



RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

AGENDA

DATE:	Tuesday, 12 December 2023
TIME:	7.30 pm
VENUE:	Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor P Honeywood (Chairman)
Councillor M Cossens (Vice Chairman)
Councillor Bensilum
Councillor Doyle
Councillor Griffiths

Councillor S Honeywood
Councillor Newton
Councillor Smith
Councillor Steady

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

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

If you have any queries regarding webcasting or the recording of meetings by the public, please contact Keith Simmons Email: democraticservices@tendringdc.gov.uk or Telephone on 01255 686585

DATE OF PUBLICATION: Monday, 4 December 2023

AGENDA

1 Apologies for Absence and Substitutions

The Committee is asked to note any apologies for absence and substitutions received from Members.

2 Minutes of the Last Meeting (Pages 1 - 4)

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Tuesday 19 September 2023.

3 Declarations of Interest

Councillors are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests of Non-Registerable Interests, and the nature of it, in relation to any item on the agenda.

4 Questions on Notice pursuant to Council Procedure Rule 38

Subject to providing two working days' notice, a Member of the Committee may ask the Chairman of the Committee a question on any matter in relation to which the Council has powers or duties which affect the Tendring District and which falls within the terms of reference of the Committee.

5 Leaders' Introduction to the Corporate Finance and Governance Portfolio and its Focus.

The Leader, Councillor Mark Stephenson, has been invited to provide a short introduction to the Committee on his focus in respect of his portfolio.

[Note: At each meeting of the Committee a different Portfolio Holder will be invited to address it on the focus for the separate Portfolios]

6 Financial Position of the Council (Pages 5 - 74)

This Committee has an important role in the monitoring and considering the Council's strategic financial position. To facilitate a discussion around the appropriateness of key financial policies of the Council, this meeting is provided with the following reports as submitted to the meetings of Cabinet identified:

- 1) Treasury Management Report to Cabinet 21 July 2023 (pages 5 to 20)
- 2) Outturn Report to Cabinet 21 July 2023 (pages 21 to 30)
- 3) Q1 Update Report to Cabinet 6 October 2023 (pages 31 to 74)

The Leader of the Council and the Assistant Director of Finance and IT have been invited to assist the Committee with its consideration of the above. The Committee is invited to determine whether it has any comments or recommendations it wishes to put forward to the Leader or to Cabinet in respect of the matters covered in the three reports now submitted.

The Committee will also be requested to confirm arrangements for a development session to be held on local government finance, including the Housing Revenue Account, prior to the Christmas break and arrangements for the budget scrutiny meetings in early January 2024.

7 Interim Report of the Councils' Enforcement Arrangements Task and Finish Group
(Pages 75 - 86)

The purpose of this report is to provide the Committee with the interim Report from its Council Enforcement Arrangements Task and Finish Group. This interim report is being submitted as the Task and Finish Group has concluded the element of its enquiry concerning Planning Enforcement. The interim report is set out in the Appendix to this report. The intention of the whole enquiry was recorded as:

“To identify the extent to which here are further steps that can be taken to further achieve a fair and equitable use of enforcement powers, taking account of relevant information and that the resources made available for enforcement are used to best effect.”

8 Work Programming including Monitoring of Previous Recommendations and
Scrutiny of Forthcoming Decisions (Pages 87 - 104)

The report provides the Committee with an update on its approved Work Programme for 2023/24 (including progress with enquiries set out in its Work Programme), feedback to the Committee on the decisions in respect of previous recommendations from the Committee in respects of enquiries undertaken and a list of forthcoming decisions for which notice has been given since publication of the agenda for the Committee's last meeting.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Resources and Services Overview and Scrutiny Committee is to be held in the Committee Room - Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Wednesday, 10 January 2024.

Information for Visitors

FIRE EVACUATION PROCEDURE

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

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

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

Your calmness and assistance is greatly appreciated.

This page is intentionally left blank

**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON TUESDAY, 19TH SEPTEMBER, 2023 AT 7.30 PM
IN THE SUNSPOT - SUNSPOTS**

Present:	Councillors P Honeywood (Chairman), Doyle, Griffiths, S Honeywood, Newton, Scott, Smith and Steady
Also Present:	Councillor I Henderson, Portfolio Holder Economic Growth, Regeneration and Tourism
In Attendance:	Lee Heley (Corporate Director (Place & Economy)), Keith Simmons (Head of Democratic Services and Elections), Barbara Pole (Economic Growth & Enterprise Manager), William Lodge (Communications Manager) and Keith Durran (Committee Services Officer)

23. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were received from Councillor Bensilum (with Councillor Scott substituting) and Councillor Cossens.

24. MINUTES OF THE LAST MEETING

It was **RESOLVED** that the minutes of the last meeting of the Committee, held on Tuesday 27 June 2023, be approved as a correct record.

25. DECLARATIONS OF INTEREST

There were no declarations of interest by Councillors in relation to any item on the agenda for this meeting.

26. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

On this occasion no Councillor submitted notice of a question.

27. DEPUTY LEADER'S INTRODUCTION TO THE ECONOMIC GROWTH, REGENERATION AND TOURISM PORTFOLIO AND ITS FOCUS

The Portfolio Holder for Economic Growth, Regeneration, and Tourism outlined the Councils administration's commitment to delivering tangible benefits to local residents. The Committee heard of the ongoing consultation on the emerging corporate plan, emphasizing themes such as pride in the area, raising aspirations, championing the local environment, working with partners, and ensuring financial sustainability and openness. The Portfolio Holder highlighted priority projects within his Portfolio, including the Sunspot development, Orwell Place in Harwich, and the significant "Levelling Up" initiatives, aimed to turn words into reality for community benefits.

The Committee also heard details of various projects under his Portfolio, such as a Content Hub, improvements to town centres, and the Freeport East initiative, which

aimed to bring skills training and job opportunities to the region. He highlighted the success of the Freeport-related developments and the positive impact on the local economy.

It was reported to Members that the UK Shared Prosperity Fund, with 54 applications/bids received to the value of £1.2 billion against a £500,000 budget, officers were now working through those bids. The Portfolio Holder expressed optimism about the potential benefits for skills, town centres, and the visitor economy. He concluded by mentioning the 30th-anniversary celebration of an air show in Clacton on Sea and the Council's commitment to reviewing and improving the event for the following year. Despite acknowledging financial challenges, the Portfolio Holder commended the Council's community leadership role and recognized the hardworking team contributing to the projects.

The Committee thanked the Portfolio Holder for his update.

28. REVIEW OF THE WORK PROGRAMME

The Committee heard from the Chairman of Committee, who was also Chairman of the Enforcement Arrangements Task and Finish Group, that the Task and Finish Group had met for its first meeting on 14 September 2023 and was now in the process of setting a date for its second meeting.

The Committee considered and noted the progress set out in its Work Programme 2023/24 as submitted to the meeting.

29. POST DELIVERY SCRUTINY OF THE SUNSPOT COMMERCIAL WORKSPACE

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

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

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

acknowledged the collective effort to reach the current stage. He also acknowledged Essex County Council's funding support.

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

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

The Corporate Director for Place and Economy highlighted the unique challenges faced, including unexpected ground conditions and the need for additional funding, leading to a total cost increase of £760,000. Refinancing was necessary, involving discussions with partners around the refinance process. The speaker emphasized the importance of closely monitoring costs, refining project scopes, and considering potential challenges for future projects.

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

It was **RESOLVED** to **RECOMMEND** to Cabinet:

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

It was further **RESOLVED**:

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

30. CORPORATE PLAN (OUR VISION) CONSULTATION

The Members had before them a report that outlined how Tendring had amazing opportunities and some deep-seated challenges. The Council's emerging Corporate Plan for 2024 -2028, would reflect this as the Council's focus. It needed to recognise the challenging financial position, with financial sustainability being key for delivery. The Council also recognised that it was a deliverer, influencer and facilitator, which would be the only way it could achieve ambitious Corporate Plan aspirations.

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

The Committee was made aware that Cabinet on 27 July 2023 had approved the following (minute 23 refers).

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

The consultation was still underway on the emerging themes and all Councillors could respond in that capacity as well as in their capacity as residents.

Picking up on the themes already referred to, the Cabinet would be developing its highlight priorities for 2024/25 and these could be considered by the Committee too.

It was **RESOLVED** to note the report to cabinet on 27 July 2023 in respect of the emerging Corporate Plan.

The meeting was declared closed at 8.17 pm

Chairman

RESOURCES AND SERVICE OVERVIEW AND SCRUTINY COMMITTEE

12 DECEMBER 2023

CABINET

21 JULY 2023

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

A.2 TREASURY MANAGEMENT PERFORMANCE 2022/23

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To report on the Council's treasury management activities and Prudential Indicators for 2022/23.

EXECUTIVE SUMMARY

- Borrowing and investments have been undertaken in accordance with the 2022/23 Annual Capital and Treasury Strategy that was approved by full Council on 29 March 2022.
- Summary of the Council's Borrowing Position:**

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

No external borrowing was undertaken in 2022/23 for either the General Fund (GF) or Housing Revenue Account (HRA).

- Summary of the Council's Investment Position:**

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

The amount of interest earned from investments increased greatly during the year due to the successive bank base rate rises of either 0.25% or 0.50% from 0.75% at the start

of 2022/23 to 4.25% at the end of the year. As most investments are fixed for 6 months at a time, the increases did not feed immediately through to the investments held but did allow for a 'laddering' of deposits to lock in the increase. Estimated income was increased through the quarterly financial performance and budget reports during the year - from **£0.087 million** at the start of the year to **£1.150 million** at the end of the year, with the outturn figure being **£1.630 million** as set out in the table above.

- The Council continues to hold one property within its Commercial Investment Portfolio, which had a balance sheet value at 1 April 2022 of **£2.108 million**. This 'book value' was increased by the Council's appointed valuers to **£2.364 million** at the end of 2022/23. However, this is an 'accounting' valuation and not a direct value that would be achieved on the market if it was sold. In-line with the budget, rental income of **£0.224 million** was earned on the property in 2022/23, in line with estimates.
- As reported to Cabinet in November 2022, during 2022/23 the Treasury Management limit of **£1.000 million** that can be held across the Council's various current accounts on any one day was exceeded on 24 June 2022, when a total of **£1.074 million** was held across the various current accounts. This was due to the unexpected receipt late in the day on 24 June of **£0.130 million** which was expected on 27 June and there was insufficient time to move the money to an alternative bank account/investment. On 2 August 2022, the limit for the bank current accounts was again exceeded with **£1.007 million** held, due to the unexpected receipt late in the day of a payment from a developer of Section 106 monies of **£0.177 million**. Although Planning inform Finance of when they bill for Section 106 payments, in practice they are rarely paid to us on the day expected, which was the case in this instance. As no prior notification of this payment was received, no alternative arrangements could be made in time. In response to these two issues, additional 'headroom' is now provided against the relevant current accounts held with Lloyds Bank to enable more money to be received into the accounts without the risk of exceeding the limit.
- In addition to the above, an adjustment / intervention was also required in respect of the amount held within Money Market Funds during the year, with further details set out later on in this report.
- Treasury performance figures for the year are set out in **Appendix A** with Prudential Indicators attached as **Appendix B**.
- The impact of inflation is continuing in 2023/24, with further interest rate rises in May and June 2023, such that the bank base rate is now 5% and the latest interest rate forecast from the Council's treasury management advisers suggests a further increase to 5.5% in autumn 2023 and then steady reductions in the rate during 2024/25 and 2025/26. Investment income budgets will be reviewed as part of the quarterly Financial Performance Reports and long-term financial planning processes.

RECOMMENDATION(S)

That Cabinet:

- a) notes the Treasury Management performance position for 2022/23; and
- b) approves the Prudential and Treasury Indicators for 2022/23.

--

REASON(S) FOR THE RECOMMENDATION(S)

To provide timely / key financial information to Members and to demonstrate compliance with the Treasury Management and Prudential Codes.

ALTERNATIVE OPTIONS CONSIDERED

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

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Good and effective Treasury Management supports the Council in delivery against its corporate goals and objectives.

OUTCOME OF CONSULTATION AND ENGAGEMENT

The treasury strategy for 2022/23 was consulted on with Resources and Services Overview and Scrutiny Committee before it was adopted by full Council on 29 March 2023 and this report sets out the outcome against the strategy.

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.

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

The Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 include the requirement for local authorities to have regard to CIPFA guidance which this Council has adopted.

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

The recent Best Value Inspection Report for Thurrock Council highlights the importance of not only ensuring the Council acts in accordance with its Treasury Management Strategy but also that there is Member oversight of the transactions, with clear information on the implications of the decisions providing maximum openness and transparency. This is an annual process for Tendring District Council and accords with best practice.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Treasury and Capital Management Strategies and procedures ensure that the Council's investments and borrowing are undertaken in such a way as to minimise the Council's exposure to risk. At the same time, they 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.
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.

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 the recent case with lending money to Thurrock Council, 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 (such as the one at Thurrock). 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. All money lent to Thurrock Council was fully repaid during the year and therefore no money remains invested with them.

As reported previously, the performance of 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 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 than any shorter-term position in isolation.

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

Health Inequalities

Area or Ward affected

Please see comments above

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The Council has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in the Public Services. The main reporting elements to comply with this code include the following:

- **An Annual Capital and Treasury Strategy approved by Cabinet after consultation with the relevant overview and scrutiny committee for recommending to Full Council.**
- **Regular monitoring reports that form part of the Council's Corporate Financial Performance Monitoring arrangements during the year.**
- **An annual treasury performance or outturn report for the preceding year that is presented to Cabinet.**

In terms of the second bullet point above, the following were reported during 2022/23.

There were two occasions where the limits that can be held in total across the current accounts were exceeded – these were reported to Cabinet on 4 November 2022.

1. The first issue occurred on 24 June 2022, when a total of **£1.074 million** was held across all the current accounts compared to the limit of **£1.000 million**. This arose as an expected payment of just over **£0.130 million** was received too late in the day for the money to be moved to another investment or account.
2. The second issue occurred on 2 August 2022, when the total held across all current accounts totalled **£1.007 million**, which therefore exceeded the limit of **£1.000 million**. Although Planning inform Finance when they invoice a developer for Section 106 money, in practice this is never usually paid to the Council on the due date. Similarly to the above, a payment of just under **£0.177 million** was received too late in the day for the money to be moved to another investment or account.

To resolve both of the above issues, additional ‘headroom’ has been provided against the relevant current accounts held with Lloyds Bank to enable money to be received into the accounts without the risk of exceeding the treasury limit of **£1.000m**.

In addition to the above, due to human error, when two Money Market Funds were set up in December 2020, because they were both AAA rated the limit on each was taken to be £4 million, so a total of £8 million. However, it has now been established that the Council’s treasury management policies have a separate category for Money Market Funds with the limit set at £2 million per Fund, so a total of £4 million. As soon as this was established in August, the amount held in each Fund was reduced to not more than £2 million. The Money Market Funds were set up initially to allow for greater liquidity due to the uncertainties around the Covid pandemic, grant payments received and the need to repay overpaid sums at unknown times. The Council’s cash flow is now more certain and predictable.

In terms of the issues set out above, at no time was the Council’s money at any greater risk given the relatively low risk tolerance taken to treasury management activities that is reflected within the treasury management practices.

This report sets out the necessary information in response to the third bullet point above and provides a summary of the treasury activities undertaken in 2022/23 (**Appendix A**) and final Prudential and Treasury Indicators at the end of 2022/23 (**Appendix B**), with revised figures for 2023/24 where relevant.

During 2022/23 the Council complied with its legislative and regulatory requirements and associated treasury management activity remained in accordance with the Treasury Strategy and Treasury Management Practices with further details in respect of specific borrowing and investment considerations set out in the next section of the report.

BORROWING AND INVESTMENTS 2022/23

Borrowing

The Base Rate set by the Bank of England rose throughout 2022/23 and has continued to rise in 2023/24, as set out in the table below.

Date of meeting	New rate	Increase
17 March 2022	0.75%	0.25%
5 May 2022	1.00%	0.25%
16 June 2022	1.25%	0.25%
4 August 2022	1.75%	0.50%
22 September 2022	2.25%	0.50%
3 November 2022	3.00%	0.75%
15 December 2022	3.50%	0.50%
2 February 2023	4.00%	0.50%
23 March 2023	4.25%	0.25%
11 May 2023	4.50%	0.25%
22 June 2023	5.00%	0.50%

The latest forecast from the Council's treasury advisors indicates that the base rate is expected to rise to 5.5% in September 2023 and to remain at that level until March 2024, with a drop back to 5.25% in June 2024, and then fall progressively each quarter to reach 2.5% in March 2026.

Public Works Loan Board (PWLB) rates have also risen alongside the base rate with the rates currently at 5.28% for 25 years and 4.97% for 50 years. These rates are all above the target rates set by the treasury advisors and have been since autumn 2022. As a result of this, an HRA maturity loan of **£0.800 million** that was repaid on 15 September 2022 has not been replaced by PWLB debt but has instead been replaced with internal borrowing. No external borrowing has therefore, been undertaken during the year. In respect of the General Fund, the Council is also currently maintaining an under-borrowed position. 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. While interest rates remain elevated and the Council has sufficient cashflow to allow for internal borrowing, this remains the preferred strategy, with new borrowing only being considered once interest rates fall back to what the treasury advisors view as the 'long term normal level' of around 3%. The Council's current investment property was not financed by loan.

No new borrowing or restructuring of existing debt was undertaken for GF or HRA purposes in 2022/23. Principal on HRA debt continues to be repaid each year in line with the 30-year business plan. Debt rescheduling opportunities are limited in the current economic climate with no debt rescheduling taking place in 2022/23.

As reported / agreed during the year, the cost of the redevelopment of the Honeycroft site is now being met from capital receipts, as an alternative to borrowing the money, which was an initial option considered within earlier treasury reports.

No temporary borrowing from the markets was required during the year.

One of the key prudential indicators relates to the Council's Authorised Borrowing Limit. It is therefore worth highlighting that borrowing has been maintained within the Council's Authorised limit as set out below:

Key Indicator	Limit 2022/23	Amount Borrowed (Internal and External)
Authorised Limit –	£76.333m	£40.183m

borrowing		
-----------	--	--

Investments

The year saw continual growth over the period in cumulative investment returns compared to estimates, as set out in the table below.

Date	Estimated Amount £m	Actual amount £m
30/4/22	£0.015	£0.032
31/5/22	£0.023	£0.091
30/6/22	£0.032	£0.158
31/7/22	£0.040	£0.233
31/8/22	£0.048	£0.329
30/9/22	£0.055	£0.441
31/10/22	£0.420	£0.577
30/11/22	£0.478	£0.750
31/12/22	£0.536	£0.951
31/1/23	£0.967	£1.170
28/2/23	£1.061	£1.376
31/3/23	£1.150	£1.630

The weighted average length of investments made during 2022/23 was 44 days. This reflects the fact that most deals are placed with the DMO for short periods (total of **£587 million** over the year). The average investment interest rate for the year was **1.774%** and this has been benchmarked against average SONIA benchmarks for 2022/23 in **Appendix A**, where SONIA is the Sterling Overnight Index Average. The average rates for a range of maturities are shown in the table below, with the Council's own investment returns broadly reflecting these comparisons.

Measure	Bank Rate	SONIA 30 day	SONIA 90 day	SONIA 180 day	Tendring DC
Average rate	2.30	2.09	1.81	1.42	1.77

The Council manages its investments in-house and invests in accordance with the approved strategy. The Council invests for periods of time dependent on the Council's cash flows, the view as to future interest rate movements and the interest rates offered by counterparties whilst balancing various risks such as interest rate risk and counterparty risk.

