70)	(70)	(70)
Earmarked reserves	(1,933)	(1,947)	-	-	-
Total Capital Financing	(3,931)	(15,292)	(827)	(827)	(827)
Net Financing need (External Borrowing)	0	0	0	0	0

HRA Capital Programme 2023/24 to 2026/27

Housing Revenue Account Capital Schemes £000	2022/23 Actual	2023/24 Revised	2024/25 Estimate	2025/26 Forecast	2026/27 Forecast
Total Capital Expenditure	7,351	11,920	3,928	3,928	3,928
Financing - Housing Revenue Account					
Major repairs reserve	(3,940)	(3,764)	(3,314)	(3,314)	(3,314)
Direct revenue contributions	(43)	(2,431)	(614)	(614)	(614)
Section 106	(328)	(159)	-	-	-
Capital receipts	-	(4,114)	-	-	-
External contributions	(2,745)	(1,452)	-	-	-
Government grant	(295)	-	-	-	-
Total Capital Financing	(7,351)	(11,920)	(3,928)	(3,928)	(3,928)
Net Financing need (External Borrowing)	0	0	0	0	0

PART 2 – TREASURY STRATEGY

1. Introduction

The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. Both CIPFA Codes were revised in December 2021 *and adopted by the Council in 2023/24*. The revised codes had the following implications:

- A requirement to adopt a new debt liability benchmark treasury indicator
- They clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate, however it is important to highlight that none of Tendring's borrowing falls within the inappropriate category
- A requirement to address environmental, social and governance (ESG) considerations in the Capital Strategy and in Treasury Management Practice 1 (TMP1).
- Implementation of a policy to review commercial property, with a view to divest where appropriate.
- Create new Investment Practices to manage risks associated with non-treasury investment (for Tendring this is the single Investment Property held *so separate documents were not considered appropriate, instead the TMPs were expanded*) that are similar to the current TMPs
- Expansion of the knowledge and skills register for individuals involved in treasury management, proportionate to the size and complexity of the work involved.
- All investments and investment income to be split between:
 - those held for treasury management arising from cash flows
 - those held for delivery of services such as housing, regeneration and local infrastructure – the Council has none in this category at present
 - those held for commercial return – i.e. investment property

The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Council's risk appetite is low, and it takes a risk-averse approach to Treasury Management, with the security and liquidity of the investment the prime concern, and the budget for income from investments being formulated on this basis. The Annual Strategy for 2024/25 is based on this risk-averse approach continuing.

For a number of years, the Council has engaged the services of treasury advisors to provide its officers with advice on treasury management issues. The current advisors are Link Asset Services, Treasury solutions. However, the

final decision and responsibility for the actions taken sits with the Council's own officers after considering that advice.

The details of the delegations and responsibilities for treasury management are contained within the Council's Constitution as follows: -

- Part 3 – delegated powers – The Executive / Finance and Governance Portfolio Holder
- Part 5 – Financial Procedure Rules

2. Treasury Limits for 2024/25 to 2026/27

It is a statutory duty under Section 3 of the Act and supporting regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales, the Authorised Limit represents the legislative limit specified in the Act.

The Council must have regard to the Prudential Code when setting the Authorised Limit of external debt, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'. Capital investment must be considered in the light of the overall strategy and resources available, with decisions made with sufficient regard to the long-term financing implications and potential risks.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for funding must include both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. Details of the Authorised Limit can be found in Annex 1 of this part of the report.

The authorised limit reflects the additional borrowing requirement as part of the Housing Revenue Account (HRA) self-financing reforms. The Housing self-financing reforms also set an overall 'debt cap' for the HRA which in itself reflects an affordability level based on the Government's model of how much debt can be supported by the HRA after considering the forecast of income from rents and management and maintenance costs over a 30 year period. The HRA debt cap for Tendring was £60,285,000, but the Government announced the abolition of the HRA debt cap from 29 October 2018. The updated HRA Business Plan reported to Members in December 2023 and January 2024 as part of the HRA budget, reflected the financing of maturing loan debts via internal borrowing instead of external borrowing and there were no maturities in 2023/24. More loan debt matures in future years and decisions to address these will need to be confirmed during the year.

Due to a proposed technical accounting change relating to assets the Council leases in from 1 April 2024, for 2024/25 and beyond, these assets will be recognised on the Council's balance sheet as right of use assets, matched by a corresponding lease liability. They will count as a type of borrowing and will be written down each year.

Work is ongoing to finalise the list of assets that these changes relate to. At the present time they are all expected to be within the General Fund, be relatively short term with a maximum life of five years, so will be written down in line with the actual lease repayment made. This means that the total spend of the Council counted against the General Fund balance will be unchanged, but the spend will move to a different line in the Council's accounts and be split between Minimum Revenue Provision and interest.

The amounts currently identified suggest that at 1 April 2024 the total to bring onto the balance sheet will be some £0.265 million, although this will change as further information is obtained and when the 1 April 2024 PWLB rates are available, as these change on a daily basis and are used as part of the associated calculations. The authorised limit and operational boundary already identified are considered sufficient to cover this increase. The overall Capital Financing Requirement (CFR) of the Council for the General Fund will increase, but the loans CFR, which is referred to in the remainder of this Strategy, will not change.

3. Prudential and Treasury Indicators for 2023/24 to 2026/27

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated Treasury Management Strategy. The latest revisions to the CIPFA Code of Practice on Treasury Management and to the CIPFA Prudential Code are effectively adopted via the approval of this Strategy which reflects the most up to date codes and guidance.

4. Current Portfolio Position

The Council's treasury position at the end of December 2023 comprised:

- GF borrowing from The Public Works Loan Board (PWLB) of £0.132 million at fixed rates at an average rate of interest of 7.04%
- HRA borrowing from the PWLB of £33.315 million at fixed rates at an average rate of 3.57%
- Investments of cash flow surpluses, which include reserves and capital receipts, on a short-term basis (less than 1 year) totalling £80.644 million at an average rate of interest of 4.61%.

5. Borrowing Requirement

No new, alternative or replacement borrowing is currently reflected in the budget for the General Fund or for the HRA.

6. Economic Position

The Council's Treasury Advisors provide economic updates during the year with their latest update summarised as follows:

World economy

The large increases in energy costs experienced in 2022 and early 2023 have begun to fall, although have risen again since the start of unrest elsewhere across the globe. Interest rates have risen around the world, although in the United States the Fed have indicated that they consider the peak in rates has occurred and the next move will be down. Over the next twelve months the faltering recovery in other major economies and the ongoing unrest referred to above, will weigh on world economies.

UK economy

The Bank of England Monetary Policy Committee (MPC) increased the bank rate in the first half of 2023/24 from 4.25% to 5.25% but this may prove to be the peak in the tightening cycle. CPI inflation fell from 8.7% in April to 3.9% in November 2023, the lowest since September 2021. There has been a cooling in labour market conditions during 2023, although wage inflation remains higher than the MPC would like and represents an upside risk to wage inflation. GDG for Q3 of 2023 fell to 0% suggesting that underlying growth has lost momentum since earlier in the year. As the growing drag from higher interest rates intensifies over the next six months, the Council's external treasury management advisers consider that the economy could fall into a mild recession. They expect that interest rates will remain at the probable peak of 5.25% until the second half of 2024. Gilt yields, and therefore PWLB rates which are linked to them, have remained high, and as a result the Council has continued to replace maturing HRA loans with further internal borrowing.

7. Interest Rates

The following table gives the Council's External Treasury Advisor's view on Bank Rate movements and their forecast for the PWLB new borrowing rate based on that view. The PWLB rates are based on the 'Certainty Rate' introduced by the Government for local authorities providing improved information and transparency on their locally determined long-term borrowing and associated capital spending plans. *Investment returns rose sharply over the course of 2023/24 due to increases in the bank base rate, and this higher level of return is expected to be maintained through the first part of 2024/25 before starting to drop back.*

	Bank Rate	Average earnings rate projected by the Council's External Advisors			PWLB Borrowing Rate			
		3 month	6 month	12 month	5 yr.	10 yr.	25 yr.	50 yr.
Mar 2024	5.25	5.30	5.20	5.00	4.50	4.70	5.20	5.00
Jun 2024	5.25	5.30	5.10	4.90	4.40	4.50	5.10	4.90
Sep 2024	4.75	5.00	4.80	4.60	4.30	4.40	4.90	4.70
Dec 2024	4.25	4.50	4.30	4.10	4.20	4.30	4.80	4.60
Mar 2025	3.75	4.00	3.80	3.70	4.10	4.20	4.60	4.40
Jun 2025	3.25	3.50	3.30	3.20	4.00	4.10	4.40	4.20
Sep 2025	3.00	3.30	3.20	3.20	3.80	4.00	4.30	4.10
Dec 2025	3.00	3.00	3.10	3.10	3.70	3.90	4.20	4.00
Mar 2026	3.00	3.00	3.10	3.10	3.60	3.80	4.20	4.00
Jun 2026	3.00	3.00	3.10	3.10	3.60	3.70	4.10	3.90
Sep 2026	3.00	3.00	3.10	3.10	3.50	3.70	4.10	3.90
Dec 2026	3.00	3.00	3.10	3.20	3.50	3.70	4.10	3.90
Mar 2027	3.00	3.00	3.10	3.20	3.50	3.70	4.10	3.90

8. Borrowing Strategy

8.1 External v Internal Borrowing

The main Prudential Indicator relevant to capital investment is the Capital Financing Requirement (CFR). This is the total outstanding capital expenditure that has not yet been funded from either revenue or capital resources and is therefore a measure of the Council's underlying borrowing need after taking into account the provision included in the revenue budgets for the repayment of outstanding debt.

The borrowing to finance the capital expenditure can be either from external sources or the Council can use its own internal resources.

The planned external debt compared to the CFR over 5 years is shown in the following table, the difference between the two being the amount the Council has funded from internal resources. This is also set out separately for the GF and the HRA. This excludes other long-term liabilities such as long term creditors and pensions which form part of the separate Financial Strategy process of the Council from a prudential perspective.

Total External Debt

	Actual 2022/23	Revised 2023/24	Estimate 2024/25	Forecast 2025/26	Forecast 2026/27
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	36,921	34,699	33,277	30,653	28,232
Estimated repayment of debt	(2,222)	(1,422)	(2,624)	(2,421)	(2,421)
Estimated debt as at 31 March	34,699	33,277	30,653	28,232	25,811
CFR as at 31 March	40,183	38,576	36,977	35,385	33,800
Difference - internally financed	5,484	5,299	6,324	7,153	7,989

General Fund External Debt

	Actual 2022/23	Revised 2023/24	Estimate 2024/25	Forecast 2025/26	Forecast 2026/27
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	144	136	128	119	112
Estimated repayment of debt	(8)	(8)	(9)	(7)	(66)
Estimated debt as at 31 March	136	128	119	112	46
CFR as at 31 March	4,820	4,627	4,442	4,264	4,093
Forecast of internal financing	4,684	4,499	4,323	4,152	4,047

HRA External Debt

	Actual 2022/23	Revised 2023/24	Estimate 2024/25	Forecast 2025/26	Forecast 2026/27
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	36,777	34,563	33,149	30,534	28,120
Estimated repayment of debt	(2,214)	(1,414)	(2,615)	(2,414)	(2,355)
Estimated debt as at 31 March	34,563	33,149	30,534	28,120	25,765

CFR as at 31 March	35,363	33,949	32,535	31,121	29,707
Forecast of internal financing	800	800	2,001	3,001	3,942

In respect of the General Fund, The Council is currently maintaining an under-borrowed position *for both the General Fund and the HRA*. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external loans, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains prudent, *as PWLB rates are currently elevated above what the Council's treasury management advisors consider to be a baseline level*.

Further HRA maturity loans of £1.200 million end in 2024/25 and £1.000 million end in 2025/26, which are planned to be met from internal borrowing, although this position will remain under review as part of the on-going development of the HRA Business Plan.

The Council's officers have made an assessment, based on advice from treasury advisors, of the amount of internal resources that it is prudent to use to finance capital expenditure and it is felt, taking into account the Council's financial position, that approximately £4m-£5m would at the present time and over the medium term be an appropriate level of internal borrowing. The HRA maturity loan repayments shown in the table have increased the level of internal borrowing beyond the limit identified above. However, given the significant increases in PWLB interest rates in 2022/23 and 2023/24, it is felt prudent to maintain this position in the short term although this will be kept under review in consultation with the Council's external advisors.

The use of internal resources is only a temporary solution as, in time, these reserves and capital receipts will be utilised to finance service initiatives and capital investment and at that point will not be available. This will need to be balanced against the replacement external borrowing which will be required at some point in the future which may attract higher rates of interest, so timing of such borrowing will need to consider forecasted rates of interest against the various types of borrowing structure to determine the most advantageous approach. Against this approach consideration may be required to borrow in advance of need, as set out in section 8.3 below, so as to reduce the need to borrow when interest rates may be higher.

8.2 Gross Debt v Investments

A comparison between the Council's gross and net borrowing position helps to assess the credit risk that would apply if the Council has surplus resources invested at a low interest rate which could be used to repay existing debt or to negate the need for additional new debt if at higher interest rates than that being achieved on the investments.

The table below sets out the Council's probable position taking account of both the individual GF and HRA debt figures.

Comparison of gross and net debt positions at year end	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Probable out-turn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
General Fund external debt (gross)	136	128	119	112	46
HRA external debt (gross)	34,563	33,149	30,534	28,120	25,765
Investments	74,350	57,810	38,870	30,800	15,000
Net debt	(38,651)	(24,533)	(8,217)	(2,568)	10,811

The net debt positions show that the Council does not have underlying excess resources which could be used to repay long term debt – the surpluses and high current investment figures represent carry forwards and the current level of reserves / one-of budgets.

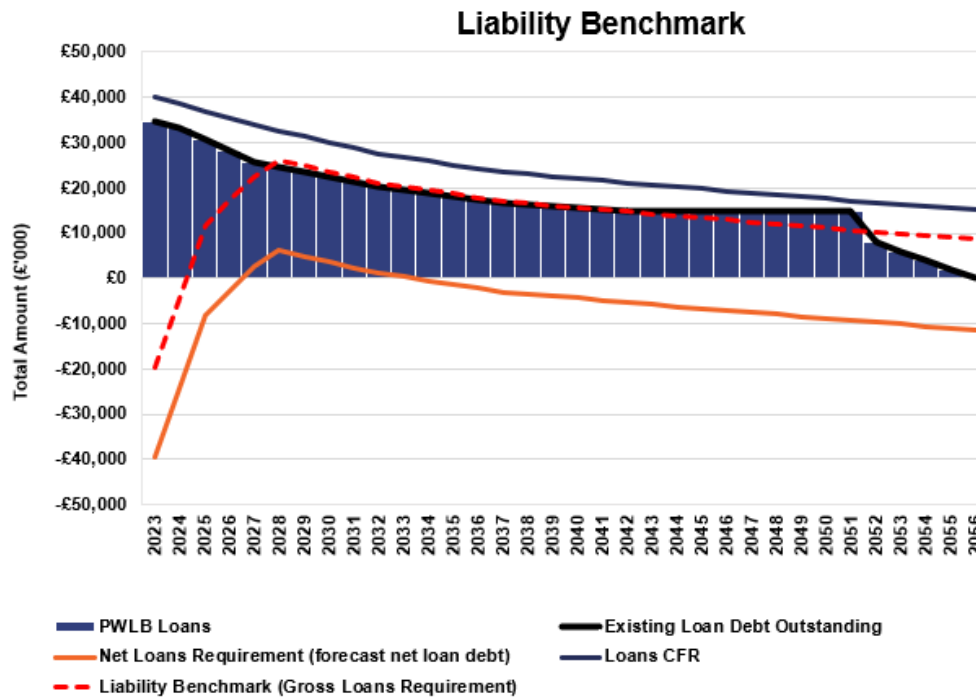
If opportunity arises, external debt will be repaid early, although this is difficult under current arrangements as set out in section 9. If borrowing is required then any requirement will be considered whilst balancing internal resources and forecasted interest rates within the parameters previously set out.

Against this background caution will be maintained within the 2024/25 treasury operations. Interest rates will be monitored and a pragmatic approach adopted to changing circumstances with appropriate action taken in accordance with the Council's Financial Procedure Rules.

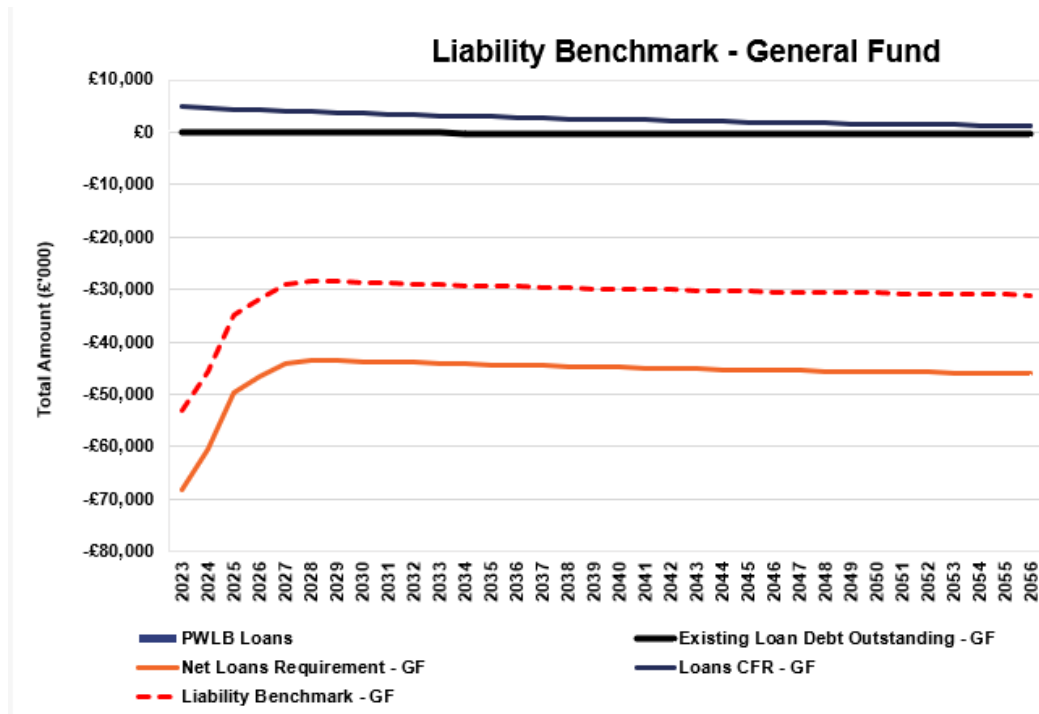
8.3 Liability Index

The tables in sections 8.1 and 8.2 are now required to be shown graphically for a minimum of 10 years and ideally to maturity of loan debt under the 2021 Prudential Code. The charts below show the overall position for the Council and then split over General Fund and HRA.

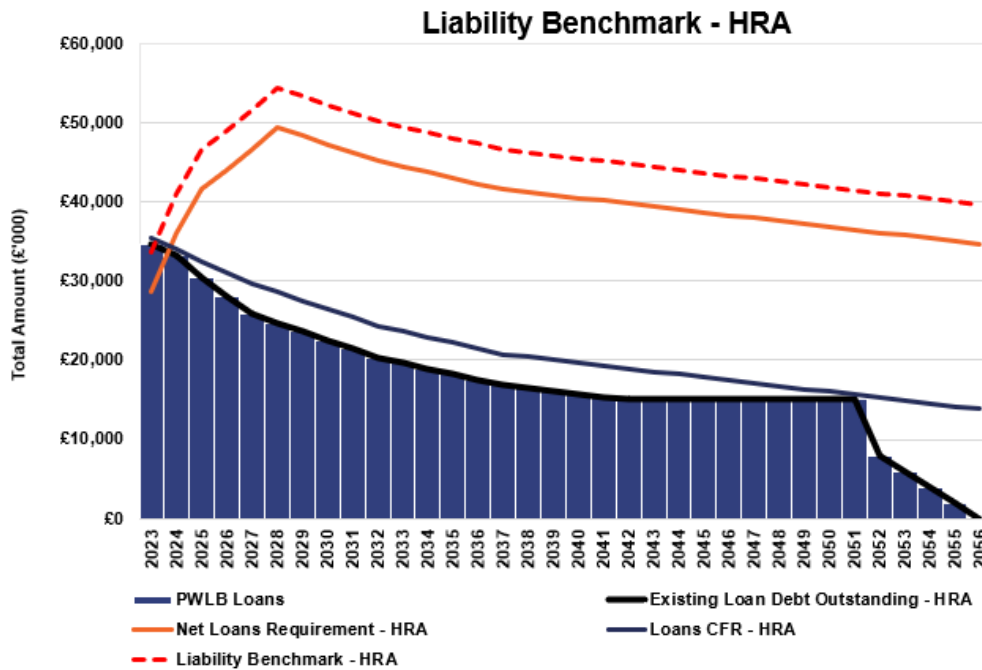
Total



The gap between the red dotted line and the PWLB loans shows the Council is under-borrowed. The net loans requirement line shows loans less anticipated investment balances. The Council needs to maintain some investment balances for liquidity purposes.



The low level of General Fund PWLB debt is demonstrated by this chart, with the bars falling below the blue PWLB loans line. Again, this shows the level of General Fund under-borrowing as set out in the table in section 8.1 above.



The HRA chart shows also that the HRA is under-borrowed, at least until 2051, unless maturity loans that end over the next few years are re-financed.

8.3 Policy on borrowing in advance of need

The Council cannot borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits and demerits of alternative forms of funding;
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

9. Debt Rescheduling

Officers together with the treasury advisors examine on a regular basis the potential for undertaking early repayment of some external debt to the PWLB in order to maximise any potential financial advantages to the Council. However, the continuing and significant difference between new borrowing and repayment rates has meant that large premiums would be incurred by such action and cannot be justified on value for money grounds. This situation will be monitored in case the differential is narrowed by the PWLB or repayment rates change substantially.

As short-term borrowing rates will usually be cheaper than longer term rates there may be some potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short-term nature, and the likely cost of refinancing these short term loans once they mature compared to the current rates of longer term debt in the existing portfolio.

Any opportunities for debt rescheduling will be considered if such action would be advantageous to the Council. The reasons for any rescheduling to take place will include:

- the generation of cash savings and/or discounted cash flow savings
- helping to fulfil the strategy outlined above
- enhance the balance of the portfolio

Consideration will also be given to identifying if there is any residual potential left for making savings by running down investment balances to repay debt prematurely as short-term rates on investments are likely to be lower than rates paid on current debt.

10. Investment Strategy

10.1 Investment Policy

The Council will have regard to the Government's Guidance on Local Government Investments, the latest CIPFA Treasury Management in Public Services Code of Practice and Guidance Notes (the Code) along with any relevant revisions or updates. The Council's investment priorities when investing are: -

- The security of capital and
- The liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with these main priorities. It is important to note that the borrowing of monies purely to invest or on-lend and make a return is unlawful.

Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

The majority of the Council's investments will be in Specified Investments although the Council has limited investments in Non-Specified investments.

During 2017/18 the Council purchased an investment property in Clacton, which is a Non-Specified investment (a commercial investment). The historic cost (including stamp duty) of this asset was £3.245 million and it is financed from revenue. The property was purchased with the aim of yielding rental income and with the potential for capital gains. This investment does not have a defined maturity date and it is an illiquid investment as the Council would need to sell the underlying asset to redeem the investment.

The property will be subject to annual revaluation to reflect current value under the requirements of the Accounting Code of Practice and this will be reported in the Statement of Accounts. At 31 March 2023 the carrying value of the property was assessed by the Council's external Valuer at £2.354 million and at 30 September 2023 the carrying value was reduced to £2.283 million. The anticipated return on the property through rental income compared to the

historic cost is forecast to remain in line with the figures included in the report to Cabinet where the decision to purchase was made. Regardless of whether or not the property is being used for trading, the terms of the lease require payment of the rent until the end of the lease term.

The Council has adopted a Commercial Property Investment Policy which will be maintained as a separate document within the wider Capital and Treasury Strategy framework.

The Council does not intend to use derivative instruments as part of its treasury activities during the year.

10.2 Creditworthiness Policy and changes to the credit rating methodology

This Council uses credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors. In determining the appropriate credit rating the Council will use the lowest rating available to determine the investment limits both in terms of amount and period for a particular counterparty. This is in accordance with the recommendations of The Code. Counterparties rated by only one agency will not be used.

One of the credit rating agencies may be more aggressive in giving lower ratings than the other two agencies and this could result in the Council's counterparty list becoming too restrictive. If this happens the position will be discussed with the Council's treasury advisors and the Treasury Management Practices may need to be revised in accordance with delegated powers set out in the Council's Constitution.

- All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Creditworthiness Service provided by the Council's external advisors which is downloaded from Link Asset Services website each morning and uploaded to the Treasury Management system.
- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use for a new investment will be withdrawn immediately.

The Code also recommends that credit ratings are not the sole determinant of creditworthiness and therefore the Council will also use available market information from a variety of sources including

1. The Creditworthiness Service utilises movements in Credit Default Swaps against the iTraxx benchmark and other market data on a weekly basis. This creditworthiness service information will be used to confirm the assessed creditworthiness derived from the three ratings agencies. Where the information from this service indicates a lower standing for a particular counterparty than that derived via the credit ratings then the investment limits and length of investments applicable to that

counterparty will be adjusted accordingly or the counterparty removed from the list.

2. Market data and information,
3. Information on government support for banks and the credit ratings of that government support

10.3 Credit Limits

Through its approved Treasury Management Practices the Council will set maximum limits for the amount that can be invested with any counterparty. This limit will be determined by reference to the counterparty's credit rating and other criteria. In addition the amount invested in building societies and Certificates of Deposit is also limited to 50% of the total investment portfolio.

100% of the Council's investments may be in Treasury Bills or Gilts or invested with the Government's Debt Management Office (DMO). Although these sums are very secure the rate of interest is usually lower than the market rate, however Treasury Bills are a valuable tool in providing security and liquidity whilst the DMO offers a variety of investment terms and is a valuable source of investment should credit ratings of other financial institutions result in a reduction in the number of counterparties that meet the Council's minimum credit rating criteria. There is no limit on the amount that can be invested with other local authorities in total, although there is a limit of £6 million with each individual local authority.

10.4 Country Limits

The Council has determined that it will only use approved counterparties from the UK and additionally those countries with a minimum sovereign credit rating of AA or equivalent from the relevant rating agencies.

In a similar way that individual counterparties have a maximum investment limit, countries other than the UK will also have a limit.

10.5 Investment Strategy

The Council's funds are managed in-house and are mainly cash flow based but there is a core balance that could be available for investment for longer periods (2-3 years). Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months) and in respect of commercial property investment, this will be limited to the amount included in the Capital Programme.

The bank rate increased from 4.25% in April 2023 to 5.25% in September 2023. The rate is expected to remain at this level until later in 2024 before beginning to fall. (see Section 7). The Council will avoid locking into consider entering suitable low risk longer term deals before rates begin to fall without compromising the Council's priority of security of the investments.

For 2024/25 the Council has budgeted for investment returns based on the principles set out in this strategy including the forecast position on interest rates.

For its cash flow generated balances the Council will seek to utilise its business reserve accounts, Money Market Funds and short dated deposits (overnight to three months) in order to benefit from the compounding of interest. At the present time these short dated deposits are paying *lower* rates, but they provide a good level of liquidity to help manage the Council's cash flow.

10.6 Allocation of Investment returns between GF and HRA

As part of the introduction of HRA Self Financing a policy on the allocation of investments returns across the GF and HRA now forms part of the Annual Treasury Strategy.

The HRA holds balances and would benefit from cash flow advantages, which are amalgamated for the purposes of the overall investment activity of the Council. At the end of each year the transfer to the HRA of its share of the authority's overall investment returns will be agreed by the S151 Officer in consultation with the relevant officers based on the following principles:

- Equity
- Risk Sharing
- Minimising volatility between years

Returns from directly investing in commercial property will be allocated to the relevant fund where the Capital Programme / investment were made from.

10.7 End of year investment report

At the end of the financial year the Cabinet will receive a report on its investment activity.

GLOSSARY OF TERMS

Affordable borrowing limit – limit that the Council has to set under the CIPFA Prudential Code that shows how much the Council considers it can afford to borrow taking all its outgoings into consideration and how much income it considers it can generate.

Alternative financing arrangements – how the Council intends to finance its capital expenditure by other means besides borrowing.

Authorised limit – the amount the Council determines is the maximum that can be borrowed that is affordable and has been calculated in accordance with the legislation behind the CIPFA Prudential Code.

Borrowing requirement – how much the Council considers it needs to borrow to fund its spending plans.

CFR – Capital Financing Requirement – this calculation shows how much the Council needs to borrow or finance by some other measure to meet its planned capital spend.

Counterparty – the other party that participates when a loan or investment is placed.

CPI – Consumer Price Index – the Government's preferred measure of inflation, based on a set basket of goods and services. It excludes housing costs such as mortgage interest payments and council tax.

Credit arrangement – any quasi-loan, to ensure the legislation and Code pick up any unusual arrangements to provide funding other than from a straightforward loan

Credit default swap - A swap designed to transfer the credit exposure of fixed income products between parties. A credit default swap is also referred to as a credit derivative contract, where the purchaser of the swap makes payments up until the maturity date of a contract. Payments are made to the seller of the swap. In return, the seller agrees to pay off a third party debt if this party defaults on the loan. A CDS is considered insurance against non-payment. A buyer of a CDS might be speculating on the possibility that the third party will indeed default.

Credit limit – the maximum amount that can be lent to an individual organisation or group of organisations.

Credit rating – provided by one of the three credit rating agencies, an assessment of how likely the organisation is to repay any monies lent to it.

Creditworthiness - An assessment of the likelihood that a borrower will default on their debt obligations. It is based upon factors, such as their history of repayment and their credit score. Lending institutions also consider the availability of assets and extent of liabilities to determine the probability of default.

Debt cap (HRA) – the limit on the amount that can be borrowed by the HRA, set by central government.

Earmarked reserves – reserves that have been set aside for a specified purpose.

GDP – Gross Domestic Product – measures the output from the economy, if it rises then the economy is growing, if it falls the economy is in recession.

iTraxx - A group of international credit derivative indexes that are monitored by the International Index Company (IIC). The credit derivatives market that iTraxx provides allows parties to transfer the risk and return of underlying assets from one party to another without actually transferring the assets. iTraxx indexes cover credit derivatives markets in Europe, Asia and Australia.

Illiquid investment – An investment that cannot easily be sold or exchanged for cash without a substantial loss in value.

Non-specified investment – as defined in Annex 2.

Prudential indicators – a series of calculated figures specified in the CIPFA Prudential Code which are used to assess how affordable and realistic the Council's spending and financing plans are.

PWLB – Public Works Loans Board – central government lending to other public sector bodies, specifically local government.

PWLB Certainty Rate – The PWLB sets various rates for borrowing. From 1 November 2012 the Government reduced the interest rates on loans from PWLB to Councils who provide information as required on their planned long-term borrowing and capital spending by 0.20%. This reduced rate is called the Certainty Rate.

Replacement borrowing – borrowing taken out to replace other borrowing or other forms of credit that have been repaid.

RPI – Retail Price Index – another inflation index, this one includes the cost of housing.

Specified investments – as defined in Annex 2.

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Proposed Prudential Indicators 2023/24 revised, 2024/25 and forecasts for 2025/26 to 2026/27**Indicators for Prudence****CAPITAL EXPENDITURE**

This is an estimate of the amount of investment planned over the period. As can be seen, not all investment necessarily has an impact on the Council Tax, schemes funded by grants, capital receipts or external contributions mean that the effect on the Council Tax is greatly reduced.

Capital Expenditure - General Fund	2022/23	2023/24	2024/25	2025/26	2026/27
£000s	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	3,931	15,362	827	827	827
Financing - General Fund					
External contributions	(505)	(889)	-	-	-
Section 106	(80)	(224)	-	-	-
Government grants	(242)	(846)	-	-	-
Disabled Facilities Grant	(993)	(10,260)	(757)	(757)	(757)
Capital receipts	-	(1,000)	-	-	-
Direct revenue contributions	(178)	(196)	(70)	(70)	(70)
Earmarked reserves	(1,933)	(1,947)	-	-	-
Total Capital Financing	(3,931)	(15,362)	(827)	(827)	(827)
Net Financing need (External Borrowing)	0	0	0	0	0

Housing Revenue Account Capital Schemes	2022/23	2023/24	2024/25	2025/26	2026/27
£000	Actual	Revised	Estimate	Forecast	Forecast
Total Capital Expenditure	7,351	11,920	3,928	3,928	3,928
Financing - Housing Revenue Account					
Major repairs reserve	(3,940)	(3,764)	(3,314)	(3,314)	(3,314)
Direct revenue contributions	(43)	(2,431)	(614)	(614)	(614)
Section 106	(328)	(159)	-	-	-
Capital receipts	-	(4,114)	-	-	-
External contributions	(2,745)	(1,452)	-	-	-
Government grant	(295)	-	-	-	-
Total Capital Financing	(7,351)	(11,920)	(3,928)	(3,928)	(3,928)
Net Financing need (External Borrowing)	0	0	0	0	0

CAPITAL FINANCING REQUIREMENT

Each year, the Council finances the capital programme by a number of means, one of which could be borrowing. The Capital Financing Requirement (CFR) represents the cumulative amount of borrowing that has been incurred to pay for the Council's capital assets, less amounts that have been set aside for the repayment of debt over the years. The Council is only allowed to borrow long term to support its capital programme. It is not allowed to borrow long term to support its revenue budget.

CAPITAL FINANCING REQUIREMENT	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
General Fund	4,820	4,627	4,442	4,264	4,093
Housing Revenue Account	35,363	33,949	32,535	31,121	29,707
Total	40,183	38,576	36,977	35,385	33,800

GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT

This indicator compares the Capital Financing Requirement to the level of external debt and shows how much of the capital programme is financed from internal resources. The capital programme is partially funded in the short to medium term by internal resources when investment interest rates are significantly lower than long term borrowing rates. Net interest payments are, therefore, optimised.

PRUDENTIAL INDICATOR	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Capital Financing Requirement	40,183	38,576	36,977	35,385	33,800
External debt	34,699	33,277	30,654	28,232	25,811
Internal borrowing	5,484	5,299	6,323	7,153	7,989

OPERATIONAL BOUNDARY AND AUTHORISED LIMIT

The Council must set an operational boundary and authorised limit for external debt. The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It reflects the decision on the amount of debt needed for the Capital Programme for the relevant year. It also takes account of other long term liabilities, which comprise finance leases, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt. The Council has none of these at present.

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

PRUDENTIAL INDICATOR	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Operational boundary - borrowing	67,723	65,584	69,030	69,859	69,364
Authorised limit - borrowing	76,333	75,609	77,878	78,870	78,542

Indicators for Affordability**RATIO OF FINANCING COSTS TO NET REVENUE STREAM**

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. *Investment income is no longer deductible from cost from 2022/23 revised onwards*

ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Revised	Estimate	Forecast	Forecast
	%	%	%	%	%
General Fund	1.81	1.43	1.28	1.23	1.17
Housing Revenue Account	42.14	44.39	40.18	38.89	37.66

RATIO OF COMMERCIAL AND SERVICE INVESTMENTS TO NET REVENUE STREAM

This is a new indicator from 2023/24 and highlights how much of the Council's net revenue spend is financed by income from commercial and service investments. The Council has one commercial investment and no service investments

ESTIMATE OF THE RATIO OF COMMERCIAL INVESTMENTS TO NET REVENUE	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Revised	Estimate	Forecast	Forecast
	%	%	%	%	%
General Fund	-1.93	-1.62	-1.55	-1.57	-1.61

INTEREST RATE EXPOSURE

Tendring District Council currently has all its borrowings at fixed rate and usually has a mixture of fixed and variable rate investments. This indicator is set to control the Council's exposure to interest rate risk.

PRUDENTIAL INDICATOR	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Upper limit for Fixed Interest Rates on debt	40,183	38,576	36,977	35,385	33,800
Upper limit for Variable Interest Rates on debt (based on 30% of the fixed rate limit)	12,055	11,573	11,093	10,616	10,140

TOTAL PRINCIPAL SUMS INVESTED FOR PERIODS LONGER THAN 364 DAYS (excluding property)

Interest rate risk is also affected by the proportion of the investments invested at fixed rates for longer periods, especially in a period when rates are expected to rise.

PRUDENTIAL INDICATOR	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Limits on the total principal sum invested to final maturities longer than 364 days	3,500	3,500	3,500	3,500	3,500

MATURITY STRUCTURE OF FIXED RATE BORROWING

This indicator is set to control the Council's exposure to refinancing risk. The limits are set for each age range to ensure that the Council avoids too many fixed rate loans being matured at one time and spreads the maturity across several periods. The percentages for the upper and lower limits do not add up to 100% as they do not represent an actual allocation.

PRUDENTIAL INDICATOR	Upper limit	Lower limit	Estimated outstanding debt maturity % at			
	%	%	31/03/2024	31/03/2025	31/03/2026	31/03/2026
	Under 12 months	25	0	7.88%	7.90%	8.58%
12 months and within 24 months	30	0	7.28%	7.90%	3.86%	4.22%
24 months and within 5 years	60	0	13.83%	10.67%	11.59%	12.67%
5 years and within 10 years	75	0	14.07%	14.02%	13.86%	13.68%
10 years and above	95	25				
10-20 years			11.86%	10.58%	8.98%	7.09%
20-30 years			33.06%	42.41%	53.13%	58.12%
>30 years			12.02%	6.52%	0.00%	0.00%

TREASURY INDICATOR - EXPOSURE TO CREDIT RISK

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) using the rating applicable when it is taken out and taking the arithmetic average, weighted by the size of each investment. Investments in government instruments such as DMO, treasury bills and in local authorities are scored as 1.

TREASURY INDICATOR	2022/23 Actual	2023/24 to 31/12	2024/25 Upper limit
Average credit score for investments	1.17	1.16	2.00

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SPECIFIED AND NON-SPECIFIED INVESTMENTS

This schedule sets out the specified and Non-Specified investments the Council may use in 2024/25.

Investments may be in the form of direct deposits, Certificates of Deposits (CDs), property (including property funds) or the purchase of financial instruments such as Treasury Bills, Bonds and Gilts.

SPECIFIED INVESTMENTS:

An investment is a Specified Investment if all of the following apply

1. The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling
2. The investment is not a long-term investment which is one that is due to be repaid within 12 months of the date on which the investment is made or one which the local authority may require to be repaid within that period.
3. The investment is not defined as capital expenditure by regulations
4. The investment is made with a body or in an investment scheme of high credit quality or the investment is made with the following public sector bodies.
 - a. UK Government
 - b. Local authority
 - c. Parish council or community council

Where an investment is being made with a UK nationalised or part nationalised bank this will be treated for the purposes of classification as a Specified or Non-specified investment as being invested with the UK Government.

High credit quality

For a counterparty to meet the high credit quality criteria for specified investments, that counterparty must meet as a minimum the ratings of the three credit rating agencies listed below, and not be the subject of any adverse indications from the following sources.

- Credit Default Swap index
- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

Ratings	Fitch	Moody's	Standard & Poors
Short term	F1	P-1	A-1
Long term	A-	A3	A

NON SPECIFIED INVESTMENTS

A maximum of £3.5m may be held, in aggregate, in Non-Specified Investments

The only non-Specified investments that the Council will use in 2024/25 are investments for periods of longer than 12 months with any institution or investment instrument that would have been classed as a Specified Investment if the investment had been for less than 12 months or property. The Council currently holds an investment property in Clacton. The historic cost of this property (including stamp duty) is £3.245 million. *The most up to date valuation received by the Council's external valuer is £2.283 million.* The purchase of the property was financed from revenue resources.

CABINET

12 MARCH 2024

REPORT OF THE PORTFOLIO HOLDER FOR LEISURE AND PUBLIC REALM

A.5 SPORT AND ACTIVITY DRAFT STRATEGY FOR TENDRING

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present a draft five-year Sport and Activity Strategy for Cabinet approval to invite stakeholder comments, through a public consultation process.

EXECUTIVE SUMMARY

Cabinet is presented with a new evidence-based draft Sport and Activity Strategy, to support delivery of the Council's priorities as set out in the newly adopted Corporate Plan. This draft strategy will set the direction for the Council's focus on supporting residents to become more physically active and working with partners to improve quality of life for local people.