The Council's investments continued across the following investment types:

- Deposits at fixed rates and for fixed terms with other local authorities and the Government's Debt Management Office (DMO)
- Deposits at fixed rates and for fixed terms with UK-based banks and building societies meeting the counterparty risk criteria
- Treasury bills, which are tradeable but if held to maturity are at fixed rates
- Certificates of deposit, which are tradeable but if held to maturity are at fixed rates
- Use of deposit accounts with UK banks and the two Money Market Funds for liquidity

Further details on how the investment types changed over the year is set out below.

A significant proportion of the Council's investments were still made with other local authorities. Money also continued to be placed with the Bank of England's Debt Management

Facility (DMO) throughout the year and treasury bills were also purchased during the year. A total of **£700.347 million** was placed with UK government during the year (with **£688.547 million** repaid). Over the year **£16.000 million** of Certificates of deposit with banks meeting the Council's criteria were purchased, along with some fixed deposits with Building Societies and the call accounts and Money Market Funds, leading to a total of **£60.280 million** placed with UK financial institutions over the year. Both government and local authority investments fit well with the Council's low appetite for risk with the security and liquidity of the investment the prime concern.

The total invested in local authorities at 31 March 2023 was **£58.500 million** out of a total investment of **£79.337 million**, with a further **£10.300 million** invested short term with the Debt Management Office and **£3.442 million** invested in two Money Market Funds. A total of **£2.094 million** was placed in call accounts, **£2.000 million** with a Building Society and the remaining **£3.000 million** was invested in Certificates of deposit.

With lower levels of Covid grant funding, although this repeatedly went out and came back through the DMO through the year, aggregated investments reached just over **£760 million** for the year as set out in **Appendix A**.

The Council receives regular credit rating updates during the year following which the appropriate action is taken as soon as practical where the credit rating falls below the minimum ratings, which form part of the Council's Treasury Management Practices.

The UK holds an AA rating with one rating agency, AA- with a second and Aa3 with the third, with the lower grades not having a specific adverse impact on the Council's treasury activities at the present time.

In accordance with the Council's Commercial Property Investment Policy, an annual update on the portfolio is set out below.

In August 2017 the Council purchased an investment property in the District. The purchase was financed partly from capital receipts and partly from revenue resources, so there was no increase in indebtedness arising from the purchase. The purchase price, including stamp duty, was **£3.244 million**. At 31 March 2018 the property had been revalued to **£3.100 million** (the purchase price less stamp duty tax). In each subsequent year the Council's appointed valuer has revalued the property for the purposes of the Council's Statement of Accounts and the fair value has changed as set out in the table below.

Date	Comment	Value £ million	Impairment / Gain £ million
August 2017	Purchase	3.244	0.000
March 2018	Revalued – exclude stamp duty	3.100	0.144
March 2019	Revalued	2.300	0.800
March 2020	Revalued	2.155	0.145
March 2021	Revalued	1.985	0.170
March 2022	Revalued	2.108	(0.123)
March 2023	Revalued	2.364	(0.256)

A gain of **£0.256 million** is recognised in the Council's 2022/23 statement of accounts, which is charged to revenue within the Comprehensive Income and Expenditure Statement and

then reversed out through the Movement in Reserves Statement so that it does not affect the amount that needs to be financed. It is worth highlighting that the above adjustments reflect the necessary end of year accounting adjustments and therefore do not necessarily reflect the value of the property on the open market. This remains as the only property in the portfolio.

In terms of the performance of the property, during the year the rental income was **£0.224 million**. The annualised amount represents an annual rate of return of over 6% compared to the purchase price including stamp duty. The property is therefore performing satisfactorily against the financial target with the budgeted investment income achieved for the 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 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 than any shorter-term position in isolation.

The original leasehold occupier of the property ceased trading from the property in back in November 2018 with the property remaining sublet, a position expected to remain for the unexpired period of the lease (approximately 3 years). It is 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.

Given the above, there are no current risks to the Council's long-term forecast or significant changes to the risk of holding commercial property, but this will be reviewed on an on-going basis with any changes required to be made to the forecast set out as part of the financial strategy process over the year.

Compliance with Treasury and Prudential Limits

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy. The outturn for the Prudential Indicators is shown in **Appendix B**.

PREVIOUS RELEVANT DECISIONS

Approval of the Annual Capital & Treasury Strategy 2022/23 – Item A.5 Full Council 29 March 2022.

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

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

Updated General Fund Financial Forecast Including Proposed Budget Changes in 2022/23 along with Budget Proposals for 2023/24 – Items A.4 Cabinet 27 January 2023.

Executive's Proposals – General Fund Budget and Council Tax 2023/24 – Item A.1 Full Council 14 February 2023.

Executive's Proposals – Housing Revenue Account Budget 2023/24 – Item A.2 Full Council 14 February 2023.

Financial Performance Report 2022/23 and 2023/24 – General Update at the end of Q3 – Item A.3 Cabinet 17 March 2023.

Financial Outturn 2022/23 Report – To provide an overview of the financial outturn for the year 2022/23 and to seek approval of the associated financial decisions related to the end of year accounting processes. Report agreed by to the Portfolio Holder for Finance and Governance under delegated Powers – 10 July 2023.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A Treasury Performance figures 2022/23

Appendix B Prudential and Treasury Indicators 2022/23

REPORT CONTACT OFFICER(S)

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

1 Borrowing**1a Long Term Debt**

Principal	Opening Balance 1 April 2022 £'000	New Borrowing £'000	Principal Repaid £'000	Balance at 31 March 2023 £'000	Average Debt for Year £'000
Long Term Borrowing					
PWLB - General Fund	144	0	8	136	140
PWLB - Housing Revenue Account	36,777	0	2,214	34,563	35,541
Total Long Term Borrowing	36,921	0	2,222	34,699	35,681

Average Interest Rates	Average Interest Rate 1 April %	New Borrowing %	Principal Repaid %	Average Interest Rate 31 March %	Average Interest Rate for Year %
Long Term Borrowing					
PWLB - General Fund	7.101	0.000	7.912	7.057	7.082
PWLB - Housing Revenue Account	3.548	0.000	3.441	3.555	3.551
Overall Long Term Borrowing	3.562	0.000	3.457	3.569	3.565

Interest paid relating to 2022-23

General Fund	10
Housing Revenue Account	1,262
	<u>1,272</u>

Long term debt is defined in legislation as loans repayable over more than one year.

1b Total debt

Average debt over the year	£35,681
Interest paid relating to 2022-23	£1,272
Average interest rate for year	3.565%

This includes interest paid on temporary debt

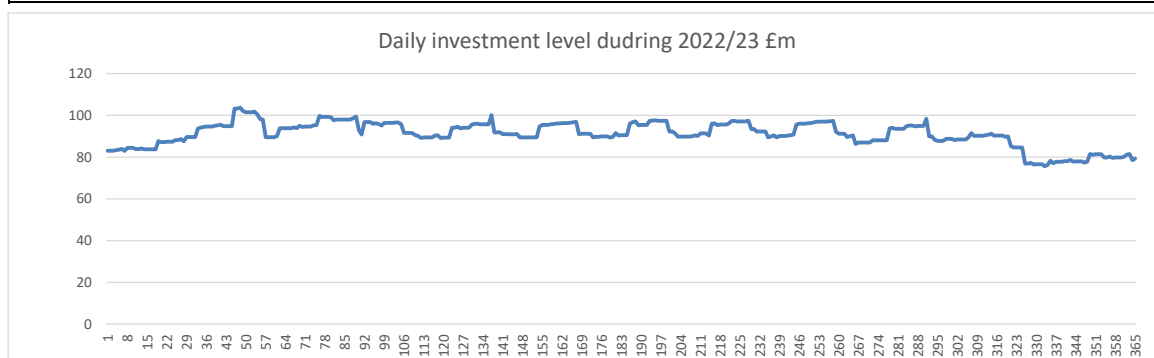
1c Budget for Total Interest Paid

	Original Estimate £'000	Out-turn £'000	Variation from Budget £'000
General Fund	11	10	(1)
Housing Revenue Account	1,276	1,262	(14)
Total Interest Paid	1,287	1,272	(15)

2 Investments

2a Temporary Investments

Principal	Opening Balance 1 April 2022 £'000	New Investments £'000	Investments Repaid £'000	Balance at 31 March 2023 £'000	Average Investments for Year £'000
Investments less than a year					
Investments with UK Government via Treasury Bills, DMO, Local Authorities and other public bodies	57,000	700,347	688,547	68,800	
Investments with UK Financial Institutions (including Money Market Funds)	20,655	60,280	70,524	10,411	
Investments with non-UK Financial Institutions	0	0	0	0	
Total Temporary Investments	77,655	760,627	759,071	79,211	90,952



Average Interest Rates	Average Interest Rate 1 April %	Average Interest Rate 31 March %	Average Interest Rate for Year %
Temporary Investments	0.401	3.658	1.774

2b Budget for Total Interest Earned

	Original Estimate	Revised final Estimate £'000	Out-turn £'000	Variation from Revised Budget £'000
Total Interest Earned	(87)	(1,150)	(1,630)	480

3 Comparison of interest earned to SONIA benchmarks for 2022/23

	Bank rate	30 day	90 day	180 day
High	4.25	4	3.78	3.27
High Date	23/03/23	31/03/23	31/03/23	31/03/23
Low	0.75	0.57	0.39	0.23
Low Date	01/04/22	01/04/22	01/04/22	01/04/22
Average	2.30	2.09	1.81	1.42
Spread	3.50	3.43	3.39	3.04

SONIA is Sterling Overnight Index Average and these are the average rates for the periods shown

PRUDENTIAL INDICATORS

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 £000s	2022/23			Notes	2023/24 as agreed by full Council 2 March 2023	Amended 2023/24 for carry forwards
	2021/22 Actual	Approved budget	2022/23 Actual			
Total Capital Expenditure	4,308	16,498	3,931		827	12,798
Financing - General Fund						
External contributions	(141)	(902)	(505)		-	(397)
Section 106	(1)	(163)	(80)		-	(81)
Coast protection grant	(451)	-	-		-	-
Other Government grants	(13)	(951)	(242)		-	(709)
Disabled Facilities Grant	(666)	(8,730)	(993)		(757)	(8,494)
Capital receipts	-	(1,000)	-		-	(1,000)
Direct revenue contributions	(222)	(905)	(178)		(70)	(778)
Earmarked reserves	(2,814)	(3,847)	(1,933)		-	(1,339)
Total Capital Financing	(4,308)	(16,498)	(3,931)	-	(827)	(12,798)
Net Financing need (External Borrowing)	0	0	0		0	0

Housing Revenue Account Capital Schemes £000	2022/23			Notes	2023/24 as agreed by full Council 2 March 2023	Amended 2023/24 for carry forwards
	2021/22 Actual	Approved budget	2022/23 Actual			
Total Capital Expenditure	4,317	11,049	7,351		7,978	11,882
Financing - Housing Revenue Account						
Major repairs reserve	(3,089)	(4,178)	(3,940)		(3,314)	(3,764)
Direct revenue contributions	(187)	(1,570)	(43)		(614)	(2,141)
Section 106	(774)	(333)	(328)		-	-
Capital receipts	(68)	(65)	-		(4,050)	(4,114)
External contributions	(199)	(4,197)	(2,745)		-	(1,452)
Government grant	-	(706)	(295)		-	(411)
Total Capital Financing	(4,317)	(11,049)	(7,351)		(7,978)	(11,882)
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				Notes	2023/24 as agreed by full Council 2 March 2023
	2021/22 Actual	2022/23 Estimate	2022/23 Actual		
	£000	£000	£000		£000
General Fund	5,021	4,820	4,820		4,627
Housing Revenue Account	36,777	35,363	35,363		33,949
Total	41,798	40,183	40,183		38,576

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					2023/24 as agreed by full Council 2 March 2023
	2021/22	2022/23	2022/23	Notes	
	Actual	Estimate	Actual		
	£000	£000	£000		£000
Capital Financing Requirement	41,798	40,183	40,183		38,576
External debt	36,921	34,699	34,699		33,277
Internal borrowing	4,877	5,484	5,484		5,299

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					2023/24 as agreed by full Council 2 March 2023
	2021/22	2022/23	2022/23	Notes	
	Actual	Estimate	Actual		
	£000	£000	£000		£000
Operational boundary - borrowing	67,180	67,723	67,723		65,584
Authorised limit - borrowing	75,820	76,333	76,333		75,609

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, but this is no longer net of investment income.

ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE					2023/24 as agreed by full Council 2 March 2023
	2021/22 Actual	2022/23 Estimate	2022/23 Actual	Notes	
	£000	£000	£000		£000
General Fund	1.63	1.65	1.81		1.41
Housing Revenue Account	40.13	45.65	42.14		42.95

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					2023/24 as agreed by full Council 2 March 2023
	2021/22 Actual	2022/23 Estimate	2022/23 Actual	Notes	
	%	%	%		
General Fund	n/a	-1.78	-1.93		-1.60

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					2023/24 as agreed by full Council 2 March 2023
	2021/22 Actual	2022/23 Estimate	2022/23 Actual	Notes	
	£000	£000	£000		£000
Upper limit for Fixed Interest Rates on debt	41,798	40,183	40,183		38,576
Upper limit for Variable Interest Rates on debt (based on 30% of the fixed rate limit)	12,539	12,055	12,055		11,573

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					2023/24 as agreed by full Council 2 March 2023
	2021/22 Actual	2022/23 Estimate	2022/23 Actual	Notes	
	£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

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			Actual outstanding debt maturity % at		
	Upper limit	Lower limit		2023/24 as agreed by full Council 2 March 2023	
	%	%		31/03/2023	31/03/2024
Under 12 months	25	0	4.10%		7.88%
12 months and within 24 months	30	0	7.56%		7.28%
24 months and within 5 years	60	0	17.10%		13.83%
5 years and within 10 years	75	0	14.60%		14.07%
10 years and above	95	25			
10-20 years			13.41%		11.86%
20-30 years			25.49%		33.06%
>30 years			17.29%		12.02%

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	2021/22 Actual	2022/23 Actual	2022/23 Upper limit
Average credit score for investments	1.18	1.17	2.00

RESOURCES AND SERVICE OVERVIEW AND SCRUTINY COMMITTEE

12 DECEMBER 2023

CABINET

21 JULY 2023

REPORT OF THE LEADER OF THE COUNCIL AND CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER

A.8 OVERVIEW OF THE FINANCIAL OUTTURN 2022/23 AND PROPOSED ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek approval of the allocation of the overall 2022/23 General Fund revenue variance.

EXECUTIVE SUMMARY

- The Portfolio Holder for Finance and Governance agreed the overall outturn position for 2022/23 on 10 July 2023, with a high level summary of the General Fund revenue position set out below. The detailed report considered by the Portfolio Holder is available on the Council's website using the following link [Decision - Financial Outturn 2022/23 \(tendringdc.gov.uk\)](https://www.tendringdc.gov.uk/Decision-Financial-Outturn-2022/23).

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

- As set out within the Portfolio Holder report mentioned above, the favourable variance for the year of **£3.352m** is currently being held in the Revenue Commitments Reserve.
- The Portfolio Holder report referred to also set out an emerging issue that was likely to have an impact on this overall variance for the year, which related to the Crematorium Replacement Capital Project with further details set out later on in this report. In summary, **£0.558m** of the overall favourable variance of **£3.352m** above related to the underspend against the associated capital scheme, which was due to the original capital programme incorrectly including the costs of the 10 year maintenance contract associated with the new cremators. Following an associated review, it has been identified that **£0.240m** of the overall favourable above is required to 'top up' the existing maintenance budget to meet the cost of this on-going contract.
- After taking into account the above, the remaining favourable variance is therefore **£3.112m**.

- Following on from the above, it is proposed to continue to hold the remaining favourable variance for the year of **£3.112m** within the Revenues Commitment Reserve and consider its allocation alongside the Financial Performance Reports later in the year, which will include the development of the financial forecast for 2024/25 and beyond. This approach will enable future investment to be aligned alongside other key financial decisions associated with delivering options and actions to support the Council's long-term financial sustainability.
- The Portfolio Holder report highlighted above also set out a number of carry forwards that had been requested by Services. These totalled **£25.703m** (£15.779m relating to revenue budgets and £9.924m relating to capital schemes).
- It was intended to have reviewed all of the carry forwards requested by Services to identify those to be agreed or otherwise for reporting to this meeting of Cabinet. However, the review remains in progress and so it is now proposed to delegate their approval to the Portfolio for Finance and Governance in consultation with the S151 Officer. This review will also seek the input from relevant Senior Officers and Portfolio Holders. Following this review and associated decision, it is proposed that the total amount relating to any carry forwards not subsequently approved will be added to the general favourable variance for the year of **£3.112m** highlighted above and retained within the Revenues Commitment Reserve for consideration later in the year as proposed.
- Although subject to separate reports later in the year, this report provides a timely opportunity to briefly reflect on the in-year position for 2023/24 and look ahead to the forecast for 2024/25 and beyond, with further details set out later on in this report.

RECOMMENDATION(S)

That Cabinet:

- (a) notes the high level Financial Outturn Position set out in this report and the initial favourable General Fund Revenue variance of £3.352m for the year, which is currently held within the Revenue Commitments Reserve;**
- (b) that £0.240m of the overall favourable variance of £3.352m is used to meet the additional maintenance costs of the new cremators over the associated 10 year maintenance period;**
- (c) subject to b) above, agrees that the remaining favourable variance for the year of £3.112m is retained within the Revenue Commitments Reserve for further consideration during 2023/24;**
- (d) delegates the approval of the carry forwards from 2022/23 to the Portfolio Holder for Finance and Governance in consultation with the S151 Officer;**
- (e) subject to d) above, the value of any of carry forwards not subsequently approved be added to the general variance set out in (c) above; and**
- (f) agrees a delegation to the Council's Section 151 Officer, in consultation with the Corporate Finance and Governance Portfolio Holder, to adjust the outturn**

position for 2022/23 along with any corresponding adjustment to earmarked reserves as a direct result of any recommendations made by the Council's External Auditor during the course of their audit activities relating to the Council's 2022/23 accounts.

REASON(S) FOR THE RECOMMENDATION(S)

To allocate the overall General Fund favourable outturn variance for 2022/23 along with associated delegations.

ALTERNATIVE OPTIONS CONSIDERED

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

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

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

The forecasting and budget setting process will have direct implications for the Council's ability to deliver on its objectives and priorities. The current 10-year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income whilst limiting reductions in services provided to residents, business and visitors.

The outturn position reflects the above and supports the Council's successful financial planning processes.

OUTCOME OF CONSULTATION AND ENGAGEMENT

In terms of the in-year financial performance of the Council, internal consultation is carried out via the Council's framework to monitor / manage the budget and as part of developing the forecast as set out within the Constitution.

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 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)	17 May 2023

The Council is legally required to calculate a Council Tax requirement each financial year. Within this framework is the requirement to monitor and report accordingly on the financial position of the authority against this requirement.

The outturn position set out in this report and the actions proposed are within the Council's powers and reflect the statutory requirements and responsibilities of the Council in the preparation of its accounts.

The approval of the outturn position each year is delegated to the Finance and Governance Portfolio Holder. Any further decisions that may be required following the outturn process, such as allocating money brought forward from the prior year are reported to Cabinet at a subsequent meeting. In effect, the approval of the outturn delegated to the Finance and Governance Portfolio Holder will primarily only place available funding that needs further allocation in reserves until a formal / separate decision is made by Cabinet, which is the subject of this report.

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

No further comments to add to those covered within the content of the report.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The main financial implications for each section of the Council's accounts are as set out in this report.

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

The Section 151 Officer is the author of this report.

USE OF RESOURCES AND VALUE FOR MONEY

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This is addressed in the body of the report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	This is addressed in the body of the report but it is important to recognise further decisions are required as highlighted and reasons must be adequately recorded.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

This report forms part of the Council's wider budget setting and monitoring processes. In respect of 2022/23, this report reflects on the final outturn position for the year that builds on earlier financial performance reports that have been presented to Cabinet on a broadly

quarterly basis throughout the year.

ASSOCIATED RISKS AND MITIGATION

Although there are no direct risks associated with the outturn position, there will be various 'knock on' risks to the Council's financial position going forward, which are either highlighted elsewhere within this report or will be revisited as part of developing the longer term forecast that will be presented to a future Cabinet meeting. The financial position for 2023/24 and 2024/25 and beyond will therefore be reviewed in light of this outturn position.

The Council's reserves, including the Forecast Risk Fund remain a key element of the long-term plan approach with additional details set out further on in this report.

EQUALITY IMPLICATIONS

There are no direct implications that significantly impact on the Council's financial performance / forecast at this stage. However, the ability of the Council to appropriately address such issues will be strongly linked to its ability to fund relevant schemes and projects and determination of the breadth and standard of service delivery to enable a balanced budget to be agreed.

An impact assessment will be undertaken as part of any separate budget decisions such as those that will be required to deliver savings. This is an important part of the future decision making timetable and must be adequately factored into the process.

SOCIAL VALUE CONSIDERATIONS

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

However, such issue will be considered as part of separate elements of developing the long-term forecast.

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

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

However, such issue will be considered as part of separate elements of developing the long-term forecast.

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 PROPOSED ALLOCATION OF THE OVERALL GENERAL FUND VARIANCE FOR 2022/23

The Financial Outturn for 2022/23 was agreed by the Portfolio Holder for Finance and

Governance on 10 July 2023.

The report set out an overall favourable variance of **£3.352m**. Appendix A of the same report highlighted the key variances that contributed to this overall position for the year, some of which reflected one-off issues whilst others will be subject to further review to determine any longer term impact.

Of the overall variance for the year of **£3.352m** mentioned above, **£0.558m** related to an underspend against the revenue contributions to the cremator replacement project within the Capital Programme. When the scheme was established, a total budget of **£1.539m** was included within the 2022/23 Capital Programme. As the scheme was being delivered during 2022/23, it emerged that the total capital budget incorrectly reflected revenue costs associated with the on-going maintenance of the facility over the contract term of 10 years.

Although there is already an existing on-going revenue budget to support the maintenance of the facility, this would need to be increased from 2023/24, to meet the increased costs associated with the new 10 year maintenance contract. Following a review, it has been identified that additional funding of **£0.240m** would be required to meet the revised revenue maintenance costs. It is therefore proposed to use the underspend against the capital project highlighted above to meet this cost. In effect this would be met from the overall outturn variance of **£3.352m** as it includes the associated revenue contribution capital programme underspend.

Taking the above adjustment into account, the overall favourable variance for 2022/23 would reduce to **£3.112m** from **£3.352m**.

Carry Forward Requests

The Portfolio Holder Report highlighted above also set out the following carry forwards that have been requested by Services: (these amounts are being 'held' in the relevant Commitments Reserve, pending further consideration).

Area of the Budget	Total Carry Forwards Requested
General Fund Revenue – General (Incl. RCCO)	£15.779m
General Fund Capital Schemes (Excl. RCCO)	£9.924m
TOTAL	£25.703m

(RCCO = Revenue Contribution to Capital Outlay)

The above carry forwards requested by services may not necessarily meet the specific criteria set out within the Portfolio Holder Report highlighted, with some items relating more closely to taking advantage of underspends in 2022/23 to apply to potential advantageous schemes and projects in 2023/24.

It was intended to have reviewed all of the carry forwards requested by Services to identify those to be agreed or otherwise for reporting to this meeting of Cabinet. However, the review remains in progress and so it is now proposed to delegate their approval to the Portfolio Holder for Finance and Governance in consultation with the S151 Officer. This review will also seek the input from relevant Senior Officers and Portfolio Holders. Following this review

and decision, it is proposed that the total amount associated with any carry forwards not subsequently approved will be added to the general favourable variance for the year of **£3.112m** highlighted above. The delegated decision will be recorded and published in the normal manner, with the implications and options set out. The outcome from the review will also be reported back to Cabinet as part of a future in-year financial performance report.

The review of carry forwards forms an important element of the Council's financial performance and development of the forecast in future years, especially within the context of the challenging financial position the Council currently faces. For example, existing base budgets can be reviewed / developed in light of prior year carry forward requests which in turn would provide the basis to explore opportunities to support the delivery of savings targets or providing 'headroom' to meet cost pressures going forward, which could be on a one-off basis or on-going.

Allocation of the General Outturn Variance of £3.112m

Following on from the above, it is proposed to continue to hold this money within the Revenues Commitment Reserve and consider its allocation alongside the Financial Performance Reports later in the year, which includes the development of the Financial Forecast for 2024/25 and beyond. This approach will enable future investment to be aligned alongside other key financial decisions associated with delivering options and actions to support the Council's long term financial sustainability.

This aligns with the approach taken as part of the budget setting process for 2023/24 where the reduction in the forecast deficit provided additional flexibility in terms of developing the required framework in which to identify the necessary savings to support an on-going financially sustainable position over the next few years.

Other Issues

During the external audit of the Council's Accounts over the coming months, adjustments or amendments may be recommended by the Council's External Auditor. Although subject to the actual adjustments that may be recommended by the Auditor, they may have a direct impact on the overall outturn position for the year rather than be just presentational changes. They would then be included in the Statement of Accounts that would be presented to the Audit Committee later for approval. To enable the right level of flexibility in responding to any changes recommended by the External Auditor, a delegation is included in the recommendations above to enable the Council's S151 officer, in consultation with the Finance and Governance Portfolio Holder, to make the necessary adjustments to the 2022/23 outturn position.

BRIEF LOOK AT THE IN-YEAR POSITION 2023/24 AND AHEAD TO 2024/25 AND BEYOND

As set out in previous financial performance reports, the Council faces a challenging financial environment such as on-going inflationary pressures on expenditure budgets. Based on the current forecast position reported to Full Council in February this year, significant on-going revenue savings are required in 2024/25 and beyond with work continuing to develop a framework in which to deliver this level of savings going forward. This work, along with updating the detailed financial forecast remains on-going and will be set against the outturn position for 2022/23, where the impact of both favourable and adverse variances will be subject to further review in terms of their potential longer-term impact.

In terms of 2023/24, some key issues include:

- Planning Appeal Costs
- Review of the Careline Business Case
- Waste Tipping Away Costs
- Fixed term budgets coming to an end e.g. Housing Early Interventions Officer.
- North Essex Parking Partnership Budget and potential financial impact on partnering authorities
- Impact of the outturn position for 2022/23 – over and above items highlighted above and reflecting both adverse and favourable issues.
- Ongoing inflationary pressures – e.g. employee and contract costs.
- Prioritising investment

In terms of 2024/25 and beyond, some issues over and above any on-going impact of the items identified for 2023/24 include:

- Consideration of extending the long-term forecast period beyond 2026/27
- Reflecting the on-going priorities and vision of the Council.
- Reviewing the overall financial risk approach – balancing any bias - cautiousness / optimism
- Using one-off funding to support the budget
- Future investment opportunities and cost pressures, including the impact of the upcoming retender of the waste and street cleansing contract
- Impact of new Extended Producer Responsibility relating to packaging and waste
- Framework within which to identify savings and efficiencies

Other Issues

The outturn report also provides the timely opportunity to reflect on other financial matters arising to date and in that context it is worth highlighting the following:

New Right to Buy Flexibilities and HRA Preferential Borrowing Rate

The amount of capital receipts from Right to Buy sales that Councils can retain along with how they can be spent are subject to a number of rules / restrictions with a summary as follows:

- The underlying amount that Council's can retain unconditionally is based on an 'historic' split between Councils and the Treasury – 25% and 75% respectively
- Councils can retain 'additional' amounts over and above the 'shared' amount paid to the Treasury above.
- Councils have 5 years to spend these additional retained amounts (this was increased from 3 years and is backdated)
- There is a 'cap' of 40% on the percentage cost of new homes that can be funded from these additional retained amounts.
- There is a cap of 50% on the amount of these additional retained amounts that can be used for acquisitions – with the first 20 units of delivery in each year excluded. (the Government have stated that their aim is to drive new supply for both existing and future receipts)

This 'cap' will reduce to 40% in 2025/26 and 30% from 2026/27 onwards.

- Any unused additional retained amounts will need to be repaid to the Government along with interest.

The Government have recently announced that Councils can retain 100% of capital receipts generated from Right to Buy sales in 2022/23 and 2023/24 rather than having to repay them over to the Treasury as part of the 'underlying' rules highlighted within the bullet points above.

Although these receipts will still be subject to all of the restrictions set out above, opportunities to spend this additional money that can be retained locally will be explored and reported to members at a later date.

It is also worth highlighting that Local Authorities can access loans from the PWLB at discounted rates from June 2023, intended primarily for new housing delivery. The rate applies to fixed rate loans and will be available for one year with its continuation subject to review. The rate is 0.40% above gilt rates, which is 0.6% lower than the 'standard' PWLB rate. Although the rate is advantageous, its potential benefit has been somewhat diluted by the underlying increase in general gilt prices / interest rates, which makes borrowing at the present time more expensive than in previous periods.

Notwithstanding the above, this issue can be considered alongside the use of retained additional receipts set out above within the context of the HRA Business Plan.

Council Tax Premiums on Second Homes

As previously discussed, the Government have included within the Levelling Up and Regeneration Bill the ability for Councils to charge a council tax premium of up to 100% on Second Homes.

Although the above bill is still subject to various Parliamentary processes before receiving royal assent, it may be necessary to consider the introduction of such a premium during 2023/24 given that a Local Authority's first determination must be made at least one year before the beginning of the financial year to which it relates. The earliest date that such a premium could be introduced is therefore 1 April 2025.

Council Tax discounts and premiums are subject to a separate reporting process during October and November each year. With this in mind, this issue will be reviewed / revisited as part of this separate decision making process later in the year.

PREVIOUS RELEVANT DECISIONS

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

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

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

Updated General Fund Financial Forecast Including Proposed Budget Changes in 2022/23

along with Budget Proposals for 2023/24 – Items A.4 Cabinet 27 January 2023.

Executive's Proposals – General Fund Budget and Council Tax 2023/24 – Item A.1 Full Council 14 February 2023.

Executive's Proposals – Housing Revenue Account Budget 2023/24 – Item A.2 Full Council 14 February 2023.

Financial Performance Report 2022/23 and 2023/24 – General Update at the end of Q3 – Item A.3 Cabinet 17 March 2023.

Financial Outturn 2022/23 Report – To provide an overview of the financial outturn for the year 2022/23 and to seek approval of the associated financial decisions related to the end of year accounting processes. Report agreed by the Portfolio Holder for Finance and Governance under delegated Powers – 10 July 2023. LINK - [Decision - Financial Outturn 2022/23 \(tendringdc.gov.uk\)](https://tendringdc.gov.uk/Decision-Financial-Outturn-2022-23).

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

None

REPORT CONTACT OFFICER(S)

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

RESOURCES AND SERVICE OVERVIEW AND SCRUTINY COMMITTEE

12 DECEMBER 2023

CABINET

6 OCTOBER 2023

REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

A.5 FINANCIAL PERFORMANCE REPORT 2023/24 – GENERAL UPDATE AT THE END OF JULY 2023

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide a general update and overview of the Council's financial position against the 2023/24 budget and looking ahead to 2024/25 and beyond.

EXECUTIVE SUMMARY

- These regular finance reports present the overall financial position of the Council by bringing together in-year budget monitoring information and timely updates on the development of the long-term forecast. *(Due to the timing of this report, the position reported is from 1 April 2023 to the end of July 2023 rather than just the position at the end of the first quarter).*
- The report is split over two distinct sections as follows:
 - 1) ***The Council's in-year financial position against the budget at the end of July 2023***
 - 2) ***An updated long term financial forecast***
- Last year an additional section was included within these reports that took a detailed view of items that will have an impact on the in-year position but also an on-going impact on the later years of the forecast. Although this report sets out a number of adjustments to the in-year budget, any longer term impact remains under review at the present time. However, they will be revisited as part of developing the forecast for 2024/25 and beyond and reported within future financial performance reports.

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

- The position to the end of July 2023, as set out in more detail within the appendices, shows that overall the General Fund Revenue Account is underspent against the profiled budget by **£1.747m**.
- As part of developing the budget for 2023/24, which was agreed by Full Council in February 2023, a number of adjustments were made to reflect emerging and/or on-going

issues. Therefore, only a limited number of variances have developed during the first four months of this year. Where variances have been highlighted, these broadly reflect known issues where further review / consideration may be necessary or reflects the timing of general expenditure and/or income budgets.

- It is acknowledged that other expenditure or income trends may still emerge / develop over the remainder of the year.
- This report also sets out a number of further potential issues although no adjustments have been made to the budget at the present time as they remain subject to ongoing review and / or reporting separately later in the year.
- In respect of other areas of the budget such as the Housing Revenue Account, capital programme, collection performance and treasury activity, apart from additional details set out later on in this report, there are no other major issues that have been identified to date. In respect of treasury activity, the transactions undertaken with Birmingham City Council are highlighted in this report along with the commitment to report back to Cabinet to present the outcome of their Full Council meeting where they will be considering their Section 151 Officer's Section 114 report.
- Any emerging issues will be monitored and updates provided in future reports, which will include their consideration as part of updating the long-term financial forecast.
- A number of in-year budget adjustments are proposed as set out in **Appendix 1H**, with an associated recommendation also included within this report. The same appendix also sets out a number of items that were requested to be carried forward by Services from 2022/23. These are presented for consideration by Cabinet as they did not meet the criteria relating to carry forwards, but it may still be advantageous to approve them to enable the associated work / projects to be undertaken in 2023/24.
- As mentioned within earlier reports, the Chief Executive continues to chair the regular Budget, Performance and Delivery meeting of Senior Managers where any emerging issues such as those highlighted within this report and appendices are identified / discussed.
- The net impact of the proposed budget adjustments will be moved to the Forecast Risk Fund. At the end of July 2023, it has been possible to make a contribution to the fund of **£0.169m**, which supports the requirement set out in the long-term forecast of identifying in-year savings of **£0.250m** each year.
- In addition to the above, it is also proposed to continue to be a member of the Essex Business Rates Pool and Essex Council Tax Sharing Agreement if it remains advantageous to do so in 2024/25.

In respect of the updated long term financial forecast:

- The forecast has been reviewed and updated at the end of July 2023 and is set out in Appendix 2A. It continues to reflect the very challenging financial position faced by Local Authorities, which includes the inflationary pressures currently being experienced.

- The revised forecast also seeks to better balance optimism / pessimism bias that is inherent in any forecasting process and includes the use of one-off funding such as the New Homes Bonus in the short term.
- Work remains ongoing within Departments and with Portfolio Holders with the aim of remaining 'sighted' on potential future cost pressures. Some of these are included in **Appendix 1H** where there is already an impact in 2023/24.
- The long-term approach alongside the Forecast Risk fund provides additional flexibility and time to make better-informed decisions. However, significant on-going savings are still required.
- Based on the updated forecast, ongoing savings of **£3.000m** are required across 2024/25 to 2026/27. This is significant, especially in the context of the Council's overall net budget being just over **£14.000m** and it presents the Council with a major challenge.
- Developing the framework against which the required savings can be identified therefore remains a key activity over the coming months alongside the development of the new Corporate Plan. The level of resources required to not only develop the above framework but to deliver the required savings, should not be underestimated, especially when set against other existing commitments such as delivering the Levelling Up projects and Freeports. There therefore needs to be a clear focus on the timely development of the plan whilst managing competing resources over the coming months.
- Although consideration will be given to extending the current forecast period beyond 2026/27, the long-term forecast approach still provides an effective method of managing financial risks, and remains underwritten by the Forecast Risk Fund.
- As mentioned during the development of the longer-term approach to the budget over recent years, it is important to continue to deliver against this plan as it continues to provide a credible alternative to the more traditional short-term / annual approach.
- The challenges faced by the Housing Revenue Account are also significant and include increased expectations and requirements that are likely to emerge from the Social Housing Regulation Act and associated enhanced powers of the Housing Regulator. The HRA 30 Year Business plan will be developed over the coming months with the aim of responding to such challenges set against the wider context of continuing to provide a financially sustainable position in the long term.

RECOMMENDATION(S)

It is recommended that Cabinet:

- (a) notes the Council's in-year financial position at the end of July 2023 along with the updated financial forecast for 2024/25 and beyond;**
- (b) approves the proposed adjustments to the 2023/24 budget as set out in Section 1 of Appendix 1H and requests Officers to review the potential on-going impact in 2024/25 and beyond where necessary as part of developing the forecast and detailed estimates for further consideration by Cabinet later in the year;**

- (c) notes the outcome of the review of carry forwards from 2022/23 approved under delegation to the Portfolio Holder for Corporate Finance and Governance as set out in Table 1 of this report and -
- i) approves items 1 and 2 set out in Section 2 of Appendix 1H;
 - ii) requests Officers to provide additional information relating to items 3 to 6 set out in Section 2 of Appendix 1H for inclusion in the Financial Performance Report for Quarter 2 that is scheduled to be presented to Cabinet in November 2023;
- (d) notes the treasury transactions with Birmingham City Council set out in this report and request Officers to provide an update in Quarter 2 setting out the response of the Full Council meeting at Birmingham City Council to their Section 151 Officer's recent Section 114 reports;
- (e) the Council continues to be a member of the Essex Business Rates Pool and Council Tax Sharing Agreement with ECC in 2024/25 if it remains financially advantageous to do so;
- (f) notes the updated financial forecast set out in this report and requests Officers, in consultation with Portfolio Holders, to further develop the financial forecast proposals alongside the development of the Council's priorities as part of the wider framework within which to identify the necessary budget reductions to support the Council's long-term financial sustainability; and
- (g) asks that the Resources and Service Overview and Scrutiny Committee be consulted on the latest financial position of the Council set out in this report.

REASON(S) FOR THE RECOMMENDATION(S)

To set out the latest financial position for the Council and to respond to emerging issues in 2023/24 and to develop the budget and long term forecast from 2024/25.

ALTERNATIVE OPTIONS CONSIDERED

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

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

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

Cabinet approved its emerging Corporate Plan and Vision at its meeting in July 2023, which has been the subject of public consultation and the outcome will be reported back to the November Cabinet meeting. One of the 5 themes proposed is Financial Sustainability and Openness, with a commitment to continue to deliver effective services and get things done whilst looking after the public purse; that means carefully planning what we do, managing

capacity, and prioritising what we focus our time, money and assets on. Tough decisions will not be shied away from, but will be taken transparently, be well-informed, and based upon engagement with our residents.

The forecasting and budget setting process will have direct implications for the Council's ability to deliver on its objectives and priorities. The current 10-year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income whilst limiting reductions in services provided to residents, business and visitors. The approach set out in this report continues to be set against this wider context.

OUTCOME OF CONSULTATION AND ENGAGEMENT

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

LEGAL REQUIREMENTS (including legislation & constitutional powers)

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

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

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

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

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

FINANCE AND OTHER RESOURCE IMPLICATIONS

The financial implications are set out in the body of the report.