Research by the Department of Health demonstrates that increasing activity levels will contribute to the prevention and management of over 20 health conditions and diseases. Adoption of this strategy and the accompanying action plan can support increased participation in physical activity levels in the district, from a historically low base to improve health outcomes and all-round quality of life for local people.

Following conclusions drawn in the draft strategy from the evidence base taken into account, the following strategic objectives are considered to be key in delivering quality outcomes for local people:

- 1. Support improvement to Tendring wide health outcomes*
- 2. Improve quality of life for all local people*
- 3. Long term sustainability & quality of Sports Facilities and wider community offer*
- 4. Ensure every resident is included in sport and active wellbeing*

The draft strategy is presented with a detailed action plan, to impact on all of objectives set out above. Although it will not be possible for the Council to fund all the actions listed, adopting an action plan will allow the Council to proactively look for external funding opportunities and link projects to future developer contributions/Section 106 monies.

A key focus of this work is to ensure that all residents feel represented by the draft strategy and are afforded increased opportunities to become 'active where they live.' This can be achieved by a much wider focus on community activity in all areas of the district, through supporting and facilitating local clubs, organisations and partners to continue and extend their important work. Building on the success of the Sport England Local Delivery Pilot Scheme (LDP), the Council has a role in supporting more active lifestyles in all areas of the district.

In order to facilitate, support and influence the Tendring sport and activity community to deliver the district wide focus of the draft strategy, it is recommended that a two-year fixed term Community Sport and Activity Manager is appointed, to lead on supporting more sport and activity around the district. This will include support for partners, clubs, organisations and sourcing additional funding for approved projects. This post can be part funded by vacant posts in the Sports Facility establishment and the budget allocated to support delivery of the final strategy.

The draft strategy also sets out clear aspirations to work with health partners in creating a new state of the art Active Wellbeing Centre in Tendring. This centre would include health and leisure facilities together in one place and act as a central hub linked to others across the district. Progress will be subject to funding agreements with partners, but this exciting proposition would align with national strategies and presents an opportunity for significant transformation and create a national standard in this approach. In addition to this, there is a commitment to review the current facilities in light of this development, to put the whole leisure estate on sustainable financial footing. In order to inform this aspiration to develop such a facility, it is recommended that a feasibility study is commissioned to ensure all appropriate implications are considered in any future decision making.

Subject to Cabinet agreement, it is important to seek comments on the draft strategy from local organisations, clubs, partners, national governing bodies for sport (NGBs) and most importantly, residents. This will ensure that stakeholder can scrutinise, comment and make suggestions for the completed strategy, prior to adoption. This consultation exercise will take a minimum of eight weeks, following which consideration will be given to the feedback received. The final strategy will then return to Cabinet in the early summer for adoption.

RECOMMENDATION(S)

It is recommended that Cabinet:

- (a) Approves the draft Sport and Activity Strategy for consultation;**
- (b) agrees that Officers initiate a minimum eight-week consultation process and seek stakeholder comment on the draft Sport and Activity Strategy, in consultation with the Portfolio Holder for Leisure and Public Realm;**
- (c) allocates a one off sum of £122,530 from the budget for the former Joint Use Facilities towards the action plan set out in the strategy and delegates decisions for use of this budget to the Portfolio Holder for Leisure and Public Realm;**
- (d) supports the appointment of a new Community Sport and Activity Manager, to facilitate, influence and support the community activity set out in the action plan.**
- (e) Commission a feasibility study to explore the options and implications for developing a new Active Wellbeing Centre in the District.**
- (f) Subject to (e) above, delegates authority for the scope of the feasibility study to the Leader of the Council and Portfolio Holder for Finance and Governance together with the Portfolio Holder for Leisure and Public Realm.**

REASON(S) FOR THE RECOMMENDATION(S)

For the Council to adopt a strategic approach towards sport and physical activity, to support local people and local communities to increase participation around the district.

ALTERNATIVE OPTIONS CONSIDERED

The only alternative option considered was not to draft a strategic approach of the Council's input to sport and physical activity around the district. This would have left a strategic void and lack of clear direction, together with a lack of direction for the Council's work on sport leisure and activity, in a challenging financial climate. Further to that, the lack of an approved delivery plan, underpinned by an evidence-based strategy, would have minimised options for external funding opportunities for both the Council and wider partners in supporting opportunity for Tending residents.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Delivering the strategic objectives and accompanying targets set out in the delivery plan will impact on the following themes, from the Council's Corporate Plan:

- Pride in our area and services to residents.
- Raising aspirations and creating opportunities.
- Working with partners to improve quality of life.
- Financial sustainability and openness.

As a Community Leader the Council will support, influence and facilitate increased sport and activity across the district. Through the consultation process, it is imperative that the views of residents, organisations and local businesses are taken into consideration in the formation of the final strategy.

In addition, the draft Sport and Activity Strategy should be considered in conjunction with a range of approved and emerging Council strategies, including the Economic Strategy and a range of national and regional strategic documents.

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)

Although discussions have taken place with partners and key groups in the production of this draft strategy, the next stage will be to consult with a full range of partners and the wider community on the content. The outcome from that consultation process and respective changes made as a result, will be set out in the covering report when the final strategy returns to Cabinet for adoption.

The draft strategy has also been informed by national and regional strategic documents, which are referred to throughout. Further to this, consultation commissioned by the Council to inform the recently adopted Corporate Plan was also used to draw some conclusions established in the draft document presented to Cabinet.

The Council's Sports Facilities team will also be consulted about those implications relating to our staff, which are set out in the strategy.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation	Yes	If Yes, indicate which by which criteria it is	X Significant effect on two or more wards
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a Key Decision (see the criteria stated here)	a Key Decision	x 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)	Wednesday 14 September 2023

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

Partnerships and Community Engagement is one of the strands expected for demonstrating the Council's Best Value Duty under Local Government Act 2003. In its draft Statutory Guidance published in July 2023, government has described a number of standards for Councils to be meeting as a Best Value authority. Authorities should have a clear understanding of and focus on the benefits that can be gained by effective collaborative working with local partners and community engagement in order to achieve its strategic objectives and key outcomes for local people.

Key characteristics for Partnership and Community Engagement are:

- early and meaningful engagement and effective collaboration with communities to identify and understand local needs, and in decisions that affect the planning and delivery of services; and
- Evidence of joint, planning, funding, investment and use of resources to demonstrate effective service delivery, but transparent and subject to rigorous oversight. The Council needs to be clear.

Through the consultation and engagement process on the draft strategy, the Council needs to be very clear what it is intending to be responsible for in delivery and areas it will work together with others to take forward.

The approval of a draft strategy for consultation does not commit the Council to its aspirations and further decisions will be required within the Council's Constitution and governance framework to take the projects forward once adopted.

FINANCE AND OTHER RESOURCE IMPLICATIONS

In order to support some of the actions in the delivery plan, it is recommended that £122,530 from the former Joint Use Facility budget is allocated to the Sport and Activity Strategy.

With Local Authorities under increasing financial pressures and competing priorities for expenditure, it will not be possible for the Council to fund all the proposed actions in this draft strategy. Adopting a final action plan however, will ensure the Council and other partners are able to maximise opportunities from emerging external funding bodies and developer contributions (Section 106, if appropriate), as and when they become available.

The adoption of an action plan will ensure the Council and partners, can move quickly in making cases to funders, that there is a considered, evidence-based plan to improving active lives in the district and the wider benefits to improving health inequalities, wellness and all round quality of life.

Through the strategy, the Council should also consider sustainability of its leisure stock. Operating leisure centres is a significant financial challenge for Local Authorities, requiring increasing subsidies over recent years to pay for rising energy and service costs. In respect of these significant challenges and substantial investment required on ageing stock, the Council needs to consider what public sports facility offer can be provided and sustained into the future.

A feasibility study into the future of the Council's sports facilities is recommended in the action plan and the budget costs for the three indoor sites as approved by Full Council for the 24/25 financial year is set out below:

The approved combined budget to run the Council's sports facilities at Clacton Leisure Centre, Dovercourt Bay Lifestyles and Walton on the Naze Lifestyles in 2023/24 is £1.056m, as approved by Full Council. In addition, there are further internal recharges of £491,490 accounted for against the cost of running these facilities. In addition, there is a supporting budget (Management of Sports Facilities) which totals £400,880 of direct costs (and £931,250 including recharges).

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

The proposed strategy addresses a number of key best value and value for money elements / considerations. In terms of potential rationalisation that is highlighted in the strategy, this will need to be considered within the context of the best value / value for money requirements expected of Councils in terms of how they plan to bridge funding gaps and the identification of achievable savings.

USE OF RESOURCES AND VALUE FOR MONEY

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>Although resourcing for the Council's Sports Facilities is long established, in order to deliver the community focus of this draft strategy, a dedicated resource will be required. This will ensure there is a member of staff to work with partners, clubs and organisations to target interventions all around the district. Further to this, there will also be resourcing to focus on applying for external funding, as and when this becomes available to deliver actions from the action plan.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>Once adopted by Cabinet, each individual project will be subject to stand alone governance arrangements and in some cases, business plans. This will highlight any risks and financial resources, including sustainability.</p>

<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p>This draft strategy will ensure good value for money, by focussing attention on objectives approved by the Council. A review of the Council's Sports Facilities will ensure consideration is given to long term sustainability and that the Council is working within its approved budget framework.</p>
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MILESTONES AND DELIVERY

Following agreement by Cabinet to seek stakeholder comments on the draft Sport and Activity Strategy through consultation process, the milestones will be as follows:

- 1 April 2024: Consultation Commences
- 26 May 2024: Consultation Closes
- 27 May 2024 – 23 June 2024: Consideration of consultation responses
- Summer 2024: Sport and Activity Strategy presented back to Cabinet with consultation responses and any changes made as a result.

ASSOCIATED RISKS AND MITIGATION

There are no significant risks attached to the agreement by Cabinet to commence consultation on the draft strategy. There are risks however to leaving a strategic void and the Council not agreeing a clear direction for its input into Sport and Physical Activity.

Once the final strategy has been adopted, there may be further consideration required on individual projects included in the action plan.

EQUALITY IMPLICATIONS

This draft strategy has equality at its heart and the action plans are targeted to ensure all residents have opportunities to become more active as a result. The strategic objectives are evidenced based and interventions are targeted to ensure support is provided in those communities who might be disenfranchised from accessing sports facilities.

Any changes to service provision will be considered through an Equality Impact Assessment prior to implementation.

SOCIAL VALUE CONSIDERATIONS

The social value provided by the Council's Sports Facilities to the wider community, are monitored through figures derived from Sport England's 'Moving Communities' platform. It is estimated that Clacton Leisure Centre, Dovercourt Bay Lifestyles and Walton on the Naze Lifestyles provide over £3.5m in social value across physical and mental health, individual development and social and community development. This figure is likely to be on the modest side, as it does not account for those customers without a record on the Sports Facilities database.

There is likely to be significant further social value through the community sport and activity proposed in the draft strategy. This will be more challenging to measure, as it will be delivered in a more informal manner, without a digital system to support an evaluation.

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

The draft Sport and Activity Strategy has a strand on 'Sustainable Facilities and Carbon Reduction' which sets out a number of measures to continually reduce the Council's carbon

footprint. This includes actions to reduce energy use and costs at the Council's sports facilities, but investing in the Pool Plant and other energy saving projects. This will build on investments which have already been made to install swimming pool covers and update lighting to LEDs across the three Sport Facilities.

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>Crime and Disorder</p>	<p>Increasing opportunities for young people to become more active can lead to positive social outcomes and sport is a recognised diversionary activity which has the power to educate about team dynamics and how work ethic and endeavour can improve life chances and quality of life. Working with local clubs and organisations and encouraging more people to use local facilities has the potential to decrease Anti-Social Behaviour and pathways to crime in our communities.</p>
<p>Health Inequalities</p>	<p>Supporting an increase in local physical activity levels will play a critical preventative role in reducing health inequalities and the maximisation of health and well-being for all residents. This will be maximised if targeted interventions are successful in reaching those who are either sedentary or rarely active.</p>
<p>Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)</p>	<p>There are no subsidy control issues anticipated through this draft strategy and any funding issued as a result, will be subject to competition and the Council's procurement rules.</p>
<p>Area or Ward affected</p>	<p>This draft Sport and Activity Strategy will impact on all wards in the district.</p>

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Draft Sport and Activity Strategy
 Evidence suggests that committing to an active lifestyle improves personal wellbeing and helps to tackle any number of health conditions, including heart disease, obesity and strokes. In addition to this, amongst other positive benefits, evidence shows it supports improved self-esteem, immune systems, sleep and personal concentration levels.

Sport can be a significant force for good and for our young people, being part of a club or an organised activity can support the development of so many life skills, aspirations and self-confidence. There is also clear evidence linking sport to a reduction in crime and anti social behaviour and Tendring is rich with impressive sport and activity clubs and organisations,

who do so much to support our way of life.

The Council's sports facilities at Clacton, Dovercourt and Walton on the Naze continue to act as hubs for sport and activity in the district. We know from the Sport England Active People survey how important fitness is to our residents and it is still the top-rated physical activity in Tendring. Together with ensuring they are continually more accessible, that is one of the many reasons all three of our gyms have been refurbished in recent years. There are currently 1693 residents registered on the Council's learn to swim programme, which is such an important life skill in a coastal community.

Like most public sector organisations, Tendring District Council is faced with a challenging financial position. With significant revenue savings to find in the next three years, the Council will need to work with partners and be creative. There is an action in the draft strategy plan to review the current facilities, in light of the Active Wellbeing Centre, to put the whole leisure estate on a sustainable financial footing. This review will focus on savings option to reduce the cost of subsidy to leisure centres in future years and could include the rationalisation of the estate.

The Council will also work with partners to secure investment opportunities, if improvements are to be made to existing leisure assets or new facilities are provided.

Over the next 25 years the population of Tendring is expected to increase higher than the national rate. This includes proposed developments at Tendring/Colchester Garden Communities and Hartley Gardens in Clacton on Sea. The development of this draft strategy will ensure the Council will have a strong evidence base to consider developer contributions, when new housing is proposed in the district.

It is important that the action plan is informed by clear evidence to ensure strong outcomes and an improved picture for local people. With that in mind, reports commissioned to support the Tendring/Colchester Garden Communities Project have been used to inform this draft strategy. An external consultant has developed that work, which has been subject to input and scrutiny by Sport England and National Governing Bodies for Sport.

PREVIOUS RELEVANT DECISIONS

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

APPENDICES

Appendix A: Sport and Activity Draft Strategy for Tendring

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Tendring
District Council



Sport and Activity Strategy for Tendring

2024 – 2028

FOREWORD

Tendring has a stunning coastline and an attractive rural landscape that makes it a desirable place to live for our 145,000 residents. The benefits of living by the sea in a clean and healthy environment are well documented and make our district special in many different ways.

We know that regular activity improves general health and wellbeing, and helps to combat many serious medical conditions such as heart disease, diabetes, strokes and obesity. Engaging in activity at any level, individually or collectively, will benefit mental health, improve self-esteem and reduce social isolation.

Sport can be a significant force for good and, particularly for our young people, being part of a club or an organised activity can support the development of many life skills, ambitions and self-confidence. There is also clear evidence linking sport to the development of civic pride and a reduction in crime and anti-social behaviour.

The population of Tendring is generally stable in respect of 35-54 yr olds but will show a continuous increase in persons aged 65+ over the next two decades. With nearly a third of the population in this age group, the challenge for this strategy is to consolidate provision as it stands whilst encouraging more people to be more active more often. Thus it will play a critical preventative role in reducing health inequalities and the maximisation of health and wellbeing for all residents.

The Council is in discussions with health partners about an aspiration to create a new state of the art Active Wellbeing Centre in the area. The Centre would include health and leisure facilities together in one place and act as a central hub linked to others across the district. Progress will be subject to funding agreements with our partners, but we believe developing plans for this new combined approach is the best way forward for our district. We would review the current facilities in the light of this new development to put the whole leisure estate on sustainable financial footing.

Whilst it is evident that engagement in sport and leisure activities produces undoubted benefits for the population, our district has historically low levels of participation. A Sport England 'Active Lives Survey' showed that 36% of the population was considered to be inactive – achieving less than 30 minutes activity per week – which is above the regional and national average of approximately 28%.

The aim for this strategy is to provide a framework for access to facilities and opportunities for activity across all age groups. It will seek to integrate internally with other council policies and strategies – particularly the Health and Wellbeing Strategy - whilst also recognising the influence of external organisations, such as Sport England, National Governing Bodies, and Regional Health Authorities. It will recognise that Sport, Physical Activity and Health and Wellbeing are all inextricably linked and strive to provide overall active wellbeing outcomes for all of our residents.

Maintaining sustainability and affordability will be critical considerations in any delivery plan. The strategy will also need to address some of the barriers to localised community provision in our more rural areas. This will be achieved by creating active environments at a local level, utilising council and community assets to support our dedicated sport and physical activity facilities. At a basic level the foundations for a

healthy lifestyle can be set by encouraging active travel across and around our district – walking, cycling and running are simple activities that will benefit from improved access and opportunity to participate.

Development and delivery of the strategy will require a wide range of partnership working with our colleagues in the public sector and active support for the many networks of selfless volunteers we are lucky to have in Tendring.

Working with health partners and organisations will help us to develop a joined up approach to health and wellbeing whilst addressing some of our collective financial challenges. The Tendring Health and Wellbeing Board has been the spearhead for significant success over recent years and a continuing move towards a more seamless approach could lead to improvements across a number of health indices, a reduction in waiting times for primary care and a healthier district.

This strategy is a statement of intent and signals a different and radical approach to the provision of sport and leisure facilities; the ambition to improve health outcomes for our residents and extend the opportunity for wellbeing are the driving forces that underpin this approach. The strategy will be organic and flexible, evidence based and responsive to the needs of place and community.

I want every resident to be able to pick up a copy of this strategy and feel like they are included and represented by our objectives. We want to deliver outcomes that lead to more opportunities for our residents to become more active, with an improved quality of life.

**CLLR MICK BARRY
PORTFOLIO HOLDER FOR LEISURE & PUBLIC REALM**

INTRODUCTION: WHY DOES THE DISTRICT NEED A STRATEGY FOR SPORT AND ACTIVITY?

Tending is rich with quality sports clubs, inclusive activity programmes and sports facilities in key conurbations. Despite this, the district has fewer active people (53.7%) than both the national average (60.9%) and regional average (60.2%) as identified by the latest Active People Survey undertaken by Sport England. The percentage of the population considered to be inactive in our District is 36.2%. This is above both the regional average (28.2%), and the national (27.5%) average.

Although there is no one definite answer as to why activity levels in the district have been historically low, this strategy covers some of the potential barriers and reasons for this. This includes, but is not limited to; age profile, transport barriers, employment, and pockets of deprivation around the district.

Research by the Department of Health demonstrates that increasing activity levels will contribute to the prevention and management of over 20 health conditions and diseases, including coronary heart disease, diabetes, certain types of cancer, positive mental health and weight management.

Inactive and unfit people have almost double the risk of dying from coronary heart disease. The latest health profile highlights a number of conditions where Tending falls below the national average. Of these conditions, there are a number where increased physical exercise could have a significant positive impact on the health, wellbeing and quality of life for local people.

Through increased participation in physical activity levels in the district, there is a real prospect that local health statistics could be improved with enhanced life outcomes and expectancy levels for local people. Facilitating a balanced activity programme, with a well thought out mix of formal and informal activity which meet the needs of local people, could have a significant impact on participation. As sedentary lifestyles are a proven contributor towards poor health, this could support improvements in local health and wellbeing outcomes.

Participation in sport can be increased by facilitating a balanced and well thought out strategic programme, with a mix of formal and informal activity designed to meet the needs of local people. Encouraging low levels of physical activity can also contribute significantly towards reducing social isolation - Tending has one of the highest proportions of older populations in the region who are especially vulnerable to this. Research by the World Health Organisation suggests that loneliness can be as damaging to health as smoking and empowering our communities to develop, sustain and expand sport and activity clubs could result in significant impacts. This can include a feeling of belonging, wider integration and feeling valued together with opportunities for volunteering and all the opportunities and benefits that brings.