Although the availability of financial resources is a key component in the delivery of services there will also need to be appropriate input of other resources such as staffing, assets and IT.

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

In terms of the Council's previous External Auditor, their work remains focused on the outstanding Statement of Accounts for 2020/21 to 2022/23. It is hoped that they will be in a position to provide their own updated commentary on the Council's use of resources in October / November 2023.

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

The Section 151 Officer is the author of this report.

USE OF RESOURCES AND VALUE FOR MONEY

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This is addressed in the body of the report.
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 reports forms part of the Council's wider budget setting processes. Additional update reports will therefore be presented to Cabinet in November, December and January as part of developing the detailed estimates that will be presented to Full Council in February 2024.

ASSOCIATED RISKS AND MITIGATION

There are significant risks associated with forecasting such as cost pressures, inflation and changes to other assumptions that form part of the financial planning process. The Council's response is set out in the body of this report and will continue to be addressed as part of the future financial updates reports highlighted earlier.

It is also worth highlighting emerging risks associated with the establishment of the Office for Local Government (OFLOG) and the enhanced role of the Housing Regulator via the Social Housing Regulation Act. These will undoubtedly have significant financial consequences for Local Authorities, either directly or where increased capacity may be required to respond to any emerging requirements. This will be considered further as part of developing the forecast over the coming months.

As set out in **Appendix 2A**, the Forecast Risk Fund remains available to support the longer-term approach, with the additional contributions made to the reserve in 2023/24 providing further flexibility in terms of developing the required framework in which to identify the necessary savings to support an on-going financially sustainable position over the next few years.

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

EQUALITY IMPLICATIONS

There are no direct implications that significantly impact on the financial forecast at this stage. However, the ability of the Council to appropriately address such issues will be strongly linked to its ability to fund relevant schemes and projects and determination of the breadth and standard of service delivery to enable a balanced budget to be agreed.

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

SOCIAL VALUE CONSIDERATIONS

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

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

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

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

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

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

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

Crime and Disorder	Please see comments above
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

SECTION 1 – IN YEAR FINANCIAL PERFORMANCE AGAINST THE BUDGET AT THE END OF JULY 2023

The Council's financial position against the approved budget has been prepared for the period ending 31 July 2023.

As highlighted earlier, as part of developing the 'base' budget for 2023/24 earlier in the year, a number of adjustments were made to reflect emerging and/or on-going issues, with therefore only a limited number of variances developing to date. Where variances have been highlighted, these broadly reflect known issues where further review / consideration may be necessary.

Although proposed budget adjustments are highlighted within **Appendix 1H** in response to the emerging / developing issues, the detailed position at the end of July 2023 is set out within **Appendix 1**, with some additional comments included below against the six key areas of the budget where necessary:

GENERAL FUND REVENUE

The position to the end of July 2023, as set out in more detail in the Executive Summary attached, shows that there is an overall net underspend of **£1.747m**.

Apart from the impact associated with the proposed adjustments set out within **Appendix 1H**, the remaining variance is primarily due to the timing of expenditure and income, one example being the timing of when housing benefit payments are made and when the money is reimbursed by the Government via the associated subsidy system.

Notwithstanding the above, it is important to highlight the following:

Waste, Recycling and Street Cleansing – two budget adjustments are set out within **Appendix 1H**. One relates to the unavoidable cost of disposing of residual waste to an alternative disposal site and the other to provide essential additional capacity to support the upcoming tender process.

Parking income – parking income is currently ahead of the budget by **£0.123m**. No adjustment to the budget is proposed at the present time, but the position will be kept under review across the next two quarters to identify if this favourable position is likely to remain until the end of the year.

Another issue relating to the parking service is the potential financial deficit associated with the North Essex Parking Partnership. As previously mentioned, financial risks of being a member of this partnership started to emerge last year and there is currently no provision included within the budget to respond to such an eventuality.

As previously discussed, the NEPP does not appear to be recovering from the impact of COVID 19, with the level of income being less than pre-pandemic levels, which is in addition to the on-going impact of inflation. Recent years have seen the partnership draw money down from its reserves to meet any deficits that have accrued, which has resulted in reserves no longer being available to underwrite its financial risks in 2023/24.

As part of its partnership role, the Council continues to seek assurances from the Lead Authority around how the financial risks of the partnership will be managed in 2023/24 and beyond to avoid as far as reasonably possible a deficit position occurring / continuing. This issue remains under review and further updates will be provided as part of future financial performance reports.

Homelessness net costs– demand for homeless accommodation remains high. Although the service remains committed to exploring options to respond to this demand in the most advantageous way, an adjustment to the budget is included within **Appendix 1H**, as an initial sum to meet the expected on-going cost in the short term.

Vacancy savings - when viewed corporately, employee costs remain behind the budget. A favourable budget adjustment is usually undertaken at the end of each quarter to utilise the accrued savings. However, it is not proposed to make such an adjustment at the present time given that the national pay negotiations for 2023/24 remain on-going. Based on the most up to date information, it is expected that the pay award will be higher than the amount originally forecast, which in turn will likely need to be supported by any accrued savings to date.

Treasury Investment Income – given that interest rates remain relatively high, investment income is significantly ahead of the budget. An initial favourable budget adjustment is therefore set out within **Appendix 1H** to reflect the most up to date forecast, which will be subject to on-going review in later quarters.

Leisure Centre Fees and Charges and VAT – following the consideration by the courts, it has been determined that Local Authorities who provide in-house leisure services to the public are doing so under a statutory framework and therefore the charges made should be treated as non-business instead of being standard rated as has historically been the case. Work remains on-going to finalise the impact of this change, with the outcome planned to be set out in an upcoming separate report. No adjustment to the budget is therefore proposed at the present time until this associated report has been considered.

Garden Waste Fees and Charges Income – the Audit Committee recently considered an issue emerging within the garden waste service where there was a risk that some customers may be receiving a service without having paid the associated fee. The Service remains committed to resolving this issue as soon as possible with the first phase relating to finalising a robust customer database along with other associated improvement actions. Although work will be undertaken to seek payment where customers have benefited from the service but have yet to pay the associated fee, it may result in a level of unrecoverable debt that may need to be written off – this would be a cost that would be charged to the service. It is proposed to provide an update as part of the financial performance report for the second quarter of this year.

Careline Net Costs - as previously discussed, one of the key parts of the budget that remains under on-going review is the financial performance of the Council's Careline

Service, especially in light of the adverse outturn position for 2022/23. The Department remains committed to delivering the service within budget and a further detailed review of the associated business plan is currently underway with the aim of reporting the outcome to Cabinet in November. Although subject to the outcome of this separate review, it is likely there will be additional net costs associated with continuing to deliver this service.

As mentioned within earlier reports, the Chief Executive continues to chair the regular Budget, Performance and Delivery meeting of Senior Managers where any emerging issues such as those highlighted above are discussed / identified / explored. This is also supported by the departmental planning process, which in turn supports the delivery of the on-going corporate investment / cost pressure plan approach.

The impact of the issues set out above, along with potential other emerging issues during the year will be kept under review as part of future financial performance reports, which will include identifying if there are any longer term impacts in 2024/25 and beyond that will need to be included in future iterations of the financial forecast.

The overall position set out in **Appendix 1H** results in a net contribution to the Forecast Risk Fund of **£0.169m** being made for the period to the end of July 2023, which represents the first contribution to the fund as part of the commitment to contribute **£0.250m** over the course of the whole year that is built into the long-term plan. Although subject to the on-going impact from issues such as those highlighted above, opportunities to contribute further money to the fund will be explored over the second half of the year.

COLLECTION PERFORMANCE

A detailed analysis of the current position is shown in **Appendix 1E**.

There undoubtedly remains an on-going impact from COVID 19 on collection performance along with the cost of living challenges currently faced by local residents. Any necessary recovery action will continue over the second half of the year, with the aim of maximising the level of collection performance wherever possible.

In respect of general debt, the performance this year is running slightly behind the position at the same time last year. This is primarily due to a limited number of larger items which have now either been paid or are subject to review e.g. money owed by customers of the Council's green waste service that relates to the issue highlighted earlier.

The Council remains a member of the Essex Business Rate's Pool in 2023/24 along with benefiting from the Council Tax Sharing Agreement with Essex County Council. These two schemes have continued to provide a financial benefit to the Council over recent years and it is proposed to continue the same approach in 2024/25. An associated recommendation is therefore set out above to support the Council's continued involvement in both schemes whilst it remains financially advantageous to do so.

HRA REVENUE

An overall position is set out in the Executive Summary with further details included in **Appendix 1C**. At the end of July 2023 the HRA is showing a net underspend of **£0.290m**, which reflects a number of smaller variances across various HRA budgets.

As previously reported, the Service remains committed to returning / maintaining void performance at the historic level of 2%, with the rate currently at 2.34%.

It is worth highlighting the accounting 'cut-off' issue relating to rents that emerged at the end of 2022/23 that was reported within the associated outturn report. At the time of finalising the outturn for 2022/23, it appeared that the level of prepaid rent had been overstated at 31 March 2023. This in turn had the impact of reducing the total amount of income credited to 2022/23, and given the deadline to finalise the outturn position, it had not been possible to explore the issue further at that time. However, the associated review has now been undertaken and it has been confirmed that the level of prepaid rent at the end of 2022/23 had been overstated by **£0.298m**. This money with therefore need to be considered in 2023/24 alongside the preparation of the accounts and any adjustments required as part of the work of the External Auditor on the 2022/23 accounts.

CAPITAL PROGRAMME – GENERAL FUND

The overall position is set out in **Appendix 1D**.

As at the end of July 2023, the programme is broadly on target against the profiled position.

The Starlings Capital Scheme is now nearing completion and will be subject to a formal review, the outcome of which is planned to be reported within a separate report later in the year. Based on the most up to date position, it is expected that additional costs are likely to emerge as part of its completion, which will be considered further in the financial performance report at the end of Quarter 2 that will be presented to Cabinet in November 2023.

CAPITAL PROGRAMME – HOUSING REVENUE ACCOUNT

The overall position is set out in **Appendix 1D**.

As at the end of July 2023, the programme is ahead of profile by **£0.163m**.

This budget relates primarily to the on-going major repairs and improvements to the Council's own dwellings. A number of individual schemes within the wider improvement / enhancement and adaptations scheme are ahead of budget at the present time. However, the position is currently being reviewed with the aim of delivering the programme of activities within the overall annual budget for the year. It is recognised that the timing of certain activities may result in additional costs being incurred in 2023/24, which will be explored further and reported back to members as part of the next financial performance report.

TREASURY ACTIVITY

A detailed analysis of the current position is shown in **Appendix 1F**.

The Annual Capital and Treasury Strategy for 2023/24 (including the Prudential and Treasury Indicators) was approved by Full Council in March 2023, with all activity to date therefore undertaken in accordance with this strategy and associated treasury management practices.

It is worth highlighting the issue recently brought to the attention of members concerning money that has been lent to Birmingham City Council. A total of **£6.000m** has been lent to the City Council, with **£4.000m** due to be repaid in February 2024 and the remaining **£2.000m** being repaid in June 2024. Although Birmingham City Council have issued a S114 notice, there is only a negligible risk associated with these treasury related transactions as Local Authorities cannot go bankrupt and the mechanisms associated with such an event ensure that commitments are met and the money repaid when it is due to be repaid. This is a well-publicised position and one echoed by various commentators associated with the sector, such as the Chief Executive of CIPFA.

Birmingham City Council are due to meet shortly to consider their response to the S114 notice, and further updates will be provided to Members in the next financial performance report.

Carry Forwards from 2022/23

In line with an associated delegation, the Portfolio Holder for Finance and Governance recently reviewed / approved the carry forwards from 2022/23 that had been requested by Services. Although subject to a separate published decision, a summary of the outcome of this review / decision is as follows:

Table 1

Area of the Budget	Total Carry Forwards Requested	Carry Forwards Approved	Carry Forwards No Longer Required	Carry Forwards Submitted to Cabinet for Further Consideration
(a)	(b)	(c)	(d)	(e)
General Fund Revenue (Incl. Revenue Contribution to the Capital Carry Forward Requests of £2,046,870)	£15,778,730	£15,022,610	£396,040	£360,080
General Fund Capital Schemes (Excl. Revenue Contribution to the Capital Carry Forward Requests as they are included in the figure above)	£9,924,540	£9,924,540	Nil	Nil
TOTAL	£25,703,270	£24,947,150	£396,040	£360,080

In respect of the carry forwards no longer required of **£396,040** as set out in the table above, this amount has been added to the general favourable outturn variance for 2022/23 of **£3.112m**, which reflects Cabinet's decision at their meeting on 21 July 2023. This brings the total general favourable outturn variance for 2022/23 to **£3.508m**, which will be held in

reserves for further consideration as part of developing the forecast and detailed budgets later in the year.

In respect of the carry forwards submitted to Cabinet for further consideration (column (e) within the table above), these are set out in **Section 2 of Appendix 1H**. These relate to items that do not strictly comply with the underlying carry forward criteria, but they may support initiatives and projects in 2023/24 and therefore it could be advantageous for them to be agreed as they further the delivery of priorities etc. In effect, they are an allocation from the general outturn variance for the year. It is proposed to approve items 1 and 2 within **Section 2 of Appendix 1H**. In respect of items 3 to 6, it is proposed that Officers be requested to provide further details relating to these items to enable them to be considered further as part of the Q2 Financial Performance Report that is scheduled to be presented to Cabinet in November.

Other Matters

At its meeting in July, Cabinet considered a Section 5 report from the Monitoring Officer in response to the delay in the publication of the Council's Statement of Accounts for 2022/23. A further report setting out the most up to date position was considered by Full Council on 26 September 2023.

It is not proposed to repeat the details set out in the above reports here, but as requested by Cabinet, it is formally confirmed that the Council's Statement of Accounts for 2022/23 were published by 1 August 2023. This was broadly in line with the commitment made and brings to an end the period in which the Council was in breach of its statutory obligations. The Council is now working with its External Auditors in response to the continuing external audit delays and the Government's recently announced proposals that were set out in detail within the report to Full Council referred to above.

SECTION 2 – UPDATED LONG TERM FORECAST

The detailed budget for 2023/24, which was based on the most up to date financial forecast, was considered and agreed by Full Council on 14 February 2023. The report considered by Full Council also included a summary of the forecast up until 2026/27.

For completeness, a summary of the position presented to Full Council on 14 February 2023 is set out in the following table:

Table 2

Year	Net Budget Position*	Forecast Risk Fund - Estimated Surplus Balance at the end of the year
2024/25	£3.823m deficit	£2.569m
2025/26	£0.132m deficit	£2.687m
2026/27	£0.225m deficit	£2.711m

**includes removal of the prior year use of reserves etc. to balance the budget.*

The figures set out within the table were inclusive of the following on-going savings being achieved across the three remaining years of the forecast:

2024/25 – £1.150m

2025/26 – £4.250m

2026/27 – £0.450m

Total On-Going Savings Required - £5.850m

As highlighted in earlier reports, given the emerging financial issues, the long-term forecast is now being considered against a very different financial background to that originally expected during the earlier years of the forecast. Given the on-going and challenging financial environment with significant inflationary pressures still remaining, a number of historic assumptions have been challenged as part of developing the current forecast - e.g. in previous years the Council has refrained from using one-off money to support the on-going budget, but given the scale of the financial challenge faced by the Council, this principle has become increasingly difficult to maintain in the immediate term.

However, as highlighted in previous reports, the long-term approach to the forecast does enable the flexibility and time to consider the longer-term plan and the savings that will be required in a more informed way and in light of the emerging Corporate Plan.

Set against the context above, the development of the forecast has continued in 2023/24, with the latest position set out in **Appendix 2A**. The revised forecast aims to balance the optimism / pessimism bias that is inherent within any forecasting process. A summary of the key changes are as follows:

Underlying Funding Growth in the budget – the assumptions broadly reflect those applied in earlier years of the forecast, such as the assumed inflationary increases in council tax and business rates. However it is assumed that the income from the growth in business rates will be higher than reflected in the earlier forecast as the Government are likely to maintain funding to provide ongoing 'compensation' where they have 'frozen' the business rates multiplier in previous years, and the transitional arrangements for the national business rates revaluation 'cycle' that was undertaken for 2023/24.

Revenue Support Grant – At this point in the budget cycle, it is usually assumed that the Government will not provide any on-going support to Local Authorities via the annual Financial Settlement process. However, given the current economic climate and the significant financial challenges faced by Councils, especially in light of the potential increase in Local Authorities issuing S114 notices, it is likely that the Government will provide on-going support, at least in the short to medium term. A level of financial support has therefore been included within the forecast, which will be subject to confirmation or otherwise by the Government in December 2023 as part of the Local Government Financial Settlement.

Removal of One-off items from the Prior Year – A limited number of items have been initially removed from the updated forecast at this stage. However, they remain subject to review as part of developing the forecast during the second half of the year and will be reinstated as part of the cost pressure review highlighted below if unavoidable and therefore likely to continue. Further updates will be provided in future financial performance reports.

Use of Potentially One-off Money – As highlighted earlier, the Council has historically refrained from using one-off money to support the underlying budget, but it is now proposed to include estimated income from the New Homes Bonus Grant and from the Council's continued membership of the Essex Business Rates Pool. Although there are no long term guarantees around this funding, it is expected that they will continue in the short term, which

reduces the risk over the remaining years of the forecast. This approach will need to be reviewed on an on-going basis and if any information comes to light that indicates an increased risk to this approach, then the forecast will be updated and reported to Members as soon as practicable.

Inflation – Although inflation continues to fall, it remains at a stubbornly high level compared to previous years. However, the Bank of England expects the rate of inflation to continue to fall over 2023/24 and 2024/25, which will hopefully provide some relief to the financial pressures within the long-term forecast.

One area where the current high rate of inflation is continuing to have an impact is the national pay award negotiations for 2023/24. The figure for 2024/25 has therefore been updated to reflect the potential knock-on impact, which will also need to be reflected in the 2023/24 budget as highlighted earlier once agreed.

Unavoidable Cost Pressures – an initial ‘allowance’ of **£0.500m** is included in each year of the forecast. However, there are increasing pressures on this annual figure.

Work remains ongoing with Departments and Portfolio Holders with the aim of remaining ‘sighted’ on potential future cost pressures. Some of these are included in **Appendix 1H** where there is already an impact in 2023/24. Although the position will be updated as part of future financial performance reports, a summary of potential one-off and on-going items (such as those already identified in 2023/24) that will need to be considered, include the following:

- Potential net increases to cost of services – e.g. Careline and Homelessness
- Items funded in 2023/24 on a one-off basis which may continue in 2024/25 and beyond
- Increased contract costs e.g. Waste, Recycling and Street Cleaning when retendered and External Audit Fees
- Asset repairs and maintenance, IT equipment renewals
- Supporting the delivery of strategies, priorities and objectives
- Meeting coast protection responsibilities
- Areas of the budget currently experiencing reductions in income – how long will they continue for?
- Fixed term posts coming to an end e.g. Housing Early Intervention Officer and Family Support Officer

On-Going Savings Required

As set out in the forecast, a significant level of savings are required over the period from 2024/25 to 2026/27. However, after taking account of the various assumptions above, the savings targets have been revised to:

2024/25 – £0.500m

2025/26 – £1.000m

2026/27 – £1.500m

Total On-Going Savings Required - £3.000m

Although the above are lower than included in earlier forecasts, they still present a significant challenge, especially against the context of the Council’s overall current net budget of just

over **£14.000m**. It is important to stress that the above represents the level of on-going savings required and not one-off.