The Department for Culture, Media and Sport affirm that the HM Prison and Probation Service (HMPPS) support a vision for the role of '*sports-based interventions in tackling and reducing crime and preventing contact with the criminal justice system.*' Increasing opportunities for young people to become more active can lead to positive social outcomes and sport is a recognised diversionary activity which has the power to educate about team

dynamics and how work ethic and endeavour can improve life chances and quality of life. Working with local clubs and organisations and encouraging more people to use local facilities has the potential to decrease antisocial behaviour and pathways to crime in our communities.

It is important that this strategy is mindful of the Council's Local Plan and changes in local populations which will occur as a result of development in the district in the future. An expansion of the population will require consideration of additional means for residents to become active. Recently produced Playing Pitch and Indoor Sport Strategies to support the revision of the Local Plan are key documents in informing this strategy and the accompanying delivery plan. This will also impact on the ability for residents to become '*active where they live*' and consideration to appropriate play areas and free to use activity spaces will need to be considered for new and expanding housing developments.

Many local people take advantage of the activity offer available at the Council's three sports facilities at Clacton, Dovercourt and Walton on the Naze. Those facilities experience in excess of 600,000 visits per year. This includes pre-paid members who use their facilities several times per week, club members whose regular weekly activities have a home at one of the sites, such as Martial Arts, Swimming and Football, and residents of all ages learning to swim both as a life skill and as an important part of living in a coastal community. Operating leisure centres is a significant financial challenge for Local Authorities, with rising subsidies over recent years in terms of rising energy costs and increasing service costs through inflation and cost of living. In respect of these significant challenges and substantial investment required on ageing stock, the Council needs to consider what public Sports Facility offer can be provided and sustained into the future. Consideration can be given to different ways of working, including developing the wider community offer for sport and activity and extensive partnership working with other organisations, to improve local health outcomes. This could have the benefit of both providing improved services to residents and a more financially sustainable model and resilience.

The approved budget to run the Council's sports facilities in 2023/24 is £1.056m, as approved by Full Council. In addition, there are further internal recharges of £491,490 accounted for against the cost of running these facilities. The social value the sports facilities provide to the wider community should also be noted, however. Using figures derived from Sport England's 'Moving Communities' platform, it is estimated that Clacton Leisure Centre, Dovercourt Bay Lifestyles and Walton on the Naze Lifestyles provide over £3.5m in social value across physical and mental health, individual development and social and community development.

Subject to funding being sourced and identified, there are a number of proposals for delivering this strategy, including developing activity hubs around the district, to complement the Council's built facility offer. In addition, this strategy seeks to work with partners and open up more opportunities for local people to become active 'where they live'; which will support Tending to become a more active, healthier community and further improve the quality of life in our wonderful district.

With Local Authorities under increasing financial pressures and vastly competing priorities, it will not be possible for the Council to fund all the proposed actions in this strategy. Adopting a delivery plan, however, will ensure the Council and other partners are able to maximise

opportunities from emerging external funding and developer contributions, as they become available. The adoption of a delivery plan will ensure the Council and partners can move quickly in making cases to funders, and that there is a considered, evidence based plan to support any applications to funders to maximise our chance of improving active lives in the district, and to reap the wider benefits of improving health inequalities, wellness and all round quality of life.

TENDRING COMMUNITIES AND PEOPLE

Tendring has an expanding population and the 2021 census shows that the district increased in size by 7.3% to 148,100 residents since the previous survey in 2011.

The Tendring population is much older than the national average, with 29% of residents aged 65 or over compared to only 18% nationally. Within 20 years, it is forecast that a third of the district's population will be over 65 years of age. Any delivery plan needs to be mindful of the older population and ensure activities and facilities are designed to support this significant portion of the population in becoming and/or remaining more active. Future investment decisions should include consideration of those over 65 years of age.

There are some areas in Tendring with significant deprivation and 28% of Tendring's neighbourhoods (so called Lower Super Output Areas, or LSOAs) are in the most deprived 20% nationally. Only 4.1% of residents live in the three least deprived groups, which compares to an average of c.30% in other areas. The average salary for working people in Tendring is £31,194.80, which is 6.56% lower than the UK average. In terms of those residents out of work, in January 2022, there were 4,345 people in Tendring claiming out of work benefits; this represents an increase of 19.5% when compared to March 2020 (3,635).

Tendring has received significant Government funding under the banner of Levelling Up, which will result in investments being made into key locations, such as Town Centre improvements, Skills Hubs and new housing over the coming years. This strategy should be mindful of price being a potential barrier to sport and activity and consider how this can be addressed.

The district has the East's joint highest proportion of residents who are identified as being disabled. Accessibility should be considered a key driver for this strategy, both in terms of physical opportunities for residents and training/skills for those delivering sport and physical activity sessions in our area.

The Tendring Local Plan supports improvements to local walking and cycling infrastructure and recognises the importance that *'developments are well located in relation to existing walking and cycling networks, and where appropriate provide enhanced facilities.'* Through this strategy, the Council will consider how improvements to local infrastructure can be both identified and funded. Working with groups such as the recently founded 'Cycling and Active Travel Strategy Group', ECC as the Highways Authority and other key partners, the Council can consider how funding can be identified. This will build on opportunities which exist in our coastal and rural environments and extend active communities such as the successful parkruns in Clacton and Dovercourt.

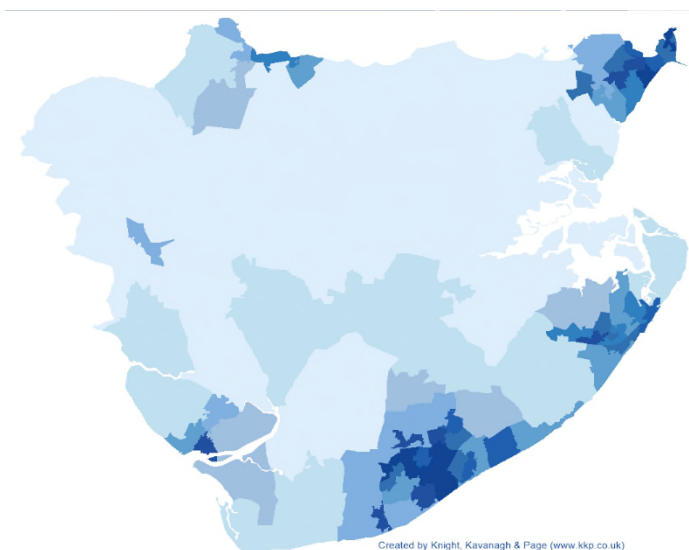
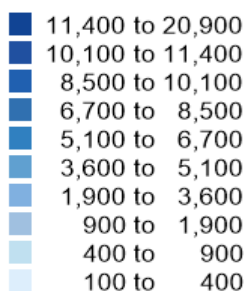
The most popular activities for Tendring residents are fitness (23.7% of residents) and cycling (14.7% of residents). The Council's built facilities will have a significant impact on those who use fitness facilities now and subsequently in the future. Tendring has a wonderful natural environment for fitness activities, including 36 miles of stunning coastline and attractive rural locations. Together with local leisure facilities, there has been an apparent expansion in the number of outdoor groups operating fitness sessions in the district. The following table shows the top 5 sports in the district:



The map below illustrates how the main population densities in the district are focussed in the coastal communities around the district. Consideration needs to be given to how rural communities are best served and facilitated to become more active. Further to this, investment decisions should be informed by the catchment areas to ensure facilities provide a sound return on investment, in terms of financial and social outcomes.

Tendring

Population density per square mile



The impact of sport and activity on life satisfaction should not be underestimated. The social value indicator for ‘subjective wellbeing’ from users of the Council’s sports facilities show the financial benefit as around £1.9m per year. This demonstrates that as well as the personal satisfaction and improved outlook for those participating in sport and physical activity, there is also a measurable financial benefit to the local community.

A recent consultation exercise, undertaken in the summer/autumn of 2023 for the production of the Council’s Corporate Plan, was insightful when referring to subjects which inform the production of this strategy. 11.7% of those who took part in the consultation believe in creating ‘more indoor and outdoor leisure and maintain existing sites’. Although it would not be practical or affordable for indoor built facilities to be developed close to all residential locations, this strategy sets out opportunities for residents to be ‘active where they live’ through a variety of projects and interventions. Furthermore, residents wanted access to

healthcare as a priority, which could be improved with explorations by the Council and partners into **considering the viability for an Active Wellbeing Centre** – as set out in the action plan.

It is important to note that the diversity of the district needs to be considered when developing the delivery plan which supports this strategy. Changes to current service provision as a result of any reviews will be subject to Equality Impact Assessments.

CASE STUDY

Active 4 Life

The Council runs a successful 'Active 4 Life' group at Clacton Leisure Centre, which attracts around 300 visits every week. This includes instructor led fitness sessions, racquet sports and use of the fitness suite. The sessions culminate with a drink and opportunity for socialising. In addition to this, the group organise their own social programme, which includes visits to attractions and holidays.

Skate Park

The Council opened a new concrete construction Skate Park in August 2023 adjacent to Clacton Leisure Centre. This is free to use and accessible to residents of all ages. The Council worked with young people and a local skate park user group to develop the site. The group even wrote a passage which was included in the tender documentation for construction, demonstrating community involvement and pride in place.

HEALTH AND ITS RELATIONSHIP WITH SPORT AND ACTIVITY

Tendring has the highest under 75 mortality rate, at 388 per 100k population, in Essex. In 2021, 43.5% of Tendring residents described their health as "very good", which was an increase from 42.0% in 2011. Those describing their health as "good" fell from 35.9% to 35.2%. The proportion of Tendring residents describing their health as "very bad" remained 1.5%, while those describing their health as "bad" was 5.1% (similar to 2011).

The total annual cost to the NHS of physical inactivity for the NHS Northeast Essex Clinical Commissioning Group (CCG) is estimated at £3,106,290. When compared to regional and national costs per 100,000, the total costs for the CCG (£936,027) is 16.1% above the national average and 13.2% above the regional average.

As referred to previously, Tendring falls below the national average in a number of health conditions, which increasing access to higher quality and more accessible sport and activity could improve:

Type 2 diabetes - This is a long-term (chronic) condition that is caused by too much glucose in the blood. Inactive people are more at risk of developing type 2 diabetes, making physical activity a good way of helping to control the level of blood glucose.

Coronary heart disease - This occurs when your heart's blood supply is blocked or interrupted by a build-up of fatty substances in the coronary arteries. People who exercise regularly have a lower risk of developing coronary heart disease.

Stroke - This is where the brain's blood supply is interrupted. People who are active have a lower risk of having a stroke.

High cholesterol - This occurs when a fatty substance, known as a lipid, builds up in your blood. Like hypertension, high cholesterol is a major risk factor for heart attack and stroke and can be reduced or prevented with exercise.

In Reception Year at school, 11.7% of children in Tendring are considered obese and 16.6% overweight. By Year 6 these figures rise to 20.6% obese and 13.6% overweight. In total by Year 6 a third of children (34.2%) are either overweight or obese. Consideration should be given to early interventions to support a decrease in these statistics.

In their 2021 strategy, 'Uniting the Movement', Sport England set out that '*Sport and physical activity has a big role to play in improving the physical and mental health of the nation, supporting the economy, reconnecting communities and rebuilding a stronger society for all.*'

Tendring shows a greater prevalence of mental health challenges and in most cases a greater prevalence than the England average. The social value indicator for 'physical and mental health' for users of the Council's sports facilities show the financial benefit as over £700,000 per year. This represents the savings accrued by local health services as a direct result of those Leisure Centre users being active. And this is just for users of council facilities. Increasing participation will reduce the cost of local health services and take some pressure off primary care services.

In their 2023/24 annual plan, the Essex Health and Wellbeing Board set out the following:

'We will work with all system partners to optimise the integration of health and social care, including community-based solutions, hospital avoidance, hospital discharge and reablement services.'

This lends itself to considering even closer working relationships with partners, to improve access to health services, both primary care and alternative options for local people.

In 2023, Sport England produced a new strategy to address the challenges faced by Local Authorities and other providers, in maintaining the national sports facilities stock (Future of Public Leisure). This sets out the case for moving towards seamless partnership working between Local Authorities and Health Providers, together with other significant partners, to move transition from traditional leisure services to a focus on active wellbeing. Subject to the outcome of a feasibility study, this has the potential to become more financially sustainable for all partners, whilst tackling the wider health implications for local people. The strategy claims that this would 'create a closer relationship between health and leisure, built on social prescribing, co-location of services and the delivery of preventative activity opportunities' – providing users with convenient places and ways to be active, located in close proximity to other health and social care services and facilities.

Consideration could be given to how the Council addresses the sustainability of its current sport facilities stock in respect of the direction suggested in this Sport England report. This could have a significant impact on the health of local people and continue pursuing the upward trajectory of local health data.

CASE STUDY

Back to Health

The Back to Health scheme was funded by the Council as a one-off project and involves residents being referred by their GP, practice nurse, physiotherapist, or a social prescriber for one of the following criteria:

- Hypertension
- Heart Disease
- COPD
- Musculoskeletal
- Long Covid
- Controlled Type 1 and 2 Diabetes Coronary Disease
- Stroke
- Cancer
- Cancer Rehabilitation
- Obesity

Participants receive a free one-to-one consultation, plus further reviews as required, and a structured Fitness Programme.

The course duration is 12 weeks and, if successfully completed, participants receive 1 9-month subsidised membership giving access to all activities at any TDC Sports Facility.

215 people have been referred to the BTH scheme since it started. These include Cardiac Rehab referrals who are referred by the hospital clinical team. There are 2 sessions, one for those who have completed the scheme but want to continue to attend for a small fee of and one for those who are currently working their way through their funded sessions.

Customer feedback:

Customer 1:

"I had never set foot in a gym before my heart attack. I now try and attend Monday to Friday. I am very aware that improving my fitness as I have, has lowered my risk factors significantly for having a second event. Coming to the gym gives me a good reason to get up and out!"

Customer 2:

"I started to attend My Weight Matters and got my diet on track. I was then referred to the gym by a Social Prescriber and it has changed my life so much. My health has improved and I have so much more energy. I have dropped from 20 to 15 stone!"

TENDRING ACTIVITY LEVELS

Opportunity for local people to be active has been challenged since early 2020. The Department of Culture, Media and Sport report that *'recent years have seen unprecedented challenges for sport and our ability to be active. The pandemic and ongoing financial challenges around the cost of living have had a huge effect on all of us, including on the sport and physical activity sector and its workforce.'*

Tendring has historically low physical activity levels, compared with the County, Regional and National averages. This is emphasised by the following statistics:

- **Residents completing less than 30 minutes a week of activity**

Tendring District: 29.8% inactive (measured over the last 3 years)

Essex: 24.9% inactive

- **Residents completing at least 150 minutes of activity per week**

Tendring District: 56.3%.

Essex: 62%

- **Increase/Decrease in activity levels**

Tendring District: Between 2017/18 & 2018/19, there was a decrease in people being active by 2.4%

Essex: Between 2017/18 & 2018/19, there was an increase of people being 1.1% within the same period of time.

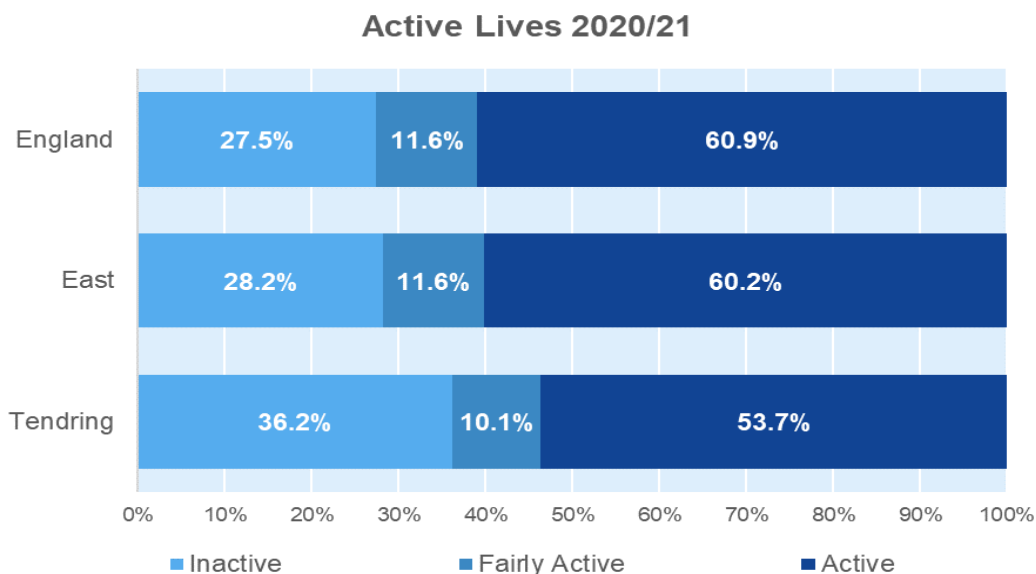
Tendring District: The 'fairly active' group decreased in 2019/20 by 6.8%

Essex: fairly active group decreased in 2019/20 by 1.6%.

Note: Fairly active is a person who achieves between **30-149 minutes per week**

In an area with challenges in terms of pockets of deprivation, transport links and historically low participation rates, this strategy should be mindful of price points and location as barriers to participation. Through this strategy the Council should therefore consider how to address these barriers, such as increased free to use facilities, a considered pricing policy for activities and supporting residents to be 'active where they live.'

Sport England data shows that there is a large disparity in activity levels between deprived communities and more affluent areas. Tendring has areas facing significant deprivation, including the most deprived ward in the country. The Council, working with partners, has already delivered a pilot community-based free bike scheme (Pedal Power) that has been set up in Clacton, Jaywick Sands and Harwich/Dovercourt. As the cost of a bike is a key barrier to some residents, around 1200 bikes have been given away to residents to support them to become more active. This has a further benefit of opening up opportunities for work and skills travel. The Council will continue to consider how improved opportunity can be provided to residents in these locations and how they can be supported to participate in regular sport. Through this strategy, it is inspired to develop more free facilities for young people, better infrastructure to enable more activity.



In excess of 600,000 visits are made per year to use the Council’s sports facilities and of that number, there are around 5,050 pre-paid members who are more likely to attend more frequently. Following the re-opening of council sports facilities when national restrictions were lifted during the Covid-19 Pandemic, membership prices were reduced to account for limited access to facilities. As the number of members increased during that period, the price reduction of 25% (implemented during the Covid-19 pandemic) has been maintained with huge success. In fact, compared with pre Covid numbers, the amount of members has more than doubled from around 2266 in February 2020 to the current levels.

Consideration can also be given to organising and facilitating local events to inspire more people into sport and activity. The Council has worked with partners to reintroduce the Tour de Tendring in 2024, which can attract a significant number of riders taking part. This will include a shorter family ride to introduce the enjoyment of cycling to a younger generation of local people. A wider sport related events programme can continue to draw more people into sport and an innovative programme can also have an added economic benefit, where visitors are attracted to the area. This could include such activities as Beach Volleyball and Rugby tournaments and working with water sports organisations to facilitate events on our coastline.

Tendring is part of the Essex Local Delivery Pilot (LDP), selected by Sport England as one of 12 nationally. This scheme tests new and innovative approaches that can go on to inform delivery of sport and activity across the country. LDP has introduced schemes such as Essex Pedal Power, providing local people with free bikes, gamification activities like Beat the Street and a grants programme for local clubs and organisations.

CASE STUDY

Beat the Street and Street Tag

The Local Delivery Pilot funded gamification activities in Tendring, to test whether this improved levels of activity with local people. Gamification is the use of technology to turn walking, running, or cycling around a local community, into a game. Beat the Street attracted 2,817 players in Harwich and Dovercourt out of a population of 18,000, and the players walked, jogged, and cycled an incredible 35,166 miles.

TENDRING GEOGRAPHY AND TRANSPORT

Most of the district's population is concentrated in coastal communities including Clacton on Sea, Harwich and Dovercourt in the north, Walton on the Naze, Frinton on Sea, Manningtree and Lawford, and Brightlingsea. There is also a significant rural community who are not served by strong road and other transport networks. Due to the Tendring geography, residents may have challenges in accessing sports facilities outside of their area – particularly if they do not have access to a car. Through this strategy, a partnership approach towards finding innovative ways to provide alternative forms of activity and access to facilities managed by schools, community groups etc. should be identified.

If everyday journeys such as travelling to work, school and local services can be carried out by bike, walking or running, this can build a strong element of activity sustainability into weekly routines. Active Travel improvements around the district could be a key enabler for improved activity levels.