It is worth highlighting that the savings required to support the Council's long-term financial sustainability are to a large extent meeting the historic inflationary pressures over the last two years e.g. employee costs. Unlike utility costs that can fluctuate over time, employee costs only increase over time, which therefore places significant upward pressure on the Council's financial position.

It is also important to highlight that the level of savings required will also need to continue to act as the 'safety valve' with the overall position being subject to further updates as part of reporting the quarterly position going forward, as any increases in net costs will likely require a corresponding increase in the savings required.

Members may recall the presentation at the member's induction day back in May 2023 where the Council's financial challenges were highlighted, and that looking ahead, the Council needed to develop a framework in which to identify the necessary on-going savings.

This included the following:

- Considering statutory service v discretionary services
- Reviewing service 'standards'
- Taking a zero based approach
- Exploring opportunities for efficiencies
- How we can do things differently.

Developing the above framework alongside the emerging Corporate Plan remains a key activity over the coming months. The level of time and resources required to not only develop the above framework but to also deliver the required savings should not be underestimated. Set against the ongoing delivery of existing projects such as the Levelling Up Scheme and Freeports, there needs to be a clear focus on the timely development of the plan whilst managing competing resources over the coming months.

In addition to the above, to effectively deliver the required savings, a number of key activities will need to be undertaken such as consultation alongside the completion of impact assessments, which will therefore need to be considered within any associated timetable.

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

The Forecast Risk Fund relies on in-year outturn contributions of **£0.250m** per annum to support the overall balance in the reserve, which in turn underwrites the various risks to the forecast. As set out in Section 1 of this report, it is proposed to make a contribution of **£0.169m** to the Forecast Risk Fund. Based on the updated forecast set out in **Appendix 2A**, the Forecast Risk Fund is estimated to total **£6.142m** at the end of 2023/24, which is therefore available to support the development of the forecast from 2024/25 and beyond.

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

The forecast does not reflect the Government's intended comprehensive spending review, as it is not clear when this will be undertaken. However, the forecast will be updated as necessary once additional information is announced by the Government.

Risk Assessment

Given the inherent risks to the forecast, a risk assessment of each line of the forecast is maintained. This is currently being reviewed in light of the updated forecast set out above with the aim of providing an updated position when the Q2 Financial Performance Report is presented to Cabinet in November 2023.

As indicated in recent S114 notices issued by some Local Authorities, a major issue faced by Councils is not having the necessary practical and pragmatic plans in place to identify the savings required to balance their budgets. The approach set out in this report has been discussed with the External Auditor, albeit informally and at a very high level, but they will expect the Council to have adequately progressed its financial plans as early as possible over the next six months, that in turn would help demonstrate a credible approach is in place to deliver a financial sustainable future for the Council.

Sensitivity Testing

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

Housing Revenue Account

Some of the challenges set out above that relate to the General Fund will have an equally challenging impact on the HRA - one such example being inflation.

The HRA faces some significant financial pressures looking ahead such as the telescopic impact of the rent 'cap' in 2023/24 along with increased expectations that will emerge from the Social Housing Regulation Act and associated enhanced role of the Housing Regulator.

In light of the above, work remains in progress on revising the HRA 30 year Business Plan, with further updates planned to be reported to Cabinet later in the year.

Any urgent issues emerging in the interim period will be subject to separate reports / decision making processes where necessary.

PREVIOUS RELEVANT DECISIONS

General Fund Budget and Council Tax 2023/24 – Item A.1 Full Council 14 February 2023

Housing Revenue Account Budget 2023/24 - Item A.2 Full Council 14 February 2023

Detailed Outturn Report 2022/23 – Agreed by the Portfolio Holder for Corporate Finance & Governance 10 July 2023

Outturn Report 2022/23 – Item A.8 Cabinet 21 July 2023

Carry Forwards 2022/23 – Agreed by the Portfolio Holder for Corporate Finance & Governance 27 September 2023

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

RELATING TO SECTION 1 OF THE REPORT

Appendix 1 - Front Cover and Executive Summary

Appendix 1A – Summary by Portfolio / Committee

Appendix 1B – General Fund Budget Position by Department

Appendix 1C – Housing Revenue Account Budget Position

Appendix 1D – Capital Programme

Appendix 1E – Collection Performance – Council Tax, Business Rates, Housing Rent and General Debts

Appendix 1F – Treasury Activity

Appendix 1G – Income from S106 Agreements

Appendix 1H – Proposed Adjustments to the Budget 2023/24

RELATING TO SECTION 3 OF THE REPORT

Appendix 2A – Updated Long Term Financial Forecast

REPORT CONTACT OFFICER(S)

Name	Richard Barrett
Job Title	Assistant Director (Finance and IT) & Section 151 Officer
Email/Telephone	rbarrett@tendringdc.gov.uk 01255 686521

Appendices Included:

Executive Summary	A summary of the overall position.
Appendix 1A	A summary of the overall position by Portfolio/Committee split by GF and HRA
Appendix 1B	An analysis by Department of all General Fund Revenue budgets.
Appendix 1C	An analysis of Housing Revenue Account Revenue budgets.
Appendix 1D	The position to date for General Fund and HRA capital projects.
Appendix 1E	Collection Performance
Appendix 1F	Treasury activity.
Appendix 1G	Income from S106 Agreements.
Appendix 1H	Proposed Adjustments to the Budget

Financial Performance Report In-Year Performance as at end of:

July 2023

(The variance figures set out in these appendices that are presented in brackets represent either a net underspend to date position or additional income received to date)

Financial Performance Report - Executive Summary as at the end of July 2023

The tables below show the summary position for the General Fund, Housing Revenue Account, Capital, Collection Performance and Treasury Activity.

General Fund - Summary by Department Excluding Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Office of the Chief Executive	(20,764,010)	(1,244,505)	(2,995,323)	(1,750,818)
Operations and Delivery	12,664,780	2,153,476	2,182,257	28,781
Place and Economy	8,099,230	1,355,251	1,330,266	(24,986)
Total General Fund	0	2,264,222	517,199	(1,747,023)

Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Total HRA	0	(2,640,531)	(2,930,644)	(290,113)

Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	14,657,070	1,023,310	1,023,297	(13)
Housing Revenue Account	11,909,950	2,413,743	2,576,911	163,168
Total Capital	26,567,020	3,437,053	3,600,208	163,155

Collection Performance

	Collected to Date Against Collectable Amount
Council Tax	27.78%
Business Rates *	33.73%
Housing Rents	96.25%
General Debt	71.24%

Treasury

	£'000
Total External Borrowing	33,988
Total Investments	84,564

* The figure is performance against the budgeted Collection Fund amount rather than the debit collectable.

Revenue Budget Position at the end of July 2023

General Fund Portfolio / Committee Summary

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £
Corporate Finance and Governance	(2,564,340)	(1,449,155)	(1,484,526)	(35,371)
Assets	517,170	1,167,217	1,181,349	14,132
Economic Growth, Regeneration and Tourism	1,576,110	108,433	16,766	(91,667)
Environment	9,429,710	2,588,932	2,552,107	(36,824)
Leisure and Public Realm	5,345,040	99,657	(81,226)	(180,883)
Housing and Planning	5,405,530	3,168,773	2,573,855	(594,917)
Partnerships	1,853,470	525,082	622,534	97,453
Budgets Relating to Non Executive Functions	798,780	351,150	370,495	19,345
	22,361,470	6,560,087	5,751,355	(808,732)
Revenue Support for Capital Investment	96,210	0	0	0
Financing Items	(6,962,650)	(298,184)	(1,236,477)	(938,294)
Budget Before use of Reserves	15,495,030	6,261,904	4,514,878	(1,747,026)
Contribution to / (from) earmarked reserves	(1,353,460)	(77,980)	(77,980)	0
Total Net Budget	14,141,570	6,183,924	4,436,898	(1,747,026)
Funding:				
Business Rates Income	(3,058,440)	(1,020,528)	(1,020,528)	0
Revenue Support Grant	(696,440)	(258,796)	(258,796)	0
Collection Fund Surplus	(783,670)	(235,101)	(235,101)	0
Income from Council Tax Payers	(9,603,020)	(2,405,277)	(2,405,274)	3
Total	0	2,264,222	517,199	(1,747,023)

Revenue Budget Position at the end of July 2023

HRA Portfolio Summary

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £
Economic Growth, Regeneration and Tourism	0	0	40,800	40,800
Housing and Planning	(1,673,700)	(2,640,531)	(2,971,444)	(330,913)
	(1,673,700)	(2,640,531)	(2,930,644)	(290,113)
Revenue Support for Capital Investment	613,630	0	0	0
Financing Items	1,340,100	0	0	0
Budget Before use of Reserves	280,030	(2,640,531)	(2,930,644)	(290,113)
Contribution to / (from) earmarked reserves	(280,030)	0	0	0
Total	0	(2,640,531)	(2,930,644)	(290,113)

Corporate Budget Monitoring - General Fund Budget Position at the end of July 2023

Department - Chief Executive, Finance, IT and Governance

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
Analysis by Type of Spend					
Direct Expenditure					
Employee Expenses	11,678,630	2,929,498	2,726,951	(202,547)	
Premises Related Expenditure	390,810	183,418	183,378	(40)	
Transport Related Expenditure	121,610	47,188	47,610	422	
Supplies & Services	5,825,330	1,446,482	1,536,843	90,361	
Third Party Payments	117,000	87,000	84,300	(2,700)	
Transfer Payments	38,545,630	10,961,130	10,814,422	(146,708)	
Interest Payments	9,340	1,866	1,848	(18)	
Direct Capital Financing Costs	289,030	0	0	0	
Total Direct Expenditure	56,977,380	15,656,583	15,395,353	(261,230)	
Direct Income					
Government Grants	(46,535,070)	(11,413,257)	(11,947,223)	(533,966)	
Other Grants, Reimbursements and Contributions	(1,312,720)	(666,280)	(698,319)	(32,039)	
Sales, Fees and Charges	(1,303,190)	(380,577)	(371,573)	9,003	
Rents Receivable	(1,050)	(200)	(160)	40	
Interest Receivable	(923,920)	(443,093)	(1,375,722)	(932,629)	
RSG, Business Rates and Council Tax	(14,141,570)	(3,919,702)	(3,919,699)	3	
Total Direct Income	(64,217,520)	(16,823,108)	(18,312,696)	(1,489,588)	
Net Direct Costs	(7,240,140)	(1,166,525)	(2,917,343)	(1,750,818)	
Net Indirect Costs	(12,170,410)	0	0	0	
Net Contribution to/(from) Reserves	(1,353,460)	(77,980)	(77,980)	0	
Total for Chief Executive, Finance, IT and Governance	(20,764,010)	(1,244,505)	(2,995,323)	(1,750,818)	

Department - Chief Executive, Finance, IT and Governance

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Chief Executive and Administration	0	125,483	86,568	(38,916)	
Total for Finance and IT Management and Administration	70	33,127	37,086	3,960	
Total for Finance	61,730	417,977	382,278	(35,698)	
Total for Finance - Other Corporate Costs	(4,302,950)	(3,740,971)	(4,739,565)	(998,594)	This primarily reflects the position against investment income which is included within Appendix H.
Total for Finance - Financing Items	(7,984,320)	61,730	53,310	(8,420)	
Total for Finance - RSG, Business Rates and Council Tax	(14,141,570)	(3,919,702)	(3,919,699)	3	
Total for Revenues and Benefits	2,125,470	3,441,933	2,632,941	(808,992)	This reflects the timing differences associated with Housing Benefit payments and the reimbursement by the Government via the related subsidy system along with vacancy savings accrued to date.
Total for IT and Corporate Resilience	2,200	761,220	816,982	55,762	
Total for Health and Community	163,160	15,257	16,724	1,467	
Total for Governance Management and Administration	0	38,163	38,616	453	
Total for Legal	0	148,203	153,848	5,645	

Department - Chief Executive, Finance, IT and Governance

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
Total for Communications	0	23,703	23,592	(111)	
Total for Democratic Services and Elections	1,840,230	623,720	637,489	13,769	
Total for Corporate Procurement and Contracts	0	83,540	56,165	(27,375)	
Total for Partnerships Management and Administration	0	29,270	31,104	1,834	
Total for Customer and Commercial	0	65,170	29,788	(35,382)	
Total for People	(20,330)	157,953	162,619	4,666	
Total for Organisational Development	173,910	29,777	64,480	34,704	
Total for Health and Community	235,040	(50,233)	(19,517)	30,716	
Total for Customer Contact	10,300	209,930	209,056	(874)	
Total for Careline and Community	1,073,050	200,245	250,812	50,567	
Total for Chief Executive, Finance, IT and Governance	(20,764,010)	(1,244,505)	(2,995,323)	(1,750,818)	

Corporate Budget Monitoring - General Fund Budget Position at the end of July 2023

Department - Operations and Delivery

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
<u>Analysis by Type of Spend</u>					
Direct Expenditure					
Employee Expenses	6,587,280	2,186,593	2,144,160	(42,433)	
Premises Related Expenditure	1,892,620	893,827	923,476	29,649	
Transport Related Expenditure	547,610	195,280	190,507	(4,773)	
Supplies & Services	2,513,670	835,189	1,216,222	381,032	
Third Party Payments	6,691,710	1,716,841	1,727,139	10,298	
Transfer Payments	349,860	117,737	473,510	355,773	
Total Direct Expenditure	18,582,750	5,945,466	6,675,013	729,547	
Direct Income					
Government Grants	(1,195,040)	(868,730)	(857,099)	11,631	
Other Grants, Reimbursements and Contributions	(1,661,770)	(247,483)	(349,918)	(102,434)	
Sales, Fees and Charges	(4,965,540)	(2,366,143)	(2,950,067)	(583,924)	
Rents Receivable	(384,800)	(193,354)	(241,633)	(48,279)	
Direct Internal Income	(166,390)	(94,040)	(94,040)	0	
Total Direct Income	(8,373,540)	(3,769,751)	(4,492,757)	(723,006)	
Net Direct Costs	10,209,210	2,175,716	2,182,257	6,541	
Net Indirect Costs	2,455,570	(22,240)	0	22,240	
Total for Operations and Delivery	12,664,780	2,153,476	2,182,257	28,781	

Department - Operations and Delivery

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for CD Operations and Delivery Management and Administration	0	109,307	126,818	17,511	
Total for Building and Public Realm Management and Administration	1,150	28,597	82,196	53,600	
Total for Public Realm	1,258,700	505,172	305,721	(199,451)	This primarily relates to increase parking income. It is not proposed to adjust the budget at the present time but the position will remain under review as part of future financial performance reports.
Total for Waste and Recycling	5,712,970	1,574,633	1,566,622	(8,011)	
Total for Property and Projects	(450,220)	(664,069)	(763,320)	(99,251)	
Total for Development and Building Management	2,260	10	453	443	
Total for Coastal and Engineering	3,089,460	512,320	447,939	(64,381)	
Total for Open Space and Transport	953,010	(22,876)	17,094	39,970	
Total for Housing and Environment Management and Administration	2,630	49,820	41,894	(7,926)	
Total for Housing	928,250	(239,301)	98,006	337,307	The variance primarily reflects the current cost of homelessness - please see adjustment set out in Appendix H.
Total for Environment	1,166,570	299,863	258,833	(41,029)	
Total for Operations and Delivery	12,664,780	2,153,476	2,182,257	28,781	

Corporate Budget Monitoring - General Fund Budget Position at the end of July 2023

Department - Place and Economy

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
<u>Analysis by Type of Spend</u>					
Direct Expenditure					
Employee Expenses	5,670,530	1,873,023	1,827,774	(45,249)	
Premises Related Expenditure	1,048,320	527,459	762,966	235,507	
Transport Related Expenditure	45,190	16,108	11,543	(4,566)	
Supplies & Services	1,964,250	540,979	579,121	38,142	
Third Party Payments	45,870	30,000	(3,207)	(33,207)	
Total Direct Expenditure	8,774,160	2,987,569	3,178,197	190,628	
Direct Income					
Government Grants	0	0	(49,620)	(49,620)	
Other Grants, Reimbursements and Contributions	(29,400)	(8,620)	(64,032)	(55,412)	
Sales, Fees and Charges	(4,303,600)	(1,593,723)	(1,701,186)	(107,463)	
Rents Receivable	(81,450)	(29,975)	(33,094)	(3,119)	
Total Direct Income	(4,414,450)	(1,632,318)	(1,847,932)	(215,614)	
Net Direct Costs	4,359,710	1,355,251	1,330,266	(24,986)	
Net Indirect Costs	3,739,520	0	0	0	
Total for Place and Economy	8,099,230	1,355,251	1,330,266	(24,986)	

Department - Place and Economy

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Place and Economy Management and Administration	0	44,357	42,393	(1,964)	
Total for Planning Management and Administration	0	664,440	525,585	(138,855)	This relates to the variance against employee costs which are proposed to be used to fund Agency Staff within the budget area immediately below - please see Appendix H for further details.
Total for Planning Development	1,601,000	(366,320)	(165,472)	200,848	This primarily relates to the cost of agency staff and the reduction in planning income - please see Appendix H for further details.
Total for Local Plan and Place Shaping Management and Administration	0	29,887	33,298	3,412	
Total for Strategic Planning	471,860	13,290	1,327	(11,963)	
Total for Place	10,620	1,483	0	(1,483)	
Total for Economic Growth	973,790	152,470	72,717	(79,753)	
Total for Sport and Leisure Operations	4,080,430	782,836	830,918	48,083	
Total for Tourism Arts and Events	961,530	2,922	(42,585)	(45,508)	
Total for Economy, Culture and Leisure Management	0	29,887	32,086	2,199	
Total for Place and Economy	8,099,230	1,355,251	1,330,266	(24,986)	

Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of July 2023

Housing Revenue Account

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
<u>Analysis by Type of Spend</u>					
Direct Expenditure					
Employee Expenses	2,116,770	530,417	451,894	(78,522)	
Premises Related Expenditure	4,065,410	1,239,710	1,130,350	(109,361)	
Transport Related Expenditure	37,870	12,623	9,975	(2,648)	
Supplies & Services	645,110	208,738	195,658	(13,081)	
Third Party Payments	1,030	0	0	0	
Transfer Payments	17,000	5,667	14,187	8,521	
Interest Payments	1,205,860	66,797	59,505	(7,292)	
Direct Capital Financing Costs	2,027,930	0	0	0	
Total Direct Expenditure	10,116,980	2,063,952	1,861,569	(202,383)	
Direct Income					
Government Grants	0	0	0	0	
Other Grants, Reimbursements and Contributions	(8,440)	(147)	(2,638)	(2,491)	
Sales, Fees and Charges	(586,460)	(152,467)	(175,393)	(22,926)	
Rents Receivable	(14,532,500)	(4,551,870)	(4,614,176)	(62,306)	
Interest Receivable	(138,260)	0	(6)	(6)	
Total Direct Income	(15,265,660)	(4,704,483)	(4,792,213)	(87,730)	
Net Direct Costs	(5,148,680)	(2,640,531)	(2,930,644)	(290,113)	
Net Indirect Costs	5,428,710	0	0	0	
Net Contribution to/(from) Reserves	(280,030)	0	0	0	
Total for HRA	0	(2,640,531)	(2,930,644)	(290,113)	

Housing Revenue Account

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Finance - Financing Items	1,953,730	0	0	0	
Total for CD Operations and Delivery Management and Administration	(66,370)	0	(4,946)	(4,946)	
Total for Development and Building Management	5,155,040	1,265,598	1,157,034	(108,564)	
Total for Housing	(7,042,400)	(3,906,129)	(4,123,533)	(217,404)	
Total for Economic Growth	0	0	40,800	40,800	
Total for HRA	0	(2,640,531)	(2,930,644)	(290,113)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of July 2023

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
Expenditure					
Assets Portfolio					
Information and Communications Technology Core Infrastructure	70,480	0	0	(0)	
Office Rationalisation	108,340	12,110	12,108	(2)	
Carnarvon House Demolition	346,360	2,700	2,700	0	
Laying Out Cemetery	133,110	8,240	8,240	0	
Public Convenience Works	40,000	0	0	0	
Weeley Crematorium Works	160,300	61,880	61,877	(3)	
Total for Assets Portfolio	858,590	84,930	84,925	(5)	
Corporate Finance and Governance Portfolio					
Agresso e-procurement	84,000	0	0	0	
Total for Corporate Finance and Governance Portfolio	84,000	0	0	0	

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
Economic Growth, Regeneration and Tourism Portfolio					
SME Growth Fund Capital Grants	43,250	0	0	0	
Starlings and Milton Road Redevelopment	720,450	173,780	173,780	(0)	
Total for Economic Growth, Regeneration and Tourism Portfolio	763,700	173,780	173,780	(0)	
Housing and Planning Portfolio					
Replacement Scan Stations	12,000	0	0	0	
Housing in Jaywick	374,200	0	0	0	
Private Sector Renewal Grants/Financial Assistance Loans	287,170	0	0	0	
Disabled Facilities Grants	10,702,520	261,500	261,503	3	
Financial Assistance Grants	0	0	0	0	
Private Sector Leasing	75,660	0	0	0	
Empty Homes funding	152,220	0	0	0	
Total for Housing and Planning Portfolio	11,603,770	261,500	261,503	3	

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
Leisure and Public Realm Portfolio					
Replacement of beach hut supports - The Walings	11,620	0	0	0	
Northbourne Depot Extension Works	17,740	0	0	0	
Cliff Park Rockery Works	66,500	0	0	0	
CLC - Replacement of All Weather Pitch	393,310	169,730	169,726	(4)	
Clacton Skate Park Improvement Scheme	300,000	207,800	207,795	(5)	
CLC - Pool Cameras	4,010	3,200	3,200	0	
Seafronts - Beach Patrol Vehicles & Equipment	25,730	0	0	0	
New Beach Huts	64,600	0	0	0	
Works at Halstead Road Play Area, Kirby	1,290	150	149	(1)	
Changing Places Facility, Frinton on Sea	77,570	46,010	46,012	2	
Changing Places Project	290,400	76,210	76,207	(3)	
Marine Parade, Clacton - Playground Equipment	80,000	0	0	0	
Total for Leisure and Public Realm Portfolio	1,332,770	503,100	503,089	(11)	
Partnerships Portfolio					
Careline - Replacement Telephone System	14,240	0	0	0	
Total for Partnerships Portfolio	14,240	0	0	0	
Total Approved General Fund Capital	14,657,070	1,023,310	1,023,297	(13)	

Corporate Budget Monitoring - Housing Revenue Account Capital Programme Budget Position at the end of July 2023

	2023/24 Current Full Year Budget £	2023/24 Profiled Budget to date £	2023/24 Actual to date £	2023/24 Variance to Profile £	Comments
Improvements, enhancement & adaptation of the Council's housing stock	6,697,870	828,236	957,437	129,200	
Spendells House Project	1,327,170	0	0	0	
IT Upgrade & Replacement	2,300	0	0	0	
Disabled Adaptations	400,000	126,157	171,767	45,610	
Jaywick Sands - Flexible Workspace Project	1,742,830	1,149,800	1,149,806	6	
HRA - New Build & Acquisitions - To Be Allocated	1,430,230	0	0	0	
HRA - Acquisitions - Council Dwellings	309,550	309,550	297,900	(11,650)	
Total Housing Revenue Account Capital Programme	11,909,950	2,413,743	2,576,911	163,168	

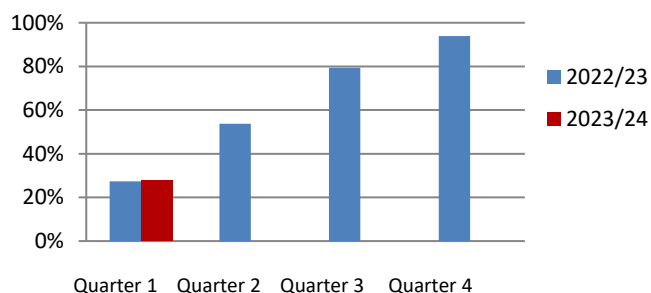
New-Build and Acquisitions - Subject to 1-4-1 Pooling Retained Receipts Regulations

	Required Expenditure to meet DLUHC Target by the end of the financial year:				
	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Capital Receipts	0	343,507	142,810	449,310	667,801
TDC Funded	0	778,995	214,035	673,965	1,001,702
Cumulative Expenditure	0	1,122,502	356,845	1,123,275	1,669,503

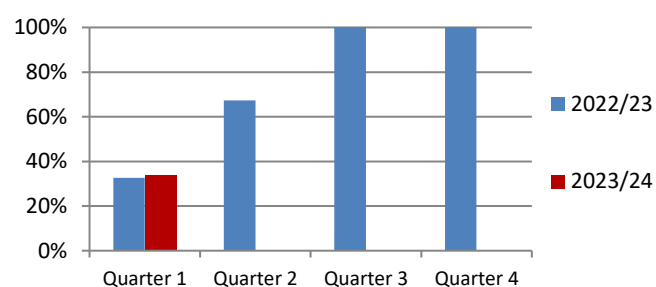
Collection Performance : Position at the end of July 2023

The collection performance against Council tax, Business Rates, Housing Rents and General Debt collection are set out below.

Council Tax

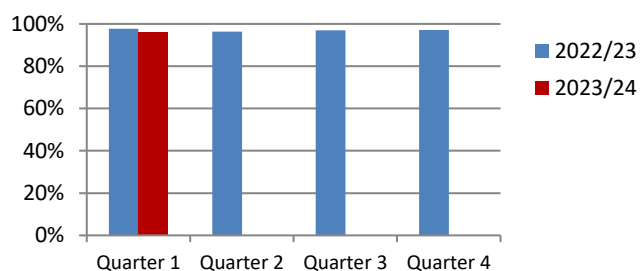


Business Rates

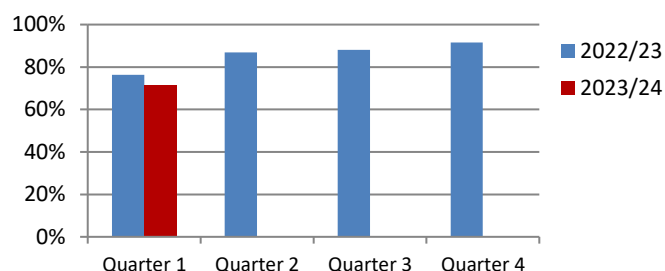


	2022/23	2023/24		2022/23	2023/24
Quarter 1	27.33%	27.78%	Quarter 1	32.61%	33.73%
Quarter 2	53.77%		Quarter 2	67.25%	
Quarter 3	79.34%		Quarter 3	100.44%	
Quarter 4	93.90%		Quarter 4	119.06%	

Housing Rents



General Debt



	2022/23	2023/24		2022/23	2023/24
Quarter 1	97.76%	96.25%	Quarter 1	76.39%	71.24%
Quarter 2	96.39%		Quarter 2	86.89%	
Quarter 3	97.03%		Quarter 3	88.12%	
Quarter 4	97.10%		Quarter 4	91.57%	

Treasury Activity : Position at the end of July 2023

Key Treasury Management Performance Data and Prudential Indicators are set out below.

TREASURY ACTIVITY

Borrowing	Opening Balance 1 April £'000	Borrowing to date £'000	Borrowing Repaid to date £'000	Balance to Date £'000	Comments
Long Term PWLB Borrowing - GF	136	0	4	132	
Long Term PWLB Borrowing - HRA	34,563	0	707	33,856	
TOTAL BORROWING	34,699	0	711	33,988	
Investments	Opening Balance 1 April £'000	Investments to date £'000	Investments Repaid to date £'000	Balance to Date £'000	Comments
<i>Investments less than a year</i>					
Investments with UK Government via Treasury Bills/Investments with DMO, and Local Authorities and other public bodies	68,800	216,400	218,200	67,000	Overall investments have increased over the reporting period due to the timing of the Council's cash flow such as expenditure budgets behind profile or income being received ahead of expenditure. However, there has been a switch away from investments with other local authorities to investments with UK Financial Institutions as fewer local authorities have been borrowing.
Investments with UK financial Institutions (including Money Market Funds)	10,411	21,721	14,568	17,564	
Investments with non-UK Financial institutions	0	0	0	0	
Total Investments for less than a year	79,211	238,121	232,768	84,564	In respect of investments with UK financial institutions, at the end of the period, investments were held with 8 counterparties, including 2 Money Market Funds.
<i>Investments for longer than a year</i>	0	0	0	0	
TOTAL INVESTMENTS	79,211	238,121	232,768	84,564	
Interest Paid / Received	Full Year Budget £'000	Profiled Budget to Date £'000	Actual to Date £'000	Variance to date £'000	Comments
Interest Paid on Borrowing - GF	9	2	2	0	The weighted average rate of interest on the Council's GF borrowing is currently 7.05%. (on an accrued basis).
Interest Paid on Borrowing - HRA	1,206	67	60	(7)	The weighted average rate of interest on the Council's HRA borrowing is currently 3.56%. (on an accrued basis)
Interest Received on Investments	(825)	(382)	(1,315)	(933)	The weighted average rate of interest being received on the Council's investments is currently 4.15%. (on an accrued basis)
PRUDENTIAL INDICATORS					
	Approved Indicator £'000	Highest amount reached in the period £'000	Comments		
Authorised limit for external borrowing	75,609	34,699			
Operational boundary for external borrowing	65,584				

Income from S106 Agreements

Information in respect of S106 income has been split across two areas below - Where money has been formally allocated / being spent and where money remains unallocated / uncommitted.

Where related to capital schemes - see Appendix D for overall scheme progress.

ALLOCATED / BEING SPENT

Scheme Type	Amount Committed / Planned to be Spent in 2023/24 £'000
GF Revenue Schemes	158
GF Capital Schemes	246
HRA Capital Schemes	0
TOTAL	404

UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date			
	Less than 1 Year £'000	1 to 2 Years £'000	2 to 4 Years £'000	4 years + £'000
Regeneration Programme and Other Initiatives	0	0	0	2
Affordable Housing	0	0	0	1,483
Town Centre Improvements	22	0	22	0
Conservation	0	0	0	337
Open Space*	5	30	7	2,694
TOTAL	27	30	29	4,516

* For schemes with a 'spend by' date of less than one year, this money must be spent as follows:

Open Space

£2,500 by November 2023

The remaining balance will be considered during the year.

Town Centre Improvements

£22,000 by February 2024

Proposed Adjustments to the In-Year Budget July 2023

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
SECTION 1 - GENERAL FUND REVENUE			
<i>The following items have no net impact on the overall budget</i>			
Planning Services - Agency Staff	104,000		Use of vacancies to support short term temporary staff costs.
Planning Services - Employee Expenses	(104,000)		
Total General Fund Revenue with no net impact on the overall budget	0	0	
<i>The following items will be adjusted against the Forecast Risk Fund</i>			
Planning Appeal Costs	102,000		To reflect potential additional costs associated with Planning appeals
Airshow 2023 Net Costs	10,000		Although the cost of the 2023 show remains subject to being finalised, it is expected that the overall position will be £10k in excess of the budget, which is over and above the additional £50k already included within the original estimate.
Legal Costs - Benefit Fraud Case	10,000		This reflects costs associated with an ongoing legal matter and is over and above an additional sum of £35k that was included within the 2022/23 budget.
Waste Collection Contract - Costs of disposing of collected waste to an alternative ECC site.	90,000		This relates to amounts claimable by the current contractor that reflects the additional costs that they incur in tipping collected waste to an alternative site provided by ECC. Although ECC will reimburse the Council (approximately 50% of the costs) in line with an associated agreement, this remaining sum has to be met by TDC.
Upcoming Waste & Recycling / Street Cleaning Tender - Additional Capacity / Support	100,000		This reflects an initial sum to provide additional capacity and support to deliver a successful procurement process relating to the Council's Waste, Recycling and Street Cleaning Contract.

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
Reduced Planning Income		175,000	As highlighted previously, planning income is cyclical and reflects wider economic / market factors. The service continues to see a reduction in income in the first few months of the year. Although this could change over the second half of the year, it is proposed to adjust the budget now to reflect the position at the end of July and review it again as part of future financial performance reports.
Homelessness Net Costs	250,000		Although the Government have recently provided additional grant funding of £234k, (which brings the total level of Government Grant to £1.039m in 2023/24, it is estimated that this additional contribution is still required by the Council to meet current demand.
<div>Page 70</div> The Council's Corporate Income Management System	7,000		The Council's current system will no longer be supported from June 2024 and given the lead in time to migrate to the associated updated system, a commitment is now required. The full proposed 5 year cost of the 'upgrade' is £47,000, with the cost set out in this table representing the cost in 2023/24. The cost in the remaining 4 years is £10,000 per annum which will be reflected in the financial forecast as it develops over the second half of the year.
Additional Resource for Capacity for North Essex Collaboration and Regeneration / Economic Development	20,000		Working collaboratively across Local Authorities within Essex, it is proposed to establish additional regeneration / economic capacity working across the county. This should be seen as a 'pilot' approach with any longer term view being considered in light of the success of the initial proposed period.
Additional Treasury Investment Income		(932,630)	This reflects the increased income from treasury investments which are influenced by the underlying base rate set by the Bank of England. The base rate has steadily increased over recent months and now stands at 5.25%.
Contribution to the Forecast Risk Fund	168,630		
TOTAL	757,630	(757,630)	

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
SECTION 2 - Carry Forward Requests from 2022/23 Referred to Cabinet (One-Off Adjustments)			
1. Additional cost of new HR / Payroll system	113,000		As set out in an earlier and separate decision of the Leader and Portfolio Holder for Finance and Governance, the current system becomes unsupported shortly with a replacement therefore required. Given the lead in time and the need for parallel running it is essential that the associated project gets underway as soon as possible.
2. New Legal Case Management Software	7,000		It is proposed to implement a new case management system to support efficiency and time saving within the Service. Essentially this cost would be funded from increased legal fee income achieved in 2022/23.
3. HR Capacity	111,000		It is proposed to increase capacity within the HR Service on a fixed term basis along with supporting qualification training and consultancy support fees to support the design of strategic delivery models.
4. Investment in Career Track Service	46,000		It is proposed to provide further investment in the career track service
5. Jaywick Community Centre Repairs	12,000		It proposed to undertake a number of repairs to the building
6. Leisure Centre Repairs	71,000		A recent survey has identified a number of relatively urgent cost pressures due to the age of the buildings. It is therefore proposed to utilise this funding towards building repairs during 2023/24.
Revenue Commitments Reserve	(360,000)		The above amounts are currently being held within the revenue commitments reserve, which can therefore be used to fund the above requests
Total	0	0	

UPDATED LONG TERM FINANCIAL FORECAST

APPENDIX 2A

Line		Budget 2023/24	Estimate 2024/25 Reported to Council February 23	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
		£ (1)	£ (2)	£ (3)	£ (4)	£ (5)
	Underlying Funding Growth in the Budget					
1	Council Tax Increase 1.99%	(0.181)	(0.185)	(0.191)	(0.195)	(0.199)
2	Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.068)	(0.065)	(0.064)	(0.060)	(0.056)
2a	Council Tax Increase 3% (Revised referendum threshold annouced in Autumn Statement)	(0.024)	0.000	0.000	0.000	0.000
3	Growth in Business rates - Inflation	0.000	(0.138)	(0.154)	(0.157)	(0.161)
4	Growth in Council Tax - general property / tax base growth	(0.217)	(0.106)	(0.106)	(0.109)	(0.111)
5	Growth in Business Rates - general property / tax base growth	(0.531)	0.464	(0.036)	(0.041)	(0.046)
6	Collection Fund Surpluses b/fwd - Ctax	(0.477)	(0.100)	(0.100)	(0.100)	(0.100)
7	Collection Fund Surpluses b/fwd - BR	(0.307)	0.000	0.000	0.000	0.000
		(1.806)	(0.129)	(0.651)	(0.662)	(0.673)
	Net Cost of Services and Other Adjustments					
8	Change in RSG (including other financial settlement funding)	(0.441)	1.461	0.750	0.000	0.000
9	Remove one-off items from prior year	(0.352)	0.000	(0.375)	0.000	0.000
10	Remove one-off items from prior year - Collection Fund Surplus	(3.192)	0.784	0.784	0.100	0.100
11	First / Second / Third year impact of PFH WP Savings	0.000	0.000	0.000	0.000	0.000
12	US Grant To Parish Council's	0.004	(0.041)	(0.041)	0.000	0.000
13	Revenue Contrib. to Capital Programme	(0.012)	0.000	0.000	0.000	0.000
14	Specific change in Use of Reserves	3.233	0.073	0.073	0.000	0.000
15	On-going savings required	(0.450)	(1.150)	(0.500)	(1.000)	(1.500)
16	Other Adjustments	(0.458)	0.000	0.000	0.000	0.000
17	Use of New Homes Bonus	0.000	0.000	(0.500)	0.000	0.000
18	Gain from BR Essex Pool	0.000	0.000	(0.400)	0.000	0.000
19	App A - Savings / Increased Income - On-going	(0.293)	0.000	0.000	0.000	0.000
		(1.961)	1.127	(0.209)	(0.900)	(1.400)
	Cost Increases / Corporate Investment Plan Items					
20	Inflation - Employee / Members Allowance Costs (including annual review adjustments)	2.117	0.776	1.000	0.570	0.579
21	Inflation - Other	1.011	0.271	0.271	0.210	0.216
22	Unavoidable Cost Pressures / CIP Items	1.444	0.250	0.500	0.500	0.500
		4.572	1.297	1.771	1.280	1.295
	Add back Use of Forecast Risk Fund in Prior Year	0.431	0.000	0.000	0.000	0.000
23	Removal of Previous Years Use of Reserves to Fund Structural Deficit	0.000	1.528	1.236	2.147	1.865
24	Structural Budget Deficit / (Surplus)	1.236	3.823	2.147	1.865	1.087
25	Use of Reserves - To fund structural deficit	(1.236)	0.000	0.000	0.000	0.000
	Net Budget Position	(0.000)	3.823	2.147	1.865	1.087
	Use of Forecast Risk Fund to support the Net Budget Position	0.000	(3.823)	(2.147)	(1.865)	(1.087)

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

	<i>Budget 2023/24</i>	<i>Estimate 2024/25 Reported to Council February 23</i>	<i>Estimate 2024/25</i>	<i>Estimate 2025/26</i>	<i>Estimate 2026/27</i>
	£	£	£	£	£
Outturn b/fwd from prior years	(3.316)	(6.142)	(6.142)	(4.245)	(2.630)
Applied in year as set out in the forecast above	0.000	3.823	2.147	1.865	1.087
Additional contributions generated / required in year	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)
Additional contributions via the Financial Strategy Process	(2.576)	0.000	0.000	0.000	0.000
Balance to Carry Forward	(6.142)	(2.569)	(4.245)	(2.630)	(1.792)

This page is intentionally left blank

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

12 DECEMBER 2023

REPORT OF HEAD OF DEMOCRATIC SERVICES AND ELECTIONS

A.1 COUNCIL ENFORCEMENT ARRANGEMENTS TASK AND FINISH GROUP – INTERIM REPORT (PLANNING ENFORCEMENT)

PURPOSE OF THE REPORT

The purpose of this report is to provide the Committee with the interim Report from its Council Enforcement Arrangements Task and Finish Group. This interim report is being submitted as the Task and Finish Group has concluded the element of its enquiry concerning Planning Enforcement. The interim report is set out in the Appendix to this report. The intention of the whole enquiry was recorded as:

“To identify the extent to which here are further steps that can be taken to further achieve a fair and equitable use of enforcement powers, taking account of relevant information and that the resources made available for enforcement are used to best effect.”