As a key area of focus, Jaywick Sands, like many coastal towns, suffers from poor access to leisure and cultural activities. The Jaywick Sands Place Plan sets out that *'with one road in, no train station and very limited bus services, locations which are not far away geographically can take a long time to reach by public transport.'*

A new cycle route from Jaywick Sands to Clacton on Sea opened in 2023, which included lighting, a new asphalt cycle track and improved wayfinding. This will have the benefit of improving connectivity between the two towns and opening up further access to employment and local services.

Cycling and walking are key to local people being active, but there may be barriers to activity for more inexperienced cyclists due to poor infrastructure. If opportunities for cycling are to be expanded in the district, consideration would need to be given to how this investment can be made. Working with landowners could be a way of unlocking more cycle routes, for example through utilising agricultural land. This could also support the visitor economy and the expanding market for active tourism. Essex Pedal Power is one of the flagship programmes of the LDP and has been operating in the district for a few years. The scheme provides FREE bikes to residents in Tendring's most disadvantaged communities, to significantly increase cycling, active travel and physical activity levels. Consideration as to how more access to bikes can be afforded through this strategy and importantly, safe routes can be improved and installed in key locations around the district.

The Active Essex, Fit for the Future Strategy lists 'Active Environments' as a key objective in encouraging more residents of the county to become active. The strategy sets out that:

'We must design physical activity into buildings, parks, green spaces, coastal paths, and streets. It is essential that active environments meet the specific needs of the people who live there to foster pride and enjoyment of where people live.'

Consideration can be given to opening up more stretches of the district's seafront to cycling. This has its challenges in facilitating shared use with pedestrians and mobility scooters, but a pilot in Dovercourt Bay with a designated cycle lane has been successful.

Furthermore, improving active travel infrastructure and accessibility around the district could lead to an upsurge in cycling and walking participation. There may also be an opportunity to work with rural landowners to improve access to country routes in the district.

TEST CASE

Essex Pedal Power

Since launching the scheme in Clacton and Jaywick Sands there is an average of:

- 1,130, cycle rides
- Between 8 and 9 cycle rides per rider
- 2.4km cycled each trip, per rider

Statistics show that riders have increased their life satisfaction score, decreased their anxiety score, and significantly decreased their car journeys.

Since June 2021, Essex Pedal Power has been giving out free new bikes to eligible residents in Clacton and Jaywick, and launched in Harwich in Summer 2023. These distinctive orange bikes can now be seen being ridden all over Tendring, as riders enjoy the benefits of keeping fit and enjoying the countryside. For some a new bike means a way to get active, for others it could be the only way they can get to work or visit family. But for one woman, getting an Essex Pedal Power bike transformed her life.

Raeanne Williams, 26, first heard about Essex Pedal Power Clacton and Jaywick through her work in the charity sector. After striking up conversation, Raeanne, who lives in Clacton, found she was eligible for a bike and shortly after receiving it, she noticed a huge difference in her life. In fact, she was so pleased with the difference it was made she applied for a job at the Colchester Essex Pedal Power in Greenstead, which opened this Summer, to become part of the project and help others like her.

CONCLUSIONS

- Activity Levels in Tendring are lower than the national and regional average.
- Health Indicators in Tendring are lower than the national and regional average, but the latest summary shows an improving position.
- Mental health statistics in Tendring are worse than the national average.
- Evidence suggests that price is a barrier to sport and activity in the district.
- Evidence suggests that accessibility through transport in the district is a challenge for local people.
- There is an older population in Tendring compared with the national average and this is increasing as an overall proportion.
- The population of the district will expand over the coming years with significant housing development planned to the west of the district and in the wider Clacton area.
- There is a strong sports club ethos in the district, in a variety of sports.
- Local cycling infrastructure is poor in comparison to other locations.
- Similar to many areas, Tendring has an ageing sports facility stock and consideration should be given to how this can be addressed, to improve sustainability and quality.

- ✓ Consideration should be given to providing a wider spread of opportunity, so residents are able to be 'active where they are.'
- ✓ Consideration should be given to providing more 'free to use' facilities in the district.
- ✓ Consideration should be given to improving local cycling and walking infrastructure to increase activity. This may also result in wider economic benefits.
- ✓ Consideration should be given to ensuring older residents have access to activities.
- ✓ Consideration should be given to how this strategy can inform decision making for future developer contributions, particularly where populations will be expanding.
- ✓ Consideration should be given to increased partnership working with health partners to further improve local outcomes.
- ✓ Consideration should be given to options for sustainability at the Council's three sports facilities.
- ✓ Consideration should be given to working with partners towards providing age specific activities.
- ✓ Consideration should be given to working with sports facility/landowners around the district, with a view to improving access for local people.
- ✓ Consideration of commissioning a feasibility study on the future of the Council's sports facilities should be considered. This could include options for sustainability and partnership working with health partners.
- ✓ Consider how delivery of this strategy can be resourced, through partners, sports clubs, local organisations and external funding sources.

SCOPE OF THE STRATEGY

Following the conclusions drawn above, it is important to define the scope of this strategy to ensure there is a key focus for delivering strong outcomes. The high level strategic objectives within this plan will inform a detailed delivery plan to set out the actions to be taken to achieve successful outcomes.

The following overarching objectives are therefore considered to be the drivers in developing this strategy:

1. Support improvement to Tending wide health outcomes.
2. Improve quality of life for all local people through activity and participation.
3. Long term sustainability & quality of sports facilities and wider community offer.
4. Ensure every resident has the opportunity to be included in sport and active wellbeing.

Sustainable improvement will only be effective through partnership working and input from local people.

VISION

“To support an increase of activity levels in Tendring on a sustainable foundation, to improve health outcomes and quality of life for **all** local people.”

MISSION STATEMENT

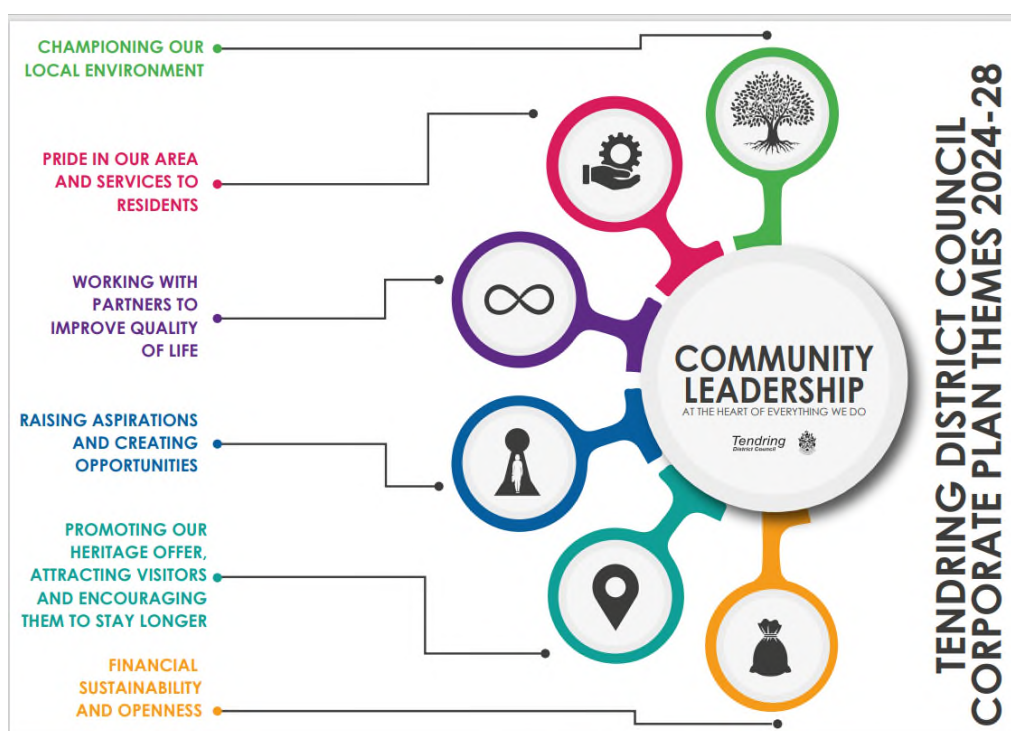
“To work with local people, **communities** and partners to improve opportunity for all residents to increase participation in sport and activity throughout the district and provide more opportunities for residents to become more active.”

THE CORPORATE PERSPECTIVE

How can the Sport and Activity Strategy contribute towards the Council's Vision?

This strategy has the potential to impact on a number of corporate objectives. If resources are focussed appropriately, a supporting delivery plan can effectively impact on improving the lives of residents and sustaining council services.

The Council's newly adopted Corporate Vision is set out below:



Delivering aspirations from this strategy will impact on the following strands of the vision:

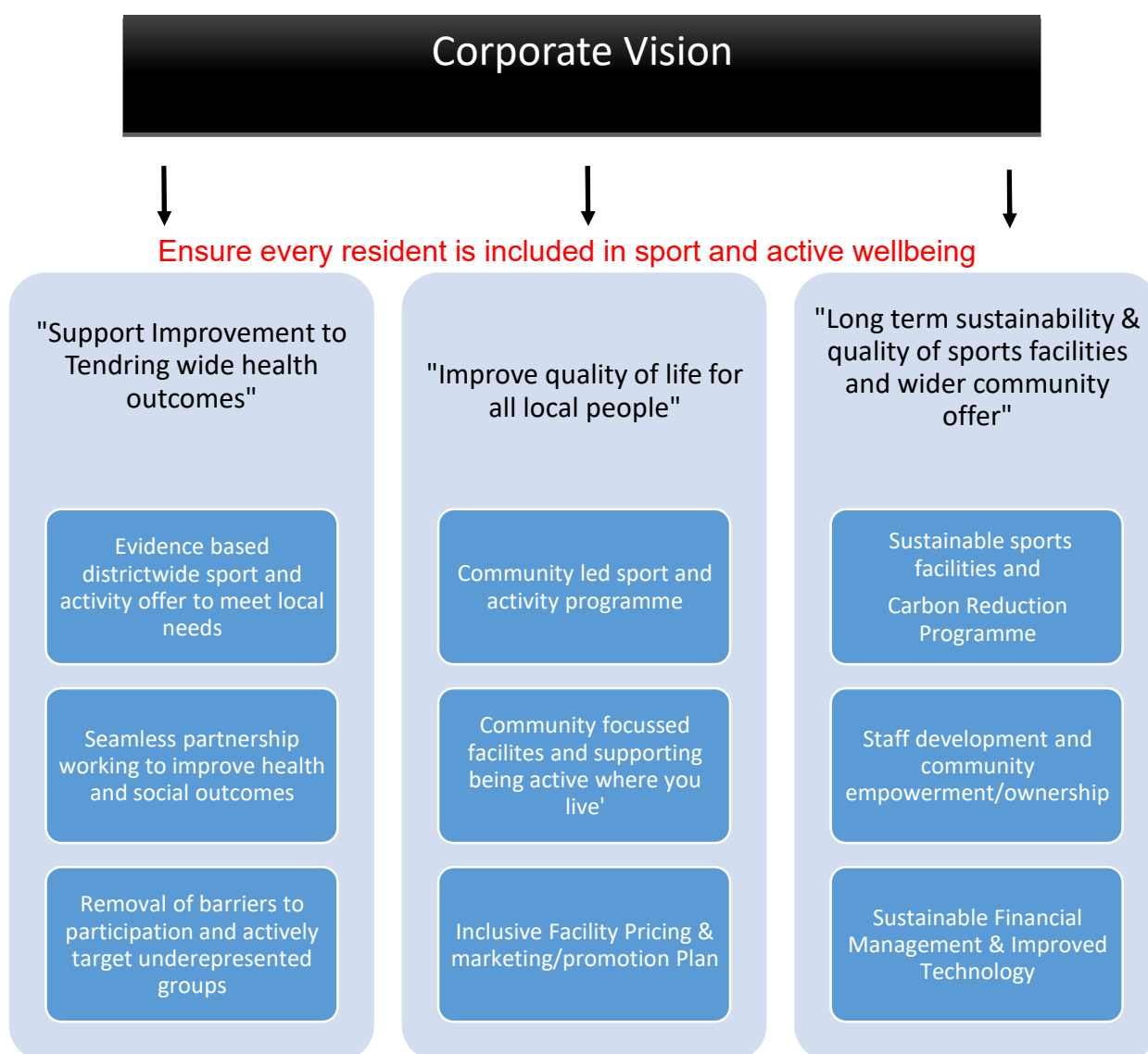
- Pride in our area and services to residents
- Raising aspirations and creating opportunities
- Working with partners to improve quality of life
- Financial sustainability and openness

Finance

A strategic approach to financing the delivery plan will need to be considered and prioritised, based on emerging opportunities. This strategy can unlock potential for Section 106 monies to be allocated towards Sport and Activity facilities, together with an evidence base for external funding opportunities.

THE STRATEGIC OBJECTIVES

The Tendring Sport and Activity Strategy will focus on supporting a higher proportion of residents to be **active to improve quality of life**, increase the number residents who are **regularly active** and ensure the foundations for those priorities are **sustainable**. The 12 strategic objectives set out below will underpin this plan, and all deliverable areas of focus and projects over its lifetime will be focussed on achieving their outcomes. The plan is informed from the conclusions reached in this strategy and will involve input from local people, organisations and voluntary groups around the district.



EVIDENCE BASED DISTRICT WIDE SPORT AND ACTIVITY OFFER TO MEET LOCAL NEEDS

The Council will actively work with local people, communities and key partners to ensure more local people have access to sport and physical activity opportunities. Together with continuing to provide traditional and mainstream sports through the council's sports facilities and local sports clubs, it should be recognised that more informal activity might be more appealing to significant areas of the population, due to a wide range of factors, including age, access to transport and levels of deprivation.

Key areas of focus will be:

- Using research available, work with communities and key partners to identify priority facilities and activities for local people.
- A varied and continually evolving activity programme at the Council's sports facilities
- The formation of 'activity hubs' on the land surrounding each of the Council's sports facilities, in Clacton on Sea, Dovercourt Bay and Walton on the Naze
- Working with clubs and community groups to provide both traditional and informal activity sessions around the district

EVIDENCE BASED DISTRICT WIDE SPORT AND ACTIVITY OFFER TO MEET LOCAL NEEDS – KEY ACTIONS

TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
SHORT TERM	Outreach Programme	Develop a new outreach programme in targeted geographical areas around the district.	£10,000 All new sessions should be financially sustainable and cover costs. Prime funding may be required and a 'settling period' can be designated to reach breakeven.	This will require either external funding or be funded from the dedicated 'strategy budget', subject to prioritisation with the Portfolio Holder.
SHORT TERM	Support organisations and local people to improve access to sports facilities	Work with sport facility owners in the district to open up more opportunities for local people to access. This will include schools, village halls and other facility-based provision.	£120,000 over two years to employ a Sport in the Community Manager* *Note: this role is repeated through this action plan	This will be funded from vacant posts within the Council's sport facilities establishment and the dedicated strategy budget (subject to prioritisation with the Portfolio Holder).

SHORT TERM	Complete priority facility and activity plan for the district	Consult and work with communities and local people to develop priority new/improved facilities and activities for each area of the district. Use evidence from PPOSS, IBF to inform the outcome.	£120,000 over two years to employ a Sport in the Community Manager* *Note: this role is repeated through this action plan	This will be funded from vacant posts within the Council's sport facilities establishment and the dedicated strategy budget (subject to prioritisation with the Portfolio Holder).
SHORT TERM AND ONGOING	Sport Events Programme to encourage more residents into activity	Facilitate more sports events in the district, to encourage a wider participation and entry into new activities: <ul style="list-style-type: none"> • Tour de Tendring • Beach Volleyball • Beach Rugby Multi Sports Beach Festival	£20,000 of prime funding	This will require either external funding or be funded from the dedicated 'strategy budget', subject to prioritisation with the Portfolio Holder.
MEDIUM TERM	Artificial Pitch, Dovercourt Bay Lifestyles	In partnership with local sports clubs, explore options for the multi-sport artificial pitch facility at Dovercourt Bay Lifestyles. This should meet the needs of local communities and maximise use and financial sustainability.	£350,000	This will require external funding
MEDIUM TERM (dependant on demand)	Playing Pitch and Outdoor Sport Strategy	Work with National Governing Bodies, Sport England, Sports Clubs and other council services to increase access to outdoor sports provision. Use	£120,000 over two years to employ a Sport in the Community	This will be funded from vacant posts within the Council's sport facilities establishment and the

		<p>the PPOSS as the evidence base.</p> <p>Link to wider action in strategy</p>	<p>Manager*</p> <p>*Note: this role is repeated through this action plan</p>	<p>dedicated strategy budget (subject to prioritisation with the Portfolio Holder).</p>
MEDIUM TERM	Activity Hubs	<p>Build on the active facilities which surround the Council’s sports facilities at Clacton, Dovercourt Bay and Walton on the Naze. Developing a range of free to use and high quality paid for facilities on land surrounding the sports facilities, will increase opportunity, create destination locations and centres for local people to become active.</p>	<p>The cost will be dependent on the facilities considered (some of which are set out in this delivery plan).</p>	
LONG TERM	Accessible Pump Track	<p>Work with partners to explore the ambition for a new accessible and inclusive Pump Track in the district.</p> <p>A feasibility study has been completed for this project.</p>	<p>£300,000</p>	<p>This will require external funding</p>

LONG TERM	New free to use Playzones for the district	Explore funding opportunities, including section 106 monies/developer contributions and external funding, to secure two new modern Multi Use Games Areas in the district, e.g. Playzones Clacton Leisure Centre, Harwich and Dovercourt and Walton on the Naze Bathhouse Meadow.	£450,000 (there is potential to secure £337,000 through Football Foundation funding).	This will require external funding and match funding to deliver
LONG TERM	New facilities to support an expanding population on the west of Tendring	Work with colleagues at Colchester City Council to identify new sport facilities provision on the west of the district—through the Tendring/Colchester Borders project.	TBC	Dependent on delivery and based on externally developed Planning Documents.
LONG TERM	Athletics provision	Work with England Athletics and other partners to explore potential and funding opportunities for new athletics provision in the district. This would require identifying a location and funding for such a project and how this could be made financially sustainable.	A feasibility study could be funded through England Athletics. Consideration can then be given to how a facility could be funded	Will require external funding

SEAMLESS PARTNERSHIP WORKING TO ACHIEVE WIDER HEALTH AND SOCIAL OUTCOMES

Work with partners in health, social care and other areas of the public sector to explore how closer working relationships can improve health outcomes and access to primary care for local people. This may include initiatives such as co-location and joint working to improve health and life outcomes for local people.

The key areas of focus will be:

- With partners, explore viability of building a new active wellbeing centre in Tendring to include sport and leisure activities, key health services and other public services such as social care.
- With partners, explore opportunities for more joint working around the district, to develop joined up work programmes for local people.

SEAMLESS PARTNERSHIP WORKING TO ACHIEVE WIDER HEALTH AND SOCIAL OUTCOMES – KEY ACTIONS

TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
SHORT	Consider viability for a new Active Wellbeing Centre in the district	<p>Following receipt of a feasibility study into developing a new Active Wellbeing Centre in the district, work with partner, including those in health and education to consider the viability and next steps.</p> <p>In addition, a feasibility study is to be undertaken on the Council’s sports facilities to put the whole leisure estate on sustainable financial footing</p>	TBC	A feasibility study is to be commissioned separate to this strategy, to inform a viability study with partners.
SHORT	Back to Health	<p>Subject to the review of sports facilities, work with partners to extend the successful Back to Health scheme for a further 3 years. This will improve work to address a number of key health conditions, including cancer rehab and long Covid.</p> <p>Work with health partners to consider a funded role hosted at TDC, to develop a seamless approach between health partners and community sport and leisure.</p>	£70,000 (per annum)	This will require either external funding or a be funded from a dedicated ‘strategy budget’

SHORT AND ONGOING	Essex Wide Partnership Working and Learning	Work with Active Essex and other 2nd tier authorities in the county to challenge current facility provision and make recommendations for improvements and opportunities for greater partnership working.	N/A	Ongoing
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REMOVAL OF BARRIERS TO PARTICIPATION AND ACTIVELY TARGET UNDERREPRESENTATIVE GROUPS

Working in conjunction with the marketing plan we will aim to increase the support for activity levels through removing the key barriers to participation within Tendring; affordability, accessibility and awareness.