SCOPE - THE AIMS AND OBJECTIVES OF THE REPORT

The Council on 11 July 2023 approved an enquiry through this Committee into the matters set out here. The Committee approved that this enquiry would be undertaken through a Task and Finish Group and following a published decision the Task and Finish Group was formed and the enquiry is underway.

“Council Enforcement arrangements, including:

- (a) Planning Enforcement (and other areas) where decisions are taken ‘in the public interest’ whether to take particular enforcement action. To look at written statements to support the basis of such judgements and the matters demonstrably weighed up in reaching such decisions,*
- (b) The existing and possible opportunities for information to be provided by Ward Councillors in respect of matters which may attract enforcement action and decisions to not take enforcement (given the unique role of Councillors in representing their Ward).*
- (c) The extent to which enforcement powers are looked at in a silo or corporate way to ensure that (within the purposes of particular enforcement powers) the Council considers the ability to address non-compliances robustly.*
- (d) The experience of fly tipping on public land and the actions to deter such fly tipping*
- (e) The use of mobile CCTV cameras overtly and covertly to identify offences and, potentially, offenders.”*

The enquiry has addressed, to this point, elements (a), (b) and (c) above in relation to Planning Enforcement. The interim report references the enquiry to this point. Further phases of the enquiry will concentrate on points (d) and (e) from the above scope. It may well return to points (b) and (c) as it considers other enforcement matters with the scope of the enquiry.

INVITEES

The Task and Finish Group Chairman (Cllr Paul Honeywood) will speak to the interim report set out as the Appendix to this report. Other members of the Task and Finish Group may also wish to refer to the work of the Group to this point. To facilitate this, Councillors Morrison and Sudra (who are not members of this Committee) have been invited to attend this meeting.

The lead officers for the whole enquiry, Damian Williams (Corporate Director for Operations and Delivery) and Anastasia Simpson (Assistant Director for Partnerships) have been invited to attend the meeting. As the element of the enquiry covered by the Interim Report has focussed on Planning Enforcement, Gary Guiver (Director of Planning) has been invited to attend this meeting.

BACKGROUND

The background to the enquiry (to this point) is set out in the interim report attached as the Appendix to this report.

RELEVANT CORPORATE PLAN THEME/ANNUAL CABINET PRIORITY

The enquiry was established in the summer 2023 and the relevant Corporate Plan was that for the period 2020-24. The relevant Corporate Plan theme identified at that time was:

“Delivering High Quality Services - Effective regulation and enforcement”

In the Corporate Plan for 2024-28, the following high level themes are relevant to the enquiry as it moves into 2024:

*“Pride in our area and services to residents”
“Championing our local environment”*

DESIRED OUTCOME OF THE CONSIDERATION OF THIS ITEM

The Committee is invited to receive the interim report from the Task and Finish Group and consider its recommendations. If satisfied, the Committee is invited to submit those recommendations to Cabinet as appropriate.

DETAILED INFORMATION

The detailed information concerning this enquiry (to this point) is set out in the interim report attached as the Appendix to this report.

RECOMMENDATION

That the Committee receive the interim report from the Council Enforcement Arrangements Task and Finish Group set out in the Appendix to this report and, if satisfied, submit recommendations to Cabinet as appropriate on the matters set out in the Appendix.

PREVIOUS RELEVANT DECISIONS	
Council on 1 July 2023 – Minute 37 refers (this was to approve the enquiry to which the interim report relates)	
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL	
None.	
APPENDICES	
Appendix – The interim report of the Council Enforcement Arrangements Task and Finish Group (in respect of the element of the enquiry concerning Planning Enforcement).	
REPORT CONTACT OFFICER(S)	
Name	Keith Simmons
Job Title	Head of Democratic Services & Elections
Email/Telephone	ksimmons@tendringdc.gov.uk/ (01255) 686580

This page is intentionally left blank

INTERIM REPORT OF THE

COUNCIL ENFORCEMENT ARRANGEMENTS

TASK & FINISH GROUP

**FOLLOWING THE ELEMENT OF ITS
ENQUIRY CONCERNING PLANNING
ENFORCEMENT**

DATE: 31 OCTOBER 2023

TERMS OF REFERENCE OF THE TASK & FINISH WORKING GROUP

At the meeting of Council on 11 July 2023, the work programmes for the two Overview and Scrutiny Committees were approved. This included, within the scope of the Resources & Services Overview and Scrutiny Committee, an enquiry into the Council's Enforcement Arrangements. Specifically, an element of the enquiry was to include the following:

“(a) Planning Enforcement (and other areas) where decisions are taken ‘in the public interest’ whether to take particular enforcement action. To look at written statements to support the basis of such judgements and the matters demonstrably weighed up in reaching such decisions,

(b) The existing and possible opportunities for information to be provided by Ward Councillors in respect of matters which may attract enforcement action and decisions to not take enforcement (given the unique role of Councillors in representing their Ward).

(c) The extent to which enforcement powers are looked at in a silo or corporate way to ensure that (within the purposes of particular enforcement powers) the Council considers the ability to address non-compliances robustly.”

This interim report seeks to set out the process of the enquiry into the above (to this point) and its interim conclusions and recommendations concerning Planning Enforcement.

THE AIMS AND OBJECTIVES OF THE ENQUIRY

The enquiry scope was considered to be directed towards the following Corporate Plan 2020-24 Theme: ***“Delivering High Quality Services - Effective regulation and enforcement”***

In approving the scope for this enquiry, Council recorded that the anticipated value of it was:

“To identify the extent to which there are further steps that can be taken to further achieve a fair and equitable use of enforcement powers, taking account of relevant information and that the resources made available for enforcement are used to best effect.”

MEMBERSHIP OF THE TASK & FINISH WORKING GROUP

On 17 August 2023, a decision in the name of the Chief Executive was published constituting the Task and Finish Group. Authority for the decision derived from Minute 5 of the Resources and Services Overview and Scrutiny Committee on 27 June 2023. That provided for Officers to be authorised, in consultation with the Committee Chairman, to make appointments to a Task and Finish Group as approved by Council (Minute 37 of 11 July 2023).

The Membership of the Task and Finish Group was - Cllr Paul Honeywood (Chairman), Cllr M Cossens, Cllr Sue Honeywood, Cllr Morrison, Cllr Smith and Cllr Sudra.

OFFICER SUPPORT FOR THE TASK & FINISH GROUP

Management Team identified as joint lead officers for this whole enquiry as:

Damian Williams, Corporate Director Operations and Delivery

Anastasia Simpson, Assistant Director Partnerships

However, as this element of the enquiry was focussed on Planning Enforcement, it was heavily supported by the **Director for Planning (Gary Guiver)**, together with the Head of Planning and Building Control (John Pateman-Gee) and the Planning Enforcement Manager (Matthew Deal).

Otherwise the Task and Finish Group was supported by the Head of Democratic Services & Elections (Keith Simmons).

INVITEES AND PARTICIPANTS (TO THIS POINT)

In addition to the officers identified in the section headed “Officers support for the Task & Finish Group”, this element of the enquiry was assisted by the Portfolio Holder for Planning and Housing (Cllr Andy Baker).

EXPECTED OUTCOME(S) OF THE ENQUIRY (TO THIS POINT)

The section above sets out the broad “Aims And Objectives Of The Enquiry” which were the expected outcomes of this element of the enquiry also.

By:

- (1) reviewing the progress with the adopted recommendations following the Planning Enforcement enquiry in 2022 (through a Task and Finish Group under the Resources and Services Committee and then adopted by Cabinet following the 4 May 2023 elections);
- (2) using real examples to explore the processes around planning enforcement decisions;
- (3) exploring the numbers of planning enforcement cases, the means of keeping Councillors informed of enforcement cases (and thereby allow them to submit relevant evidence) and update residents;
- (4) learning about the interaction between different elements of the Council with enforcement powers to avoid silo working; and
- (5) considering what underpinned decisions stated as being ‘not in the public interest’ to pursue through planning enforcement mechanisms.

It was intended that there would be an informed position to make recommendations to support the intentions set out in the “Aims And Objectives Of The Enquiry” section above.

ACTUAL OUTCOME(S) OF THE ENQUIRY (TO THIS POINT)

Through the three meetings of the Task and Finish Group, and the receipt of information outside of those meetings from those invited to attend, the Task and Finish Group Members consider that they are in a position to make the recommendations set out below which themselves are designed to meet the intentions set out in the “Aims And Objectives Of The Enquiry” section above.

INTERIM RECOMMENDATION(S)

That the Resources and Services Overview and Scrutiny Committee be recommended to approve the following on the basis that the relevant recipient of the approved recommendation will have the recommendation concerned referenced to them:

- (1) That the pilot monthly update list on planning enforcement cases (showing Ward, location, alleged planning breach and reference number) be rolled out to all Councillors from the start of January 2024 and that, in the list, those cases relating to the same premises be cross referenced or be shown sequentially and allegations of breaches around the creation of Houses in Multiple Occupation be clearly identified.
- (2) That moves be made to utilise the functionality built into the Planning computer software system, Uniform/Public Access, in order to provide up to date details on planning enforcement cases through the website. This use should be timed to commence from 1 April 2024 for new cases, that existing live cases be added as updates are made to those cases during 2024/25 and that in March 2025 a report

be provided to Councillors of those cases not available at that point on the website through the stated software packages.

- (3) That the following be instigated in relation to arrangements across the Council to support joined up and effective enforcement:
- a. The pilot arrangements for action logs being created for meetings of the Operational Enforcement Group (that are associated with matters discussed at meetings of that Group (and are then monitored away from meetings of the Operational Enforcement Group)) be implemented fully going forward. These action logs would also include relevant responses concerning information held by other service areas of the Council about premises that are referenced to the Group by any one of the service areas who are represented on the Group (including 'NIL' responses if appropriate).
 - b. A mechanism of alerting service areas who are represented on the Operational Enforcement Group of live enforcement cases in each of the other service areas on that Group, an ongoing basis, be developed and implemented so as to improve the knowledge flow in the Council of allegations and provide for appropriate enforcement and timely interventions to be made to secure the best interests of the Council, its residents and businesses with a view to raising public confidence in the Council's competence to secure those best interests and deliver 'smarter' working across service areas.
 - c. A protocol be developed setting out the corporate expectations on individual service areas to identify the types of information that service areas hold, and examples of where that information could reasonably be expected to be utilised to support enforcement action or service delivery in that service area or another service area. By way of example, Council Tax Collection could usefully benefit from information around properties being empty for a year as the Council Tax payer may then be subjected to an empty property premium being applied to the Council Tax bill for the property. Another example would be around information that the Licensing Team were to revoke a Licence held by a Business and the potential need for swift action to recover unpaid Business Rates.
- (4) That a mechanism for reviewing activity in respect of planning enforcement cases which have been live for over a year be developed and maintained with a view to avoiding the status quo continuing and resulting in an ever reducing harm assessment in respect of those cases to the point that the infringement/non-compliance becomes permitted by default/legal action is not an option as it is then out of time. The intention of the review is to ensure that issues are not missed and appropriate action is taken by the Council.
- (5) That, as part of good and reasoned decision making, a policy statement be developed or reviewed on the use of 'public interest' within Planning Enforcement as the reason for either taking or not taking particular enforcement action. The policy statement is to set out the considerations officers must take account of. In each case where 'public interest' is to be utilised to support a planning enforcement decision, an assessment of the competing elements of the public interest in taking or not taking that particular enforcement action are to be set out in writing with an indication as to why taking or not taking action outweighs the other public interest and that assessment is to be endorsed by a more senior officer.

CHRONOLOGY

The enquiry was (and its terms of reference were) approved by full Council on 11 July 2023 (Minute 37 refers)

The Membership of the Task and Finish Group was approved on 17 August 2023 (published decision entitled “To constitute the Council Enforcement Arrangements Task and Finish Group” refers)

The first meeting of the Task and Finish Group took place on 14 September 2023

The second meeting of the Task and Finish Group took place on 10 October 2023

The third meeting of the Task and Finish Group took place on 31 October 2023

The Members of the Task and Finish Group approved this report by email exchange between 30 November-4 December 2023.

DETAILED FINDINGS OF THE ENQUIRY

In the early months of 2022, the Planning Enforcement team had over 700 active cases, a sluggish turnover of tasks, and a reliance on three agency officers who lived a considerable distance from the office. This situation necessitated the support of two permanent officers, one of whom worked part-time, shouldering much of the administrative burden and conducting site visits on behalf of the agency officers. Regrettably, this arrangement proved highly ineffective, resulting in a decline in service output, diminished customer service, and a noticeable dip in work quality. Furthermore, Planning Enforcement faced challenges due to the scarcity of reporting tools, primarily stemming from the team's previous heavy reliance on paper-based systems and an absence of systematic reviews, which hindered a comprehensive understanding of the issues at hand. Enhancing the reporting capabilities remains a top priority as the IT support for enforcement work is taken forward.

As of the start of 2023, Planning underwent significant structural changes. We phased out agency staff from the Enforcement team and have reduced their presence in the planning department. This transition coincided with the appointment of a new team leader and the formation of a fresh, motivated team. These changes afforded our existing staff the opportunity to advance in their careers and enabled us to significantly reduce the backlog to a manageable level, effectively more than doubling our output. Ongoing training initiatives for our officers and our commitment to fostering talent from within, in alignment with Tendring's expectations and values, remain integral to our approach. This includes a strong emphasis on exploring informal routes, even though such efforts may not always be quantifiable or readily visible to the public.

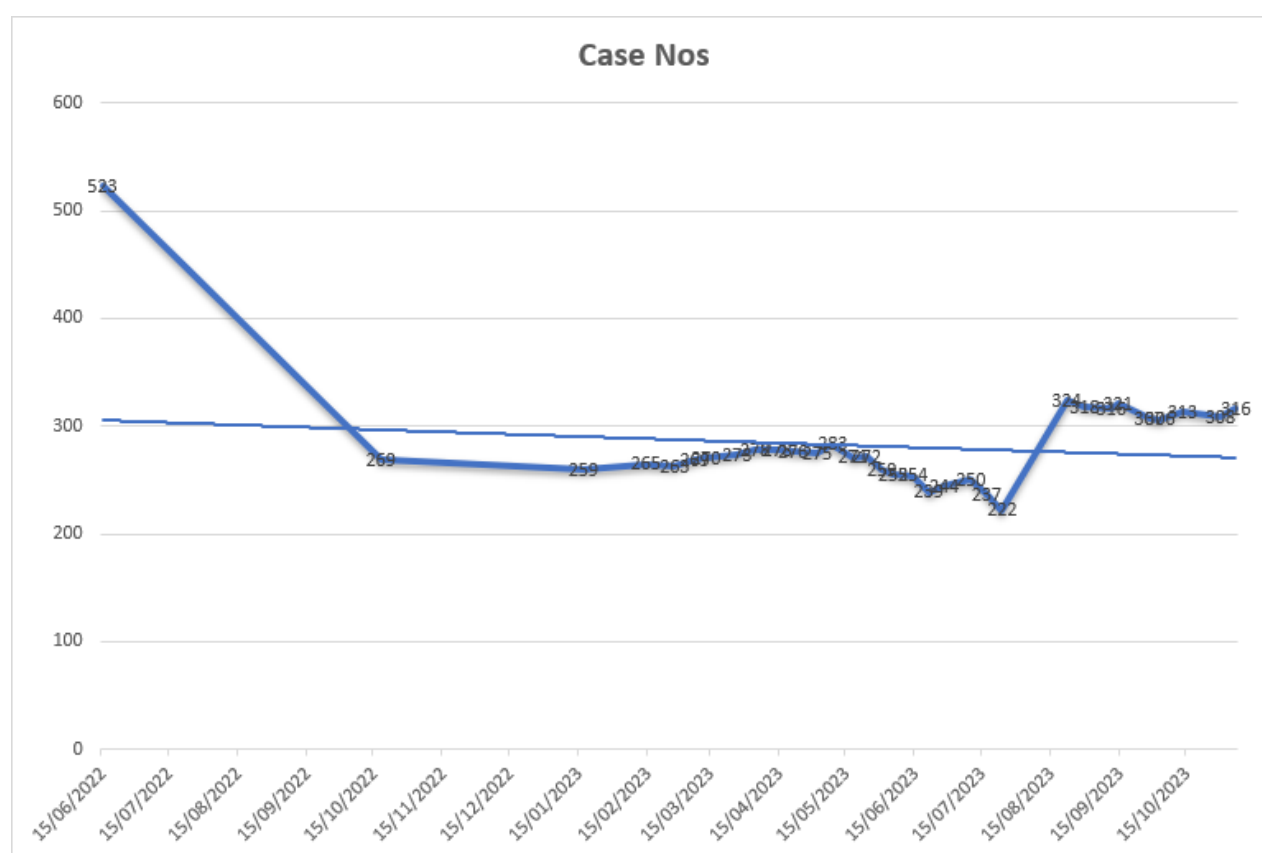
The Council has introduced an Enforcement Policy that incorporates a harm assessment, now actively used to enhance the quality of decisions in our Enforcement processes. This policy, combined with investments in knowledge development and training, has equipped the team to navigate the complex landscape of legal planning requirements and minimise risks for the Council. It underscores the discretionary aspects of the work and the imperative to consider all public interests in a consistent and equitable manner. All updates have been implemented professionally, prioritising requirements, and reporting standards outlined in the enforcement policy. In discussions with the Task and Finish Group, Planning Officers referenced possible developments through using the existing functionality of the Public Access software system to provide live information to access anytime and providing Councillors with periodic lists for enforcement cases.

Throughout 2023, the Planning Enforcement Team has taken proactive steps to engage with broader networks. They have become active members of the Essex Enforcement Forum, consistently participating in the Council's own Operational Enforcement Group,

and willingly accepting additional responsibilities from other teams, such as Environment Health. Moreover, the Team has dedicated efforts to specific projects, including the current Jaywick review, which led to a notable upswing in cases from July 2023, as indicated in the graph below. Next on the prioritisation is a review of the use of the existing Uniform software system to help reporting, a detailed review of processes and addressing the last of the historic cases to conclusion.

The Council's Operational Enforcement Group is an officer body that brings together representatives of service areas across the Council to raise operational matters concerning enforcement.

Planning Enforcement is not entirely masters of their own destiny, with much of its work reliant on a number of factors. These include, good decision making by the local planning authority, unambiguous and well directed conditions that comply with the imposed government tests and work on those matters have also taken place. The benefit of that work will be a few years in the future as development is commenced.



Further to the above, it was noted that, at the time of the Task and Finish Group's meetings on this matter, there was no systematic process in place for alerting Councillors to live planning enforcement cases. Likewise, the software functionality to enable the public/interested parties to directly be able to find out about planning enforcement investigations/and the broad stage those matters were at was not being utilised.