Key focus areas will include:

- Explore opportunities for improved transport access to activities and centres
- Inclusive sessions that allow all abilities to attend across the district, such as specialist classes.
- Increase gym induction availability to ensure those requiring additional support to be seen within a week's period
- Work with partners to provide outreach projects within the community to those with participation barriers
- Work with partners and communities to provide improve facilities and activities in key areas of the district
- Revise membership and pay as you go pricing to allow access to those with financial barriers to participation.

REMOVAL OF BARRIERS TO PARTICIPATION AND ACTIVELY TARGET UNDERREPRESENTATIVE GROUPS – KEY ACTIONS

TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
SHORT TERM	Targeted sessions for reception age children to set a foundation for sport and activity	Work with the education sector and other partners to identify key locations for delivering sessions to reception aged children in the district. Consider how gamification can be introduced on a permanent footing to support this kind of activity.	TBC	This will require either external funding or be funded from the dedicated 'strategy budget', subject to prioritisation with the Portfolio Holder.
SHORT TERM	Targeted Memberships	Subject to the review of sports facilities, pursue external funding opportunities for referred families to access inclusive membership packages at the Council's facilities	N/A	Ongoing
SHORT TERM	Provide/Deliver inclusive classes at all 3 Tendring Leisure Sites	Subject to the review of sports facilities, introduce 'Sport for Confidence' and 'Active for Life' sessions at WONL + DBL. Could the Columbine Centre be used for the dry side activities in Walton?	All new classes will be financially sustainable and cover costs.	This will require either external funding or be funded from the dedicated 'strategy budget', subject to prioritisation with the Portfolio Holder.

SHORT TERM	Outreach projects within the community	Plan and deliver outreach projects such as classes in the parks and the wider Tendring community to increase awareness of the Council’s Sports Facility offering. This will be subject to a needs and demand analysis, ‘ <i>Moving Communities</i> ’ database and work with local partners.	All new classes will be financially sustainable and cover costs.	This will require either external funding or be funded from the dedicated ‘strategy budget’, subject to prioritisation with the Portfolio Holder.
MEDIUM TO LONG TERM	Improve cycling opportunities	<p>Based on evidence, demand and risk assessment, open up more cycling routes across the district’s seafront locations.</p> <p>Work with ECC to produce a Cycling and Walking Infrastructure Plan, to prioritise new infrastructure for local people to participate in active travel.</p> <p>Work with Active Essex and Sport England Delivery Pilots to increase access to bikes for local people</p>	£10,000, with additional funding provided from partners	This project is funded and ongoing.

COMMUNITY LEAD SPORT AND ACTIVITY PROGRAMME

The Council will work with local people, key partners and community leaders to identify sport and activity priorities for each area of the district and support organisations, clubs and communities to deliver activity for residents '*where they live.*' This will address barriers to activity through transport and, in some cases, due to cost.

Key Focus areas will include:

- Supporting and empowering local communities to deliver activities for local people.
- Work with facility/landowners to provide more opportunity for local people to use sports facilities around the district, which may currently have limited or no access for community use.
- Use the evidence from the Playing Pitch (PPS) and Indoor Built Facilities strategies (IBFS) to inform areas of focus.
- Consult with key partners, local representatives and local people on what they would like to see new and improved provision/activities.
- Consider forms of funding which could be used to develop new facilities/activities, including external funding pots and Section 106 monies.

COMMUNITY LEAD SPORT AND ACTIVITY PROGRAMME – KEY ACTIONS

TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
SHORT TERM	Develop a priority facility/activity plan for all areas of the district	Using the evidence base gathered to inform the process, consult with partners, community groups and local people to develop a priority plan for new/improved activities and facilities across the district.	£120,000 over two years to employ a Sport in the Community Manager* *Note: this role is repeated through this action plan	This will require either external funding or be funded from the dedicated 'strategy budget', subject to prioritisation with the Portfolio Holder.
SHORT TERM	Develop a funding plan	Seek funding sources to deliver the priority plan, once complete. This could include external funding opportunities and section 106 monies	£120,000 over two years to employ a Sport in the Community Manager *Note: this role is repeated through this action plan	This will require either external funding or be funded from the dedicated 'strategy budget', subject to prioritisation with the Portfolio Holder.

SHORT TERM	Inclusive Access to Sport Clubs grant	Grant Funding for referred children to better access Sports Clubs, where price might be a barrier to opportunity. 'Sports Bank'	10,000 (potential for external funding)	This will require either external funding or be funded from the dedicated 'strategy budget', subject to prioritisation with the Portfolio Holder.
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<p>SHORT TO MEDIUM TERM</p>	<p>Improve Cycling and Walking Infrastructure</p>	<p>Work with landowners to open up more opportunities for cycling and walking networks in the district.</p> <p>Work with partners at Essex County Council to complete a Cycling and Walking Infrastructure Plan for the district. This will identify key locations and new infrastructure to improve access to cycling and walking. Furthermore, it will be a strategic document to identify the needs and demand to attract funding opportunities.</p>	<p>£120,000 over two years to employ a Community Sport and Activity Manager</p> <p>*Note: this role is repeated through this action plan</p> <p>This may require further external support to deliver</p>	<p>This will be funded from vacant posts within the Council's sport facilities establishment and the dedicated strategy budget (subject to prioritisation with the Portfolio Holder).</p>
<p>SHORT</p>	<p>Improve access to developer contributions towards sports provision in the district</p>	<p>Work with Council colleagues to develop an overarching priority list for activity provision in the district, to ensure new sports facilities are considered for s106 contributions in the district</p>	<p>N/A</p>	<p>Ongoing through this strategy</p>

SHORT AND ONGOING	To continue a project pipeline for new sport and activities in the district.	Based on needs and demands and local input, create a full project pipeline sport and activity pipeline for the district. This will ensure opportunities for external funding and developer contributions are informed by a strong evidence base.	N/A	Ongoing through this strategy
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COMMUNITY FOCUSED FACILITIES AND SUPPORTING BEING ACTIVE “WHERE YOU ARE”

The Council will look to utilise activity space throughout its assets across the district in order to increase participation in physical activity. The key focus will be utilising lesser used areas surrounding and within our leisure facilities in order to provide a range of new and varied sporting activities. The new facilities will vary from free to use outdoor fitness facilities to larger scale projects, all of which will encourage and promote local people taking up physical activity.

The key areas of focus will be:

- Using space across the district effectively in order to boost participation in sport and physical activity.
- Identifying little-used facilities within our leisure centres and look to develop these in order to further improve the services we provide.
- Liaising with local sports clubs and identify improvements they would like to see across the district—putting an emphasis on participation at grassroots level.
- Identifying funding opportunities for new facilities and resourcing applications where appropriate.

COMMUNITY FOCUSED FACILITIES AND SUPPORTING BEING ACTIVE “WHERE YOU ARE” – KEY ACTIONS

TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
MEDIUM TERM	Virtual Classes	Subject to the review of sports facilities, explore options to provide virtual exercise classes at Council run assets and the respective business case for doing so.	TBC	This will require a stand-alone business plan and either external funding or funded from a dedicated ‘strategy budget’
LONG TERM	New Exercise Space	Consider developing new activity spaces through underused council Assets, to include wider activity opportunities and a hub for the local people. Options could include vacant seafront buildings.	TBC	This will require a stand-alone business plan and either external funding or funded from a dedicated ‘strategy budget’
LONG TERM	Options for existing disused Multi-Courts at Clacton Leisure Centre to develop an ‘Activity Hub’	Subject to the review of sports facilities, work with partners to consider options for outdoor hardcourt areas at Clacton Leisure Centre (e.g. Playzones).	TBC	This will require external funding and the possibility of match funding from the Council to deliver.

INCLUSIVE FACILITY PRICING PLAN & MARKETING/PROMOTION PLAN

The Council will review the pricing for all activities, including membership packages and which facilities/activities are included, to ensure memberships are fit for purpose, affordable and futureproof, thereby encouraging more local people to become active within the leisure facilities or open space.

This, in turn, will support the running costs of the centres by generating sustainable income levels – reducing net cost further still. It should be recognised that the centres have recovered and surpassed the membership stats pre-Covid, from the introduction of the 25% discount and changes to the membership operation such as no contract period, flexibility to cancel membership following a modern subscription method, adaptations to advance booking periods and so on.

The Council will review the current Marketing plan inclusive of social media platforms, events and membership offers. Focus will be applied to a larger audience to realise an increased brand/ partnership awareness across the district. The plan will include a detailed outline of brand standards and methods across all marketing advertisement and promotions with a key target to the districts demographics groups with barriers to participation.

Key areas of focus will be:

- To provide quality leisure and fitness facilities at affordable prices
- Maintain a simple membership package offer, along with easy to follow pricing structure inclusive of 'pay as you go'
- To focus on increasing leisure centre attendance levels leading to improved public health, as well as a more financially sustainable service to be able to re-invest back into leisure facilities
- Ensure leisure centres follow trends to be more attractive to target groups, providing activities and flexibility within packages to ensure sustained use and growth
- To increase regular participation in sports and activities in Tendring—monitored through attendance and participation stats
- Roll out a brand standard for all marketing and promotions across Tendring Leisure, inclusive of font, photos, design and layout of website/social media and partnership campaigns focused on increasing physical activity.
- Targeted marketing inclusive of outreach; designed to focused on those with barriers to participation and that are inactive in the community
- Design and roll out a clear monthly marketing plan Tendring Leisure and partnerships which will include memberships/ classes, lessons, and courses as well as other external activities that will take place across the district.
- Build a commercial connection with local companies to encourage increased participation through corporate memberships.
- Link into key partnerships, club and groups looking to get people active in Tendring to enhance the awareness of these activities or events, not just within our centres.
- Ensure customer service & experiences are highest standard, to ensure repeat business

INCLUSIVE FACILITY PRICING PLAN & MARKETING/PROMOTION PLAN – KEY ACTIONS

TIMESCALE	PROJECT	DETAILS	COST	STATUS
SHORT TERM	Continually review Membership Packages, inclusive of pay as you go	Continue to create simple and affordable membership package offer for the three centres that are attractive to encourage more people to become active, more often.	N/A	ONGOING
SHORT TERM	Review Activity Pricing Structure	Develop proposals for an inclusive pricing structure that are easily understood by the public and staff.	N/A	ONGOING
SHORT TERM	Design an ongoing monthly membership offering for new customers	Monthly plan with a clear target for each month of advertisement and promotions	Through existing revenue budgets	Ongoing
SHORT TERM	Social media plan	Detailed plan of posts for local and national campaigns focused on health and wellbeing. This will include activity in the community and advise on facilities, activities are taking place 'where you live.'	Through existing revenue budgets £120,000 over two years to employ a Sport in the Community	Ongoing and the will be funded from vacant posts within the Council's sport facilities establishment and the dedicated strategy budget (subject to

			<p>Manager*</p> <p>*Note: this role is repeated through this action plan</p>	<p>prioritisation with the Portfolio Holder).</p>
SHORT TERM	Marketing campaigns linked with key partners in Tendring	Detailed plan of all partners campaigns within Tendring that can be used to advertise community activities and provide further promotions on our offerings	<p>Through existing revenue budgets</p> <p>£120,000 over two years to employ a Sport in the Community Manager*</p> <p>*Note: this role is repeated through this action plan</p>	<p>Ongoing + the new post will require either external funding or a be funded from a dedicated 'strategy budget'</p>

MEDIUM TERM	Review the Memberships Terms and Conditions	To develop new terms and conditions that provide flexibility where possible to encourage increased attendance.	N/A	ONGOING
MEDIUM TERM	Latent Demand & Current Data	To commission a latent demand analysis to understand the recommended price points, packages and demand in the local area. Utilising current stats to ensure the suggested packages are fit for purpose and future proof. To review every three years.	N/A	ONGOING
SHORT TERM	Outreach project for corporate membership within Tendring	Design and deliver invitations for meetings to discuss corporate memberships with local businesses/organisations with 15 or more employees.	N/A	Ongoing
SHORT TERM	Retention Plan	Design and implement a new retention plan, to be reviewed on an annual basis	N/A	Ongoing
SHORT TERM	Health and Activity Campaign	Explore opportunities with partners to develop a Tendring specific promotional campaign to encourage more early years children to become more active.	N/A	Ongoing

SUSTAINABLE FACILITIES AND CARBON REDUCTION PROGRAMME

To ensure full functionality and the sustainability of our sports facilities, consideration must be made by reviewing the integration of people, places, processes & technology. Having properly managed facilities is important for cost savings where equipment & premises are invested in within a scheduled Planned Preventative Maintenance scheme (PPMS). Facilities must be managed proactively rather than reactively, which could have a detrimental effect on facilities available / equipment available for our customers, as well as the costs incurred whilst trying to update Facilities reactively and how our reputation is perceived by our customers and potential users in that recovery time. The PPMS will focus on proactive management and addressing building management issues before they arise, rather than acting reactively, once a problem has occurred. We will also strive to keep at the forefront of new processes and technologies with the aim of making facilities more efficient in their operation.

The Council has set out its plans to become net zero carbon by 2030. The plan, initially covering the period to 2023, sets out a series of measures to reduce the council's own greenhouse gas emissions. The plan identifies that by 2029 TDC could save almost £1m each year in energy efficiency by making the changes. Available data shows TDC's CO2 emissions totalled 4,553 tonnes in 2018/19 across three 'scopes' – direct emissions, indirect (such as electricity supplier) and indirect (use of goods and services). The three sports facilities emissions for this period were 1,195 tonnes.

In 2021, all three Leisure sites (Walton, Dovercourt and Clacton) underwent an energy audit as a result of the Council's Carbon Reduction Plan. The audit was undertaken as part of the process for understanding the present energy and carbon performance of the existing estate and where improvements can be made to reduce energy and waste consumption. As a result of these audits, projects have started at all three sites and a plan of action for future projects has been put in place. A few of these projects can be found on the next page. It should also be noted that the Council can act as a community leader, to support and facilitate carbon reduction and financial sustainability with partner facilities, e.g. Brightlingsea Lido.

A key focus will be on:

- Improving/replacing plant and equipment with modern technology to decrease the Council's carbon footprint.
- Securing further external funding to support modernisation and carbon reduction.
- Developing actions to further reduce the Council's carbon footprint at the sports facilities.
- Identifying opportunities for financial sustainability
- Identifying proposals for long term investments
- Identifying external funding opportunities

• TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
SHORT TERM	Sport facility Feasibility Plan	As referred to previously, develop a feasibility study for the Council's sports facilities to put the whole leisure estate on sustainable financial footing. This should consider how the service can be affordable in the short, medium and long term and should consider issues such as the impact of spend to save projects, recalibrating the service and rationalisation.	N/A	Work to commence following approval of this strategy.
SHORT TERM	Subsidy Reduction Plan	In tandem with the above item, develop a short-term subsidy reduction plan for the district's sports facilities at Dovercourt, Clacton and Walton on the Naze	N/A Note: Savings and additional income will be generated through this plan.	Ongoing
SHORT TERM	Ensure the Council's sports facilities are maintained and consistently improved to a high standard, through sustainable means.	Subject to the review of sports facilities, develop a long term and sustainable investment programme for the Council's sports facilities. Ensure a fully costed plan is in place for how this is developed.	TBC	Work to identify funding plan and external funding resources.
SHORT TERM AND ONGOING	External funding	Identifying external funding opportunities for the Council's sports facilities to ensure resilience and proactive maintenance, with a focus on reducing energy costs and carbon emissions.	This will be costed on a case-by-case basis	Ongoing

SHORT TERM AND ONGOING	Proactive maintenance programme	Subject to the review of sports facilities, use condition surveys to inform investment opportunities for the sports facilities and prioritise opportunities for corporate cost pressures and external funding	Dependant on funding priorities	Work to identify funding plan and external funding resources.
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SHORT TERM	Pool Covers at Dovercourt, Walton and Clacton.	Estimated savings of £6000 a year at Clacton, £1700 at Dovercourt and £900 at Walton.	Complete	Awaiting Installation
SHORT TERM	LED replacement for all light fittings	Work to replace all light fittings at the district's sports facilities with LED Lighting	Complete	Awaiting Installation
MEDIUM TERM	Replacement of oil boilers at Clacton Leisure Centre.	The payback period is over 44 years (£9,000 savings a year) according to the recent audit, however the oil boiler will need replacing in the coming years and the auditor states that installing a heat pump will provide a good future proof option. This action will be subject to the review of sports facilities.	Estimated cost of £400,000	This will require external funding.

MEDIUM TERM	Replacement of Pool AHU at Walton Pool.	Estimated savings of £21,800 per year.	Estimated cost of £49,500 Awaiting outcome of SPSF Round 2	This will require either external funding. Note: An application has been made to Swimming Pool Support Fund Round 2
LONG TERM	Solar Panels at all three sites	The recent audits recognised that all three sites could have solar panels installed to reduce brought in electricity consumption from the national grid. Overall savings of £21,000 across the 3 sites. This will be subject to the review of sports facilities.	Estimated cost of £30,000 at Clacton, £90,000 at Dovercourt and £70,000 at Walton.	This will require either external funding.

STAFF DEVELOPMENT AND COMMUNITY EMPOWERMENT/OWNERSHIP

Through this strategy, there should be a focus on 'upskilling' employees, community coaches and wider organisations to ensure the objectives of this strategy are achieved. This will include a focus on priority groups, individuals and targeted communities to achieve strong outcomes.

There will be a focus on:

- Ensuring the Council's sports facilities are more resilient, responsive to change and are delivering on health and wider social outcomes.
- Supporting the sports facilities team to expand their education and training, to facilitate improved, increased and diverse sport and activity sessions.
- Facilitating increases in the number of qualified coaches around the district, to deliver the outcomes set out in this strategy.
- Supporting partners to increase the number and quality of volunteers around the district.

TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
SHORT TERM	Upskill Workforce	Consideration of a restructure in the sports facilities to foster a wider skilled workforce to deliver an agile and evolving activity programme.	TBC Note: Costs will be established following an evaluation in partnership with HR	Commission evaluation of current service and produce a standalone report with recommendations for Cabinet on the findings.
SHORT TERM AND ONGOING	Employment Opportunities	Where appropriate, create skills and employment opportunities for local people in the Council's sports facilities workforce.	TBC	Ongoing
MEDIUM TERM	Upskill Local Volunteers	Provide support to local clubs to improve additional coaching qualification support.	£20,000 – £30,000 Potential for external funding	This will require either external funding or a be funded from a dedicated 'strategy budget'

MEDIUM TERM	Improve access to sport and activity for residents with disabilities and life limiting illnesses	Support local coaches and volunteers with providing sessions to residents with disabilities.	£10,000 Potential for external funding	This will require either external funding or a be funded from a dedicated 'strategy budget'
MEDIUM TERM	Focus on early years children	In order to improve local health outcomes and pathways to sport and physical activity, facilitate a targeted provision for early years children.	£10,000 prime funding	This will require either external funding or a be funded from a dedicated 'strategy budget'

SUSTAINABLE FINANCIAL MANAGEMENT AND IMPROVED TECHNOLOGY

The Council will look to review its Leisure Management System within its three sites along with an increase in technology which will work together in improving our facilities. The use of technology and innovation will promote activities we have on offer and support breaking down those barriers to participation. The long-term strategy is to digitalise and improve the way customers access our facilities across the district.

The Council will undertake a root and branch review into the management of its sports facilities finance, to ensure sustainability, value for money and the opportunity for re-investment. This will include a model to increase usage and income through a fundamental change in the pricing policy. The reduction in membership fees since spring 2020 has led to a significant increase in the number of pre-paid members (and subsequently an increase in income across the district.

A focus will be on:

- Financial resilience for the Council's sports facilities.
- Reducing revenue budgets through innovative means, increasing attendances and where appropriate rationalisation.
- Taking a longer-term view to managing maintenance programmes.
- Access control at reception—digitalising how our customers access our facilities to improve 'customer experience'.
- Kiosk and booking systems incorporating use of iPad/tablets for a more digitalised experience for customers and 'user friendly'.
- Improvements to our online booking platforms for activities and 'Join at Home' Memberships to support customer use by breaking down those barriers for easily accessible facilities.
- Increasing our website content and linking this into the above improving our 'customer experience'.
- An increase in our 'Reporting' database, allowing for all centres to report and manage participation across the district in more depth.
- Moving towards 'Paperless' both through access control at our centres and an increase in members pre-booking or signing up to our membership packages online will enhance our contribution to the environment.
- Social Media platforms – continue to grow and increase our interaction with the local community driving our products to a wider audience.
- 'Virtual' classes allowing areas such as spin studios to be utilised by member participation throughout the day with no instructor required. This will support meeting customer needs, allowing our members to participation in classes at their own chosen time.

TIMESCALE	PROJECT	DETAILS	COST (£)	STATUS
SHORT TERM	Review all sports facilities Budgets to project new baseline	As part of the previously referred to feasibility study, work with financial services to evaluate all sports facilities budgets and devise new estimates to reflect the significant changes over recent years. This will include re-profiled income and energy costs.	N/A	Ongoing
SHORT TERM and ONGOING	Increase the amount paid annually into the sports facilities reserve, to ensure a financially sustainable investment programme.	Subject to the review of sports facilities, utilise the objectives of this strategy, to increase the amount paid annually into the sports facilities reserve. This will be utilised for an ongoing and sustainable investment. Ensure £25k sinking fund for Clacton Leisure Centre 3G pitch is ringfenced.	N/A	Ongoing
SHORT TERM	Use digital platforms (sport facilities and Leisure & Tourism App) to promote informal activity around the district, e.g. bridal paths, public rights of way, cycling routes, heritage trails etc	Work with IT to build this new strand onto a future release of the Leisure and Tourism App, to signpost local people to exciting and widespread activity across the district.	N/A (staff time)	Ongoing
SHORT TERM	Digital Receptions	Subject to the review of sports facilities, install software, which will allow customers to use self-serve kiosks and automated gates to use facilities. Savings would be generated from re-deploying reception staff	£160,000	This will require either external funding or a be funded from a dedicated 'strategy budget'

SHORT TERM	Digital Gyms	Subject to the review of sports facilities, install software, which will allow customers to access virtual fitness instruction and automated gates to use facilities. Savings would be generated from re-deploying staff	45,000	This will require either external funding or a be funded from a dedicated 'strategy budget'
SHORT TERM AND ONGOING	Capture Cost Pressures	Ensure that existing and emerging financial pressures are included on the approved Council's cost pressure list. This will ensure that prospective costs can be evaluated in relation to competing projects and actions across the Council.	Dependant on Cost pressure List	Ongoing
MEDIUM TERM	Sports Facilities Condition Surveys	Work to provide a funded programme to address all outstanding issues set out in the condition surveys, for the three Council facilities at Clacton, Dovercourt and Walton on the Naze.	Complete	Ongoing and live documents
MEDIUM TERM	Virtual Classes	Consider new virtual classes, e.g Spinning to utilise Spin Studios outside of set class times with instructors	TBC with Delivery Plan	This will require either external funding or a be funded from a dedicated 'strategy budget'

LONG TERM	Pool CCTV Cameras	Building on the savings realised through the installation of underwater CCTV cameras in Clacton Leisure Centre and Dovercourt bay Lifestyles Swimming Pools, additional cameras could be installed at Walton on the Naze, which could potentially streamline the number of leisure attendances required under the guidance set out in Managing Health and Safety in Swimming Pools (HSE). This will be subject to the review of sports facilities.	TBC	This project will require external funding to progress
LONG TERM	Drowning Detection Cameras and Technology	Install drowning detection cameras and accompanying technology at the three sports facilities at Clacton, Dovercourt and Walton on the Naze. This will be subject to the review of sports facilities.	TBC	This project will require external funding to progress

Sport and Activity Strategy References

1. Tendring Community Vision
<https://www.tendringdc.gov.uk/content/corporate-plan-2024-2028-our-vision>
2. Fit for the Future : Active Essex
<https://www.activeessex.org/fit-for-the-future-strategy-in-full/>
3. Future of Public Leisure : Sport England
<https://www.sportengland.org/guidance-and-support/facilities-and-planning/future-public-leisure>
4. Jaywick Sands Place Plan
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5. Sport England: Uniting the Movement 2021
<https://www.sportengland.org/about-us/uniting-movement>
6. A Strategy for the Future of Sport and Physical Activity : DCMS
<https://www.gov.uk/government/publications/get-active-a-strategy-for-the-future-of-sport-and-physical-activity/get-active-a-strategy-for-the-future-of-sport-and-physical-activity>
7. Tendring Local Plan
<https://www.tendringdc.gov.uk/content/localplan>
8. Tendring Corporate Plan Consultation Findings:
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9. Essex Health and Wellbeing Board Annual Plan 2023/24

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10. Tendring District Council Economic Strategy

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11. World Health Organisation (WHO) 'Social Isolation and Loneliness

<https://www.who.int/teams/social-determinants-of-health/demographic-change-and-healthy-ageing/social-isolation-and-loneliness>

12. LGA Researching the Less Active

<https://www.local.gov.uk/publications/reaching-less-active-guide-public-sport-and-leisure-services>

CABINET

12 MARCH 2024

REPORT OF PORTFOLIO HOLDER FOR LEISURE & PUBLIC REALM

A.6 - JOINT COMMITTEE AGREEMENT OF THE NORTH ESSEX PARKING PARTNERSHIP

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To inform Cabinet of the current reported financial position of the North Essex Parking Partnership (NEPP), the options available to Tendring District Council and seeking authority to service notice to withdraw from the Joint Committee, if required.

EXECUTIVE SUMMARY

Tendring District Council signed an Agreement (“the Agreement”) with Essex County Council and North Essex Councils to continue membership of the NEPP in June 2022. The agreement term is five years with options of a further three years at annual intervals.

Essex County Council (ECC) has the power and responsibilities under the Traffic Management Act 2004 and the Road Traffic Regulation Act 1984 and otherwise for the enforcement of on street civil parking enforcement. ECC has delegated the control of local parking policies and the management of associated functions to be delivered by a Joint Committee, through an Agreement for the combined parking service for North Essex.

The NEPP is formed of a Joint Committee made up of seven Partner Authorities, the council (ECC), the Lead Authority (Colchester), Tendring District Council, Braintree District Council, Harlow District Council, Epping Forest District Council and Uttlesford District Council. Each Partner Authority appoints an Executive Member to form the Joint Committee, The Portfolio Holder for Leisure and Public Realm is Tendring District Council’s Executive Member since June 2023. The role of the Joint Committee is to ensure effective delivery of Parking Services with responsibility for a number of functions.

The Lead Authority via its Parking Partnership Group Manager and staff deliver all aspects of on street civil parking enforcement (referred to as the Joint Parking Service”). Responsibilities for the Lead Authority are set out in the Agreement, including the role of Treasurer, to be appointed by their Section 151 Officer.

At the time of continuing the agreement (in June 2022) the financial outturn for 2021/22 was in a good position with a surplus exceeding £300k. During financial year 2022/23 the Lead Authority produced financial reports showing the partnership was running at a deficit, currently reported at £160k after using all £337k reserves in financial year 2022/23. Inflation, Covid pandemic and public parking behaviour after the pandemic are reasons given by the Lead Authority for the deficit. Problems with recruiting Civil Enforcement Officers alongside retainment has also reportedly added to reduction in Penalty Charge Notice (PCN) income.

PCN income is consistently below budgets set each financial year with this years forecast showing a £305k shortfall in income. These figures are optimistic and on current average there is a possibility of that figure exceeding a £400k shortfall. The service are having a “major push” on enforcement in the last three months of the financial year.

The Agreement contains its Financial Arrangements in Clause 22 with the Financial Provisions and the Financial Management of Deficits and Surpluses set out in Clauses 23.2 and 23.4, shown in more detail in Appendices E and F. The NEPP recently discussed that any Partnership deficit will be split equally across the Partner Authorities and amendments to the Agreement were necessary.

The NEPP has submitted a Business Plan including a Rescue Plan to bring the service back into surplus. Appendix A Rescue Plan 2023.

Main points of the plan include:

1. Downsizing the operation by restructuring the staffing numbers and not replacing natural wastage.
2. Introducing more on street charging in areas including changing limited waiting areas to pay and display and resident permit zones. Possible income of £140-190k
3. Cessation of certain schemes such as school CCTV which although has been proved to be successful in stopping parking outside schools has not provided the income to pay for the service.
4. Increases in permit fees and further annual increases up to 2026/27

The NEPP have forecast that the service will show a £76k surplus at the end of financial year 2023/24, reducing the deficit to £84k which is to be evenly split between the seven authorities (TBC). Forecasts for 2024/25 show the remainder of the deficit repaid and a surplus of £22k.

While some of the changes will reduce costs most of them are dependent on the public parking in contravention or changing habits and paying to park on street. It has been seen since the pandemic that there has been a reduction in parking on street in town centres and more out of town retail parks providing convenient free parking. This is reflected in the amount of PCN's issued which forms the majority of NEPP income.

The Portfolio Holder for Leisure and Public Realm has since his appointment continually raised concerns over the financial position and how financial information is reported to the Joint Committee. At the Joint Committee meeting in November 2023, Councillor Barry and Richard Barret, TDC's Section 151 Officer asked questions on who was acting as Treasurer for the Partnership and raised concerns regarding the information required to enable informed decision making. Questions about the finance and the NEPP Agreement included questions as to how the NEPP and its partners discharged their functions, with partners needing to decide what funding to set. The Lead Authority were asked to confirm whether there was confidence in the financial position being presented to the Joint Committee. Further information is set out in the Finance Section within the body of this Report.

Reports validated by the Lead Authority's Section 151 Officer have only been available since February 2024 with past financial reports have been supplied by the Group Manager/Head of Parking. At its meeting on 1st February 2024, an NEPP Financial Update (including the Month 9 forecast for 2023/24 and the draft budget 2024/25) was presented by the Lead Authority's Deputy Section 151 Officer and Section 151 Officer. **The Recommended Decisions were:**

- 1.1 to note the forecast outturn for 2023/24 as of 31st December 2023 (Period 9); and
- 1.2 to approve the draft Budget for 2024/25, including the projected impact on the Parking Reserve balance.

Further progress is being made by the Lead Authority's Finance team on the Financial Review, taking full account of the detailed outcome of the service restructure as it emerges. This will result in further clarity in financial reporting (including analyses of the finances broken down by partner districts) and a longer-term (5-year) financial view in the form of a Medium-Term Financial Plan (MTFP); it is anticipated that both elements will be reflected in an updated Financial Report to the Joint Committee at its meeting on 21st March 2024.

The NEPP Business Case for 2024-25 was presented to the Joint Committee at its meeting on 2nd February 2024, with some reliance on new Traffic Regulation Orders, which are due to be consulted upon before they can be approved. It is understood that some of these proposals are already receiving opposition from both members of the public and Councillors in areas impacted and requests for decisions to be called in for scrutiny. None of these additional schemes are within the district of Tendring.

Under the Terms of the Agreement (clause 37) a Partner Authority may serve notice in writing ("Notice of Withdrawal") to the Lead Authority at least twelve (12) months before the date on which it is to take effect, that they will be withdrawing from the Joint Committee, provided that any such notice is co-terminus with the end of the financial year. Consequently, should any Partner Authority wish to protect itself from escalating unknown deficits without a robust Business Case in place with financial information in support, it is left in a position of having to service a Withdrawal Notice by 31st March in any year. Tendring District Council, at this current time is still unclear on the financial sustainability of the NEPP, as an updated Financial Report is expected to be produced at the next meeting of the Joint Committee, scheduled for 21 March 2024. Therefore, it is considered appropriate, acting in accordance with the Agreement, to provide authority for a Withdrawal Notice to be served, if deemed necessary by the Leader and Portfolio Holder by the end of March 2024 or later (to provide maximum flexibility over this period).

The current position remains that the Partnership is in deficit with financial forecasts changing monthly and predictions based on uncertainties. While these forecasts are showing some improvement it is still concerning that Tendring District Council, as a Partner Authority and others within North Essex, may be liable for substantial costs at the end of this financial year and beyond. It is acknowledged that the withdrawal clause has been in place for some time, however, in the current circumstances, it feels unreasonable that Partners Authorities should have to consider activating this clause without vital financial information being produced in time to feed into budgetary timetables. Past financial end of year reports have not been available until as late as July. It is also considered reasonable to propose to other Partner Authorities that the Joint Committee Agreement is varied to enable serving a Withdrawal Notice on the Partnership, within a timely manner, upon receipt of:

- a. full end of year financial reports being produced by the Lead Authority's S151 Officer; and
- b. the financial impact of any restructures and Rescue Plan are made available to all Partners Authorities.

An alternative option or parallel action is proposing a variation allowing a Notice of Withdrawal

to be rescinded, should the appropriate financial information be provided and a Partner Authority has received assurances on the financial sustainability of the Partnership.

Cabinet should note that at its meeting scheduled for 5th March 2023, the Resources and Services Overview and Scrutiny Committee has Agenda Item (no. 8) an enquiry scope into “On street parking arrangements in the District – and parking PCNs, Permits, Traffic Regulation and enforcement. The Council's participation in the North Essex Parking Partnership (NEPP), the work and business model of the Partnership.” In respect of the NEPP, the enquiry will consider the role of the Council within the Partnership, the overall financial risks to the Council amongst road safety matters. The outcome of this enquiry will be presented to Cabinet at its meeting.

The recommendations set out below seek Cabinet's approval to allow decisions to be made and actions taken to protect the Council's financial position, whilst variations to the Partnership Agreement are negotiated or reassurances are provided with later robust financial information being supplied to enable informed decisions to be made. These actions are considered to be of last resort.

RECOMMENDATION(S):

It is recommended that Cabinet:

- (a) in consideration of the lack of financial information on the level of deficits for 2023/24 and future longer term financial sustainability of the North Essex Parking Partnership (NEPP), notes the options available to protect the Council's position;**
- (b) takes into consideration the feedback from the Resources and Services Overview and Scrutiny Committee's enquiry at its meeting on 5th March 2023;**
- (c) delegates authority to the Leader and Portfolio Holder for Leisure and Public Realm, in discussion and consultation with Cabinet Members to decide whether to service a Notice of Withdrawal from the NEPP following the meeting of the Joint Committee on 21st March 2024;**
- (d) subject to (c) approves such decision being taken up to 31st March 2025, being supported with a detailed report on the updated position and the assessment of risk to the Council;**
- (e) authorises the Portfolio Holder for Leisure and Public Realm, in consultation with the relevant Officers, to seek a variation to the Partnership Agreement to allow a Notice of Withdrawal to be served coinciding in a timely manner with the receipt and consideration of financial information certified by the NEPP Treasurer and/or allows a Notice of Withdrawal to be rescinded upon receipt of such information being provided; and**
- (f) delegates authority to the Leader and Portfolio Holder for Leisure and Public Realm in consultation with the relevant Officers to finalise and request any additional information in respect of financial and governance matters required to support c) and d) above.**

REASON(S) FOR THE RECOMMENDATION(S)

The current Joint Committee agreement states that any partner wishing to leave the partnership is required to give 12 months' notice from the end of any financial year. Consequently, the Council only has 10 calendar days from the Joint Committee's scheduled meeting on 21st March 2024, whereby further financial information is expected to be provided, to decide whether to give such notice.

OPTIONS TO BE CONSIDERED
<ol style="list-style-type: none"> 1. Remain as we are and allow the partnership to operate as per the new Business Plan. 2. Serve notice on the NEPP before the end of the financial year. 3. Submit a request to the Partner Authorities to vary the Partnership Agreement that the deadline for serving notice on the partnership is extended from the end of the financial year until such a time that the full end of year accounts are available and the restructure of the NEPP is completed.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
<p>Corporate Plan “Our Vision”, approved and adopted at Full Council in November 2023, contains the theme - Financial Sustainability and openness - <i>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.</i></p>

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)
<p>Feedback from the Resources and Services Overview and Scrutiny Committee’s enquiry at its meeting on 5th March 2024, will be reported to Cabinet.</p>

<p>Feedback from the Resources and Services Overview and Scrutiny Committee’s enquiry at its meeting on 5th March 2024, will be reported to Cabinet.</p>

LEGAL REQUIREMENTS (including legislation & constitutional powers)			
<p>Is the recommendation a Key Decision (see the criteria stated here)</p>	<p>NO</p>	<p>If Yes, indicate which by which criteria it is a Key Decision</p>	<p><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</p>
		<p>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)</p>	

Essex County Council (ECC) has the power and responsibilities under the Traffic Management Act 2004 and the Road Traffic Regulation Act 1984 and otherwise for the enforcement of on street civil parking enforcement. ECC has delegated the control of local parking policies and the management of associated functions (*) to be delivered by a Joint Committee, through an Agreement for the combined parking service for North Essex.

The Partner Authorities previously agreed to form a Joint Committee to manage the North Essex Parking Partnership in accordance with the provisions contained in sections 101 and 102 of the Local Government Act 1972, section 9EB (previously quoted as section 20) of the

Local Government Act 2000, the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and The Local Authorities (Alternative Arrangements) (England) Regulations 2001 (as amended) and any other enabling legislation.

(* the specific responsibilities include responsibilities for on street civil parking enforcement and charging, relevant signs and lines maintenance and the power to make relevant traffic regulation orders in accordance with the 2004 and 1984 Acts.

The Joint Committee also includes the following functions:

- Strategic Planning
- Committee Operating Arrangements
- Service Delivery (providing guidance and support to Officers as required to facilitate effective service delivery)
- Monitoring (regular reports on performance and an Annual Report for the Service)
- Decision Making:
 - Managing the provision of Baseline Services
 - Agreeing Business Plans
 - Agreeing new or revised strategies and processes
 - Agreeing levels of service provision
 - Recommending levels of fees and charges
 - Recommending budget proposals
 - Deciding on the use of end-year surpluses or deficits
 - Determining membership of the British Parking Association or other bodies
 - Approving the Annual Report
 - Fulfilling obligations under the Traffic Management Act and other legislation
 - Delegating functions.

- Accountability & Governance

Government Statutory Guidance sets out the way local authorities must operate Civil Parking Enforcement (CPE) with other legislation and regulations made under those Acts. Under sections 45 and 46 of the Road Traffic Regulation Act 1984 local authorities can make a charge for parking at on-street parking spaces. On-street paid parking is a common method of managing the turnover of parking spaces, often in areas where there is a draw for motorists to park nearby such as rail stations, shops or tourist attractions. The NEPP Business Plan and Rescue Plan for 23/24 and 24/25 was approved and adopted at the meeting of the Joint Committee in February. The operational and business Aims and Objectives of CPE are set out in the Parking Management Policy and referenced in the NEPP Business Plan.

<input type="checkbox"/>	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:
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Any proposed recommended changes to a Partnership Agreement would require negotiation with the Partner Authorities and variations can be made through agreement. This process will take some time, but it is understood that at the last meeting of the Joint Committee, concerns were raised over the NEPP Agreement and officers were directed to provide recommendations as to amendments, which would remove any contradictions in content, and add clarity regarding the division of any deficit between the partner local authorities of the NEPP. Therefore, any proposals TDC wishes to make could be picked up through this process.

FINANCE AND OTHER RESOURCE IMPLICATIONS

At its meeting in November 2023, the Joint Committee resolved that a meeting be set up for the NEPP partners' Section 151 Officers to meet, to discuss and gain assurances regarding the questions and concerns raised as to the financial position and accounting of the NEPP, and relevant parts of the NEPP Agreement.

At its meeting on 1st February 2024, an NEPP Financial Update (including the Month 9 forecast for 2023/24 and the draft budget 2024/25) was presented by the Lead Authority's Deputy Section 151 Officer and Section 151 Officer. **The Recommended Decisions were:**

- 1.3 to note the forecast outturn for 2023/24 as of 31st December 2023 (Period 9); and
- 1.4 to approve the draft Budget for 2024/25, including the projected impact on the Parking Reserve balance.

Reasons for the Recommended Decisions were stated as:

"To achieve good practice governance in terms of monitoring and controlling in-year expenditure and setting a sustainable budget for the year ahead that supports the future delivery of the Partnership's objectives, whilst balancing the long-term financial sustainability of the NEPP and mitigating the financial risk exposure of partner councils."

It is important to note the contents of the Report to the Joint committee, and extracts are included:

3. Background and Introduction:

- 3.1. The 2022/23 financial year proved extremely challenging for the NEPP with a budget overspend eventually resulting in a year-end deficit of £160,000 on the NEPP Reserve, which is £560,000 short of the recommended minimum Reserve balance of £400,000 contained within the adopted NEPP Agreement.
- 3.2. This report updates the Committee on:
 - The outcome of a first stage review by the NEPP Treasurer (Section 151 Officer) in response to uncertainties and requested clarifications raised by the Committee on the NEPP financial position.
 - Progress against the 2023/24 budget, including the projected year end position for 31st March 2024; and
 - The proposed draft Budget for 2024/25.

4. First Stage Financial Review Outcomes:

- 4.1. A detailed review of the NEPP finances, including its long-term financial sustainability is in progress. However, it is a relatively large and iterative process; the full outcome of that review, which is interlinked with the completion of a staff restructuring exercise, will not be available for some weeks. However, a 'first stage review' has been completed by the Colchester City Council (Section 151) Finance team, which has successfully established a robust forecast outturn for 2023/24 and a sustainable draft budget for 2024/25.
- 4.2. The review has so far resulted in the reset of some previous financial assumptions, most notably:
 - **Management Time Allocations** – these have been reviewed in the light of

managerial changes within Colchester City Council that have taken effect in 2023/24. This has altered NEPP management time allocations between On-Street and Off-Street Parking (specifically, the time spent by the Head of Service on On-Street activities has reduced from 95% to 55%, similarly with the time allocations of his direct reports reducing from 95% to 75%; this improves the financial position of the NEPP in both cases and applies to both financial years presented).

- **Provision for Bad Debts** – an annual contribution is made to the Bad Debt Provision that is set aside for the non-payment of Penalty Charge Notices (PCNs). However, the review has identified that this has been undertaken as a year-end exercise without any budget provision provided. This makes it more difficult for the Committee to gauge the in-year financial position. Based on outstanding PCNs on 31st December 2023, a budget estimate for the contribution to bad debts has now been included. This improves in-year transparency and applies to both financial years presented); and
- **2024/25 Budget Assumptions** – the assumptions within the emerging 2024/25 draft budget have been reviewed to ensure their robustness and consistency with the Colchester City Council draft budget. This includes all relevant inflationary assumptions and a Pay Award of 3.0% for 2024/25. The budget also reflects the estimated cost reductions achievable from a planned service restructure, effective from 2024/25.

4.3. Further progress is being made by the Finance team on the Financial Review, taking full account of the detailed outcome of the service restructure as it emerges. This will result in further clarity in financial reporting (including analyses of the finances broken down by partner districts) and a longer-term (5-year) financial view in the form of a Medium-Term Financial Plan (MTFP); it is anticipated that both elements will be reflected in an updated Financial Report to the Committee at its meeting on 21st March 2024.

In terms of Tendring District Council's budgetary position, as part of agreeing the budget at Full Council on 13 February 2024, it was highlighted that an initial sum of £100k is proposed to be set aside in 2023/24 to meet this Council's partnership share of potential deficits that could emerge.

In terms of supporting the decision required, alongside the additional financial information requested as set out elsewhere in this report, it will be important to also obtain the following from the Lead Authority / Partnership:

- Written confirmation that any deficit shown within the relevant outturn account will be shared across the 7 partner authorities rather than any partitioned deficit for TDC.
- The items that will be included within the relevant outturn account that would be payable by the TDC e.g. any partner contribution to meet deficits carried forward or for the maintenance of the deficit reserve fund and that no additional funding requests such as those under para 26.1 of the agreement are required.
- Assurance that the Lead Authority will undertake all necessary actions in accordance with the various steps set out within Appendix F of the NEPP Joint Committee Agreement to minimise the risk and potential contribution from TDC as part of finalising the relevant outturn account.

In addition to the above, and in support of any request to seek a variation to the current agreement as set out earlier in this report and recommendations, the Lead Authority should also be asked to comment / provide further information on key financial and governance matters such as the items set out in the agreement that have previously been requested and includes the following:

- The provision of latest full audited accounts for the Partnership
- The basis on which the lead authority charges overheads to the account
- A detailed explanation of the separation of the NEPP on street and off street function including supporting information to evidence that the on street and off street functions are robustly ring fenced from each other.

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

There are no additional comments over and above those set out elsewhere in the report. However it is worth highlighting the various requests for additional financial / governance information set out in the report which are an import value for money element of demonstrating informed decision making supported by appropriate evidence.

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;	Addressed elsewhere throughout the report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The Council must be able to make informed decisions and has expressed some frustration over 2023/24 with regards to the lateness and robustness of the financial information being provided for the NEPP. Tendring District Council feels that the recommendations being proposed within this report are actions of last resort to protect the Council's position whilst further information is received and the Partnership Agreement is reviewed.
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.	Addressed elsewhere throughout the report.

MILESTONES AND DELIVERY

- Feedback from Resources and Services Overview and Scrutiny Committee – 5th March – enquiry into NEPP
- TDC Cabinet meeting – 12th March – consider the recommendations set out within this report and take into account any further updates received since publication of the agenda.
- NEPP Joint Committee meeting – 21st March 2024
- 31st March 2024 - Deadline for a Partner Authority to service notice to withdraw from the Joint Committee to take effect on 31st March 2025

ASSOCIATED RISKS AND MITIGATION

Option 1. To remain could see the risk of TDC responsible for further deficit payments. If we remain in the partnership past the end of financial year 2023/24 TDC could not leave until end of financial year 2025/26 according to the terms of the Agreement. Forecasts have been made showing a surplus after financial year 2024/25 but are only forecasts and based, in part on the introduction of new Traffic Regulation Orders, subject to a consultation process before being approved.

Option 2. If TDC decide to leave the partnership we would not have a voice at the Joint Committee after March 2025. ECC have previously indicated they would want to introduce on street charging to the Tendring area, focusing on the seafront areas in Clacton, Holland and Frinton.

This scheme could be reintroduced into ECC's forward plan and would be more difficult to defend if we are not in the partnership. That said, terms in the Agreement state, any on street charging schemes are decided by the Lead Authority and the Chairman and do not have to be voted on by the Joint Committee. The introduction of on street charging in these areas would see the partnership make a substantial surplus. The effect on visitor numbers is unknown but effect on residential side streets would have an impact with public seeking free parking areas.

Careful adjustments of TDC off street parking charges could see an increase in TDC income if tariffs are made cheaper than on street tariffs.

Any surplus made within the partnership is to be equally shared with each partner authority for schemes such as Traffic Regulation Orders (TRO) or traffic management. Not being part of the NEPP would mean Tendring not benefitting from the surplus and becoming reliant on the NEPP approving any TRO requests made from the area

Currently, the Partnership Agreement states, upon a Partner Authority serving written notice (at least twelve (12) months before the date on which it is to take effect) that they will be withdrawing from the Joint Committee, the Lead Authority shall as soon as practical, draw up accounts showing the financial out turn of the Joint Parking Accounts which will be dealt with in accordance with the process set out in Appendix E of the Partnership Agreement.

- **APPENDIX E: North Essex Parking Partnership Provisions**

Financial Provisions

1. Further to paragraph 22.6, and subject to the provisions combined within paragraph 9 below, each Partner Authority shall be responsible for any deficit shown in the Partner Authority's partitioned account and shall be required to meet such deficit from their respective General Fund.

There have been discussions at the Joint Committee regarding the deficit being met on an equal basis however, the absolute position with regards to withdrawing from the Partnership is unclear and requires further information being sought and provided (as referenced in the Finance section above).

Option 3. The extended time for serving notice will allow an informed decision to be made once all financial reports and outcome of any staffing restructure are available. However the

request for extension will need to be made formally by the TDC Member and agreed by all members of the Joint Committee. This could be put onto the agenda of the next JPC meeting in March but is after full Cabinet.

EQUALITY IMPLICATIONS

N/A

SOCIAL VALUE CONSIDERATIONS

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

N/A

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

N/A

Health Inequalities

N/A

Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)

Area or Ward affected

All

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Executive Summary sets out the relevant background for the purposes of this report.

PREVIOUS RELEVANT DECISIONS

Decision of the Leader of the Council taken on 30 June 2022 (and published on the 4 July 2022) to sign up to the new Joint Committee Agreement of the North Essex Parking Partnership.

Cabinet meeting 15th July 2022 - minute no. 38 – Renewal of the North Essex Parking Partnership Agreement – endorsement of the Leader’s urgent decision on 30 June 2022.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

North Essex Parking Partnership – Joint Committee On-Street Parking agenda 1 February 2024 (Colchester City Council’s website) includes minutes of meeting 9 November 2023.

APPENDICES

Appendix A Rescue Plan 2023

REPORT CONTACT OFFICER(S)

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Rescue Plan for 2023/24 and Service Transformations

3PR – the three parking rules, educational scheme near schools.

The 3PR officer left during 2022 and the vacant post has been saved. Due to the vacancy saving, the 3PR scheme has been suspended for the time being as part of the Rescue Plan.

Other vacant posts

The data analyst left during 2022 and the vacant post has been saved. This work is significantly reduced, and less data analysis will be available to the Partnership.

The Client and Contract Manager and Group Development Manager are also leaving, due to promotion outside the service, in early 2024.

The budgets for these posts have also been frozen whilst they are vacant and will be dealt with in the forthcoming Service Transformation. Work will be covered by other managers wherever possible, with a reduction in activity being necessary in some areas.

Park Safe Schools – cameras

The Park Safe Schools camera pilot project has been remarkably effective in reducing contraventions of the school yellow zig-zag markings. In excess of all predictions, these cameras can reduce contravention levels by 82% within 6-8 weeks of installation. It was originally thought that the compliance might take up to two school terms. This unexpected reduction has impacted on the viability of the scheme, as cameras need to be moved more regularly to new areas.

Costs involved have increased to the point where this important service cannot currently be sustained. The cost of moving cameras, installing new posts and configuration of the services required to provide coverage has become significantly more expensive over the last three years – part of this is due to working at height, and the contractor's costs have increased significantly.

To reduce the costs associated with moving and operating Park Safe Schools cameras, it is proposed to temporarily halt the School Park Safe camera service until schemes similar to the June 2020 model can be designed and implemented to ensure better compliance in the whole area around schools and better cover costs involved. Any future fixed camera service will be on a smaller scale than before.

Impact of Salary increases

Salary negotiations concluded in Colchester applying the National Joint Committee amounts of £1,925. This additional cost is above the budgeted 4% for 2023/24. In addition, the unprecedented social shift caused by the pandemic, very large increases in costs due to high inflation, increased supplier costs, overheads and the salary increases have all contributed increased costs to the operation. The budget for 2024/25 has been set against this background and has shown the need for further transformation in the Service.

Service Transformations

A Transformation began and the consultation closed in December 2023. This first round recommended the removal of two posts from the structure. Looking at future budgets, that project alone does not go far enough, and a further Transformation consultation will be necessary to help control costs further, with the control of up to £650k of service costs (equivalent to eleven posts with overheads and on-costs). The consultation for this second Transformation will begin in early February 2024 (with some staff messaging during late January) and will reset the core NEPP Operational Service and its cost base to be ready for the next three to five years.

Technical Service

Delivering Traffic Regulation Orders

Each year, as and when funding allows, a programme of works is proposed to the Joint Committee consisting of up to 36 schemes (i.e. 6 per District). With some uncertainty over funding of late, the most recent round of schemes has been postponed.

2023/24 Scheme Applications for delivery in 2024/25

At the November 2023 Joint Committee there were £42.0k worth of schemes not yet approved. This did not include Harlow schemes; with those the total was £65.8k. Included in this amount are some 'self-financing' schemes. The total without considering schemes that are 'self-financing' is £44.1k. Some additional self-financing schemes have been requested since this.

'Self-financing' means where schemes can generate an income such as Resident Parking schemes, where first-year permit sales are in excess of the start-up costs (see the RoI section). Patrol time will need to be paid for out of future income if a step change is found to be required in the number of patrolling CEOs needed.

The self-financing schemes in the current draft programme are awaiting approval. It is recommended that the self-financing (and any other schemes paid for from outside finances) are approved and progressed.

Other schemes have a cost which needs to be budgeted. Within the budget for 2024/25, is an amount of £42.0k for new schemes.

It is hoped that fresh clarity with the budget will allow Members to approve a selection of (but maybe not all) the schemes requiring funding, which are compliant with the Policy, to recommence (in part, at least) the future work programme by committing to the budgeted spend in the year 2024/25.

It is of note that this £42.0k budget cannot quite cover the entire £44.1k worth of schemes in the draft programme, which are not self-financing, so a selection process may be necessary to reduce the number of schemes in the draft programme down to a list of those which can be afforded, for decision.

Even schemes that are not initially self-financing do eventually have an income, but this is trivial, and would only cover the cost of any extra patrols if a step change in numbers of officers deployed is required.

Self-financing Applications for delivery in 2024/25

Received up to 31 July:-

£13k worth of self-financing resident parking schemes (paid for by an income from Permits sold (which has not been not budgeted for, so is new income), or paid delivery through district (there are 3 of these schemes).

Received since 31 July :-

An additional £5.6k worth of self-financing schemes has been requested (and will also be paid for via new Permits sold).

These are scheme applications from the public and Districts – they are proposals from the 2023/24 year, for implementation using 2024/25 budgets, and not the schemes in the Rescue Plan.

Sign & Line Maintenance

£25k has been included in the new budget for sign and line maintenance. There is a very high risk that deferring maintenance would impact on the ability to deliver the patrol and enforcement service.

Alternative Inward Funding

There are also options for applicants and Districts to self-fund (full recovery) any Traffic Regulation Order schemes – and this would accelerate the process for those schemes.

These schemes may not meet the criteria – but would be carried out and need to meet all the costs in implementation.

Return on Investment – example parking schemes

As an indication, in a Residential Parking Area, only 28 permits (depending on location) would need to be sold to pay for providing the scheme, then ongoing income would be available to fund patrols and maintenance year-on-year.

For a non– income-generating scheme, around 53 PCNs would need to be issued to pay for the scheme, before paying for any of those patrols, follow-up, or overheads. These types of schemes have very extended pay back timescales (many years) and need to be funded by budget up front.

A budget has been allowed for within 2024/25 to cover Traffic Regulation Order schemes which have previously been brought before Committee but postponed.

Rescue Plans 2023/24 & 2024/25

Rescue Plan 2023/24

During the year several initiatives have been implemented to keep control of service costs – such as the vacancy freeze highlighted above.

These have been successful at controlling costs but have not gone far enough to ensure the long-term viability of the Partnership’s finances. A twin-track approach of investigating new income streams and transforming the service to reduce costs is underway.

The service transformation is described elsewhere. The Rescue Plan for the future involves investigating new areas of parking which require other controls, a by-product of which is income.

These schemes have a modest start-up cost, which will need to be paid for from the first year’s income. Income has been forecast in line with the standard NEPP model.

New On-Street Parking – ‘Rescue Plan 2024/25’ Schemes

Twenty-one new on-street parking places have been identified in phases 1 and 2, which would generate an income of between £140k and £190k after start-up costs.

A further set of on-street parking in phase 3 has been identified and located within Colchester (within 600m of Resident/shared use bays). This could generate an income of between £23k and £25k.

There is a further list of schemes also possible, in phase 4, as part of the implementation of Uttlesford’s Parking Strategy.

Delivering the ‘Rescue Plan 2024’ schemes

The *Traffic Regulation Order* and *Additional On-Street Paid Parking Reports* detail new schemes which are proposed to manage traffic in the more highly sensitive roadside areas. A by-product of this would mean a yield of around £140k (lower estimate) after start-up costs in-year (with no VAT in on-street locations).

This income would go to help cover future operating cost increases, and has been included in the draft budget, to cover salary and

inflationary costs which have been identified as continued risks over the life of the Agreement.

Other Income

Annual Increases

Essex expects at least an inflationary increase annually.

NEPP missed deciding Resident Parking increases between 2020 and 2023 when the Joint Committee didn't decide the recommendations put before Committee in 2020, and only decided at a second meeting in 2023 a larger inflationary increase to residents parking, from late August.

This delay may have cost as much as £200k p.a. in lost income between 2020 and 2023.

Resident Parking

A 20p uplift based on inflation for 2023/24 was decided in June 2023 and implemented after governance timescales and statutory consultation in late August 2023.

Further increases and a harmonisation in prices (ahead of inflation) were agreed in 2023 and will be implemented annually up to 2026/27.

Pay & Display/Pay to Park

A proposal is made to uplift roadside charges by 20p over the local parking fee. With in excess of 200,000 stays annually to be managed, this is worth £41k p.a.

MiPermit – Convenience Fee

Convenience Fees of 17p could be introduced for MiPermit cashless parking to cover transaction fees and other processing costs and this would be worth c.£15k p.a.

However, it is recognised that a 20p tariff uplift is also being recommended and almost all payment transactions are through

MiPermit at the roadside, reducing the convenience factor here, and therefore implementation of the Convenience Fee is not recommended at the current time.

The National Parking Platform might sweep up, and provide a resolution for, all of these fees in future. A paper on the National Parking Platform was circulated to Client Officers during 2023.

Permit Booking Fee or equivalent

There is a cost to providing the Permit system through MiPermit – c.£1.18 for annual permits or c.10p per visitor permit (a total of c.£75k p.a.) as part of the automated service.

This could be offset by either adding a booking fee/convenience fee, or adding this amount onto the annual permit price.

A booking/convenience fee would be simplest to implement, but it is not yet clear if the supplier can offer this service.

This is therefore not proposed to be implemented due to the other increases already planned. These costs must be kept in mind when preparing future fees and charges reviews and could instead be added to the tariff of fees and charges.

Other work

The NEPP Group has offered to work in partnership with a neighbour in district in another county.

There are also some other Partnerships which NEPP manages with Parishes and prospectively other areas which have been under negotiations.

Full costs will be recovered in all Partnership arrangement

Districts may fund parking schemes if they wish to.

The NEPP Agreement

Understanding differences in the North Area

It is acknowledged by Essex that there are Structural differences between SEPP and NEPP, with costs increasing in NEPP due to its largely rural nature, with deficits in all but two of the districts – precisely the same situation as when NEPP was formed 13 years ago.

It is important to know where these deficits are, but impossible for every District to manage its own, as there isn't enough scope in each place to support a Recovery Plan.

Some rural areas are, simply, too rural.

Covid hit, then inflationary factors have been present since then – which have all damaged the Partnership in different ways and for different reasons.

NEPP budgets can only keep pace with inflation if new income is forthcoming, and/or the cost base is reduced and kept under control, for it is unlikely that the penalty charge level will increase in value in the foreseeable future.

Contracts Register

Current Tenders cover outside work placed with suppliers:–

Software and Hardware System, including electronic payments and permits	Chipside Ltd Awarded 01/04/2020 (5 years to 2025)
Sign and Line Maintenance	DAT Images Requires review 2024
Cash Collection	G4S Requires review 2024
Ad-hoc Parking consultancy contracts	Parking Perspectives (2023) Parking Matters (2022)

Part 3: Business Plan; Programme of Works for 2024/25

Implement a Rescue Plan sufficient to maintain a non-deficit position, provide funding for the works programme, to pay off historic deficit, and rebuild the Reserve Fund.	The Rescue Plan and Transformation to support future operations is contained within this document and the Table below.	Throughout 2024/25 FY.
Carry out service Transformation to ensure costs are reduced in line with the Rescue Plan.	Sets up service cost base for next 5 years and make c.£400k savings after costs.	Q1/Q2 2024/25
Monitor the recovery from the Pandemic.	Report on parking trends as seen.	Ongoing
Maintain an operational focus on attendance levels.	To ensure maximum deployment.	Ongoing
Continue to operate the service within the Parking Management Policy and Statutory Operational Guidance	For good operational governance.	Ongoing
Monitor Key Performance Indicators for the service	Key Performance Indicators are reported in the Operational and Annual Reports, published online	Reported quarterly
Operate the service against data from the system.	Continually apply most resources to the areas of most need.	Ongoing
Operate the Inter-Agency Agreements with Braintree, Colchester, Harlow and Uttlesford for off-street car parks.	Maintain existing relationships and continue to develop new Partnerships.	Ongoing
Review ongoing contractual arrangements (tenders) to ensure best value in all areas.	Implement and maintain contracts for services above the threshold. G4S and DAT to be reviewed in 2024.	Ongoing
Carry out a prudent programme of essential maintenance works during the summer months.	To ensure key signs and lines remain substantially compliant with the regulations within budget.	Q2/Q3 2024/25
Continue to develop the School Park Safe Camera Zones.	Better implement schemes around schools where enhanced schemes may be self-funding.	As appropriate

Contribute to the Colchester Master Plan, Estate Plan and Structures Projects, and Uttlesford Parking Strategy Project.

Off-street works.

Ongoing