In response to questioning around the cross service working on premises subject to planning violation allegations, the Task and Finish Group was reminded about the limitation on Planning Enforcement to utilise information that was relevant to the planning regime. However, there was a concern that the Council could be separately dealing with the same premises and individuals and not being as aware in each of those service areas of action, investigations, concerns or relevant information from another service area. For

instance, knowledge of a winding up order against a company identified by one service could have implications for permissions, authorisations and enforcement in another. There was not strong evidence that this information exchange inside of the Council was taking place.

Although not directly related to the above point, the Task and Finish Group was advised of a proposal to move to action logs from each meeting of the Operational Enforcement Group to facilitate monitoring of those actions arising out of matters brought to the Group's meetings. This introduction of action logs was supported by the Task and Finish Group.

Looking at the terms of reference for the enquiry, it was the case that the Task and Finish Group did not receive a written policy statement provided in respect of the matters to consider when weighing the public interest in pursuing enforcement action and the public interest in not pursuing that action. For completeness, the terms of reference for the enquiry identified the following as to be provided:

“Written statements on the judgement to be applied when determining whether it is or is not in the public interest and example records where that weighed judgement has been set out (suitably redacted).”

In considering the Planning Enforcement case numbers graph set out earlier, it was reported to the Task and Finish Group that a quantity of these had been live for some time. The Task and Finish Group was made aware that there were timescales after which no enforcement action could be taken. In relation to these older cases there was no existing system to initiate reviews of them; to ensure that appropriate action was taken and that individuals/developers did not simply achieve de-facto permission through inaction over several years.

The Task and Finish Group as part of its work received examples of acknowledgement letters to those raising planning enforcement allegations with the Council and of initial letters sent to those alleged to be in breach of planning obligations. The Task and Finish Group also received prototype periodic lists for enforcement cases for Councillors produced for them to review prepared for them to review by Planning Officers.

At its meetings, the Task and Finish Group looked critically at the implications for this Council, and public funds more generally, where necessary conditions were not applied to planning permissions (such as to re-instate the highway/apply for footway crossings) where development abutted the highway (with a footway) and developer traffic would go over that footway and/or the development would have parking spaces immediately adjacent to the footway. The work underway to review of planning conditions was relayed to the Task and Finish Group who were also advised of the consultation on the verification framework for planning applications. Together, these matters should help address the issues discussed at the Task and Finish Group.

The Director of Planning informed the Task and Finish Group that the five most common planning mistakes, based on records of enforcement complaints closed in the last five years:

- Extensions: At the top Extensions to buildings are the most commonly reported construction without planning permission.
- Outbuildings: The construction of outbuildings, such as sheds or workshops, without planning permission is also quite common.
- Fences: Instances of fences being constructed without the necessary planning permission follow in frequency.
- Change of Roof: Changes to roofs, including raising the height or adding new roof

structures, are reported somewhat less frequently at fourth place.

- Buildings or Structures for Specific Use: Construction of specific-purpose buildings or structures like summerhouses, caravans, and commercial buildings.

The Task and Finish Group considered whether there would be advantage in identifying such errors in public material to seek to reduce such mistakes going forward. Although this was considered, a workable approach to such communication was not agreed to. In part this was because such mistakes probably broadly reflected the number of such applications for planning approval and leaflets included in with the Council Tax bill had a very limited retention/reference period.

The Task and Finish Group also heard of issues with uploading footage from a private drone to support an allegation of a breach of planning requirements. The Group was advised that there was not an issue with submitting footage to the Council. However, it was important for Planning Officers to verify a planning breach before taking direct enforcement action. The format of different video footage being played by the Council may require specialist software if the footage did not play through the standard software provided with Council IT equipment.

Members of the Task and Finish Group expressed general high regard for the work of Planning Enforcement Team recently and that there was an improved position over the last year or so than it was prior to that.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

None

REPORT CONTACT OFFICER(S)

Name	Keith Simmons
Job Title	Head of Democratic Services and Elections
Email/Telephone	<u>ksimmons@tendringdc.gov.uk</u> 01255 686580

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

12 DECEMBER 2023

REPORT OF HEAD OF DEMOCRATIC SERVICES AND ELECTIONS

A.1 **WORK PROGRAMMING – INCLUDING MONITORING OF PREVIOUS RECOMMENDATIONS AND SUMMARY OF FORTHCOMING DECISIONS**

(Report prepared by Keith Durran)

PURPOSE OF THE REPORT

The report provides the Committee with an update on its approved Work Programme for 2023/24 (including progress with enquiries set out in its Work Programme), feedback to the Committee on the decisions in respect of previous recommendations from the Committee in respects of enquiries undertaken and a list of forthcoming decisions for which notice has been given since publication of the agenda for the Committee's last meeting.

INVITEES

None.

BACKGROUND

The Council commissioned the Centre for Governance and Scrutiny (CfGS) to undertake an 'Overview & Scrutiny Development Review' in 2021 as a way of further improving that function at the Council. Two relevant recommendations arising from that review were:

“Further strengthening the annual process for developing work programmes for each O&S committee - Engaging Members, Officers, partners and the public to prioritise the topics for review. This could include a selection criteria to identify appropriate topics for the work programme. Currently the work programme is also the last item on the agenda at O&S meetings, we would recommend bringing it to the beginning, so it can be given greater priority and benefit from more considered discussion, rather than being subject to the inevitable end of meeting fatigue.

Reviewing how the recommendations are made and how impact is measured – This could include putting the 'recommendations monitoring report' at the beginning of agendas to orientate O&S towards outcomes-focused meetings, alongside an emphasis on finding strong recommendations from questioning to present to Cabinet (or partners) as improvement or challenge proposals.”

The inclusion of the matters set out in the “purpose of this report” section above seeks to further re-inforce the inter-relationship of the matters referred to. As such, it is designed to further support consideration of work programming of the Committee and contribute to addressing progress with the Corporate Plan.

DETAILED INFORMATION

WORK PROGRAMME 2023/24

The detailed matters relating to the following matters are set out in the relevant Appendix identified:

- (1) Work Programme for 2023/24 – See Appendix A;
- (2) feedback to the Committee on the decisions in respect of previous recommendations from the Committee in respects of enquiries undertaken – see Appendix B; and
- (3) a list of forthcoming decisions for which notice has been given since publication of the agenda for the Committee's last meeting – See Appendix C.

In considering work programming matters, the Committee is further reminded of the other recommendations from the CfGS review undertaken in 2021:

“Considering greater use of task and finish groups – This more informal type of O&S can allow improved cross-party working and detailed investigation of a single issue focussed on producing substantive recommendations.

Improved agenda planning and management - Committees should focus on one or two substantive items per agenda to allow for cross-cutting themes to be properly identified and explored, and different insights brought to bear on critical issues.

Considering how to engage the public in the work of O&S - This could include O&S going on more site visits in the community, inviting the public to offer ideas for work programmes, and greater use of social media channels for resident input and communicating the progress and impact of scrutiny work.

A clearer focus on democratic accountability - Scrutiny of Cabinet Members should form a key part of the work programme, providing an opportunity to hold the Leader and portfolio holders to account for delivery of the corporate plan and any other issues O&S feel is important.”

The Resources and Services Overview and Scrutiny Committee is one of two overview and scrutiny committees established by the Council to specifically focus on the following areas of Council work (as detailed in Article 6.02(i) of the Council's Constitution):

“To perform the role of Overview and Scrutiny and its functions in relation to:

- The Chairman and the Vice-Chairman of the Committee will normally be Members of a political group that is not represented on the Cabinet. The Committee will hold 8 scheduled meetings per year but with the Chairman able to call additional formal meetings. Meetings of Task and Finish Groups can be called as required, following the terms of reference being agreed by the Committee.*
- To perform the role of Overview and Scrutiny and its functions in relation to the effective use of the Council's resources including approval of discrete researched and evidenced reviews on the effectiveness.*

Financial Forecast Budget setting and monitoring (including General Fund & Housing Revenue Account)

- *Service Delivery and Performance (where not delegated to the Community Leadership Overview and Scrutiny Committee)*
- *Procurement and Contract Management*
- *Transformation and Digital Strategies*
- *Customer Service and Standards*

The Constitution provides for the two overview and scrutiny committees to submit a work programme to full Council for approval. Rule 7 of the Overview and Scrutiny Procedure Rules sets out the position as follows:

“Each Overview and Scrutiny Committee will submit a work programme for the year ahead and a review of the previous year’s activities to the full Council for approval. In addition it will be responsible for co-ordinating and prioritising its work programme on an ongoing basis.

In preparing, co-ordinating and prioritising its programme, each Overview and Scrutiny Committee will take into account:-

- *The General Role and Principles of undertaking its functions, as set out in Part 2 Article 6;*
- *The planned work on the preparation of elements of the Budget and Policy Framework, as set out in the Council’s Business Plan;*
- *The need for statutory timetables to be met;*
- *The wishes of all members of the committee;*
- *Requests from the Cabinet to carry out reviews; and*
- *Requests from Group Leaders in accordance with Rule 8.”*

In considering the Work Programme of enquiries, the Committee must have regard to the Corporate Plan 2020-24 and the themes of that Corporate Plan are:

- Delivering High Quality Services
- Building Sustainable Communities
- Strong Finances and Governance
- A Growing and Inclusive Economy
- Community Leadership through Partnerships

The Committee should be aware that at present the Corporate Plan for 2024-28 is currently being worked on and provisions may have to reviewed once the new Plan is adopted.

The Committee should also be aware that a briefing note was circulated, in September 2023, to Members in relation to current situation of the Councils Waste and Recycling Service.

RECOMMENDATION

That the Committee considers and notes the progress with enquiries set out in its Work Programme 2023/24, feedback to the Committee on the decisions in respect of previous recommendations and the list of forthcoming decisions.

This page is intentionally left blank

APPENDIX A

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE FOR ENQUIRIES TO BE UNDERTAKEN IN 2023/24

Work Programme

[Draft Work Programme for 2023/24 outlining the planned for enquiries.]

Item	Date of Enquiry	Relevant Corporate Plan Theme/Annual Cabinet Priority	Information to be provided in advance	Those to be invited to attend	Articulated value of undertaking the review
<p>Scrutiny of the Budget proposals for 2024/25</p> <p>At this meeting it is proposed to also submit the draft highlight priorities of Cabinet for 2024/25 to support delivery of the Corporate Plan 2024-28. Those draft highlight priorities at to be considered by Cabinet on 15 December.</p>	<p>Currently programmed for early January 2024</p> <p>(Consideration will be given to the arrangements for scrutiny and proposals will be brought forward)</p>	<p>Strong Finances and Governance</p> <ul style="list-style-type: none"> - Balanced annual budget - 10 year financial plan - Effective and positive Governance 	<p>The Medium Term Financial Strategy, Budget proposals and variations (with reasons) from 2023/24, details of fees and charges and reserves/provisions.</p> <p>The emerging/approved corporate plan for 2024-28.</p>	<p>Leader of the Council (the Portfolio Holder for Finance and Governance)</p>	<p>To provide the envisaged reality check on budgets and financial plans prior to their approval and ensure that there are clear links between budget setting and strategic/operational plans</p>
<p>Carbon Neutral by 2030. To review progress against the Council's current Climate Change Action</p>	<p>The Committee's meeting on 12 December 2023</p>	<p>Delivering High Quality Services/</p> <p>A7 - Carbon Neutral by 2030</p>	<p>The reports considered by the Climate Change Portfolio Holder Working Party prior to the adoption of the Council's current</p>	<p>Not applicable</p>	<p>To ascertain progress against the Action Plan 2020-2023 prior to the end of the period of the Action Plan and</p>

APPENDIX A

Plan and the emerging proposals for the next Climate Change Action Plan			<p>Climate Change Action Plan</p> <p>The current Climate Change Action Plan</p> <p>An evaluation of achievements against the Climate Change Action Plan</p> <p>The emerging revised Climate Change Action Plan</p> <p>An evaluation of the anticipated extent to which the Council will achieve the stated aim of net Carbon Neutral by 2030.</p>		inform a process of informing the development of the Action Plan for the next period towards the 2030 net zero policy objective.
To consider particular services/functions of the Council that should or could be Self-Funding (and thereby not be a call on the General Fund) and identify the extent to which they are self-funding and/or the measures needed	A Task and Finish Group to be established by the Committee at its meeting on 12 September 2023	<p>Strong Finances and Governance</p> <ul style="list-style-type: none"> - Balanced annual budget - 10 year financial plan <p>Effective and positive Governance</p>	<p>Details of the services/functions that the Council considers should and could be self funding.</p> <p>Details of the services/functions concerned and the associated income and expenditure for those services (including appropriate recharges)</p>	<p>Leader of the Council (Portfolio Holder for Finance and Corporate Governance)</p> <p>Assistant Director for Finance and IT</p> <p>Appropriate Portfolio Holders (to be determined)</p>	To assess and report on the extent to which services and functions that should and could be self funding are so funded and what steps could/should be taken to ensure those services/functions are self funded. There may be

APPENDIX A

to move them to being self-funded.				<p>based on the services/functions concerned)</p> <p>Appropriate Officers (to be determined based on the services/functions concerned)</p>	<p>further recommendations around the scope of these services/functions based on the ability to cover the cost of the same in the future.</p>
The following emerged from a meeting under the Council's Cabinet Scrutiny Protocol on 20 June 2023					
<p>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.</p>	<p>To be allocated.</p> <p>(It may be that this is established as a joint Task and Finish Group – with Community Leadership Overview and Scrutiny Committee)</p>	<p>Community Leadership Through Partnerships</p> <ul style="list-style-type: none"> Joined up public services for the benefit of our residents and businesses <p>Strong Finances and Governance</p> <ul style="list-style-type: none"> Use assets to support priorities 	<p>The business Model of the NEPP.</p> <p>The agreement for the NEPP.</p> <p>The use of Tendring District Council Officers to undertake enforcement of on-street parking restrictions.</p> <p>The current position in relation to the use of camera enforcement cars in the District.</p> <p>Information on scrutiny undertaken or proposed in the other partners of the NEPP – including</p>	<p>Representatives of Councillors on the NEPP</p> <p>Councillor Lee Scott, Essex County Council's Portfolio Holder for Highways Maintenance and Sustainable Transport.</p> <p>This Council's Portfolio Holder for Environment</p> <p>This Council's Corporate Director for Operations and Delivery</p>	<p>To consider this partnership and the role of the Council within the Partnership, the overall financial risks to the Council and the work of the Partnership to support road safety e.g. outside of schools and short term parking in shopping areas and its contribution to the economic success of those shopping areas.</p>

APPENDIX A

			Epping Forest, Harlow, Uttlesford, Braintree and Colchester Councils.		
A review of the Council's Open space management/ Maintenance arrangements, policies and budget.	To be allocated	Delivering High Quality Services - Public spaces to be proud of in urban and rural areas Community Leadership Through Partnerships - Joined up public services for the benefit of our residents and businesses	Policies around open space management/ maintenance including levels and frequency of grass cutting, floral displays, wilding. Arrangements for securing seasonal staff to undertake the work at the required time. Details of all the open spaces that are maintained/managed by the Council and confirmation of ownership by the Council. Detail of the budget for open space management/ maintenance over the past five years Details of any known areas adjacent to Council Open Space tht is managed/maintained	Portfolio Holder for Leisure and Public Realm	To review the policy position and experience and review the resources applied and the opportunities for joint working.

APPENDIX A

			of Open Space managed/maintained by others such as Housing Associations and Town/Parish Councils		
WORK UNDERTAKEN					
<p>Post delivery scrutiny of the Sunspot commercial workspace in Brooklands, Jaywick Sands. The development consists of up of 24 low-cost business units, including six seafront shopfronts, as well as a covered market and event hall. It will also include a café, public toilet and community garden, along with new pavement provision and covered bus stop along Brooklands. The development, which is in partnership with</p>	<p>COMPLETED</p>	<p>A Growing and Inclusive Economy</p> <ul style="list-style-type: none"> - Develop and attract new businesses - More and better jobs <p>Building Sustainable Communities for the Future</p> <ul style="list-style-type: none"> - Jaywick Sands - supporting the community <p>Strong Finances and Governance</p> <ul style="list-style-type: none"> - Use assets to support priorities 	<p>Details of the funding arrangements for the development of - £2.39million from the Government's Getting Building Fund (through, the South East Local Enterprise Partnership), £2.04million from Essex County Council and £816,000 from Tendring Council.</p> <p>The initial costings for the development and the reasons for increases in the costings and the extent of project management around the development.</p> <p>Arrangements for the management of the development – initially and then subsequently – and the reasoning for the changes.</p>	<p>Deputy Leader (Portfolio Holder for Economic Growth, Regeneration & Tourism)</p> <p>Corporate Director (Place and Economic Growth)</p>	<p>To look at the original plans for the development, how those plans changed and the extent to which the objectives of the development have been/will be met.</p> <p>To conduct a cost-benefit analysis related to the financial investment in the development.</p> <p>To look at lessons learned around the management of this development project for wider project management and major schemes in the Council</p>

APPENDIX A

Essex County Council and the South East Local Enterprise Partnership.			Details of lettings of the business units, shops and café and use of the covered market and event hall.		
The Council's Waste Collection, recycling and street cleaning arrangements. This will include looking at kerb side and bring site recycling and the generation of recycling credits. It will also include the paid for garden waste collection service.	COMPLETED	Delivering High Quality Services Minimise waste; Maximise recycling	<p>Details of the current contracts for waste collection, recycling and street cleansing and the planned activity to provide services after the end of the current contract terms.</p> <p>The budget spend and income for all areas in the scope of this review over the last five years.</p> <p>Recycling figures for all recyclable materials across the bring sites and overall residual waste and recycling rates per quarter for the District over the last five years.</p> <p>Numbers of missed bin collections reports by quarter over the last five years</p>	<p>Portfolio Holder for the Environment</p> <p>Corporate Director for Operations and Delivery</p>	To assist the Committee to determine areas for scrutiny activity in the remaining period of the contract and to support contributions to the policy development in anticipation of the start of new arrangements at the end of the current contract term

APPENDIX A

<p>Council Enforcement arrangements, including:</p> <p>(a) Planning Enforcement (and other areas) where decisions are taken ‘in the public interest’ whether to take particular enforcement action. To look at written statements to support the basis of such judgements and the matters demonstrably weighed up in reaching such decisions,</p> <p>(b) The existing and possible opportunities for information to be provided by Ward Councillors in respect of matters which may attract enforcement</p>	<p>The Task and Finish Group commenced meetings on 14 September 2023. It submitted an interim report to the Overview & Scrutiny Committee on 12 December 2023 before proceeding further with the enquiry.</p>	<p>Delivering High Quality Services - Effective regulation and enforcement</p>	<p>Details of the adopted Corporate Enforcement Policy and the intended review date for that policy, training to officers on common elements of enforcement and relevant service area enforcement policies.</p> <p>Details of the extent to which the Corporate Enforcement Group has provided the route to ensuring a corporate consideration to utilising different enforcement powers to address e.g. problem premises.</p> <p>Written statements on the judgement to be applied when determining whether it is or is not in the public interest and example records where that weighed judgement has been set out (suitably redacted).</p>	<p>Portfolio Holder for Planning and Housing</p> <p>Director of Planning</p> <p>Portfolio Holder for Environment</p> <p>Corporate Director for Operations and Delivery</p>	<p>To identify the extent to which here are further steps that can be taken to further achieve a fair and equitable use of enforcement powers, taking account of relevant information and that the resources made available for enforcement are used to best effect.</p>
--	--	---	---	--	---

APPENDIX A

<p>action and decisions to not take enforcement (given the unique role of Councillors in representing their Ward).</p> <p>(c) The extent to which enforcement powers are looked at in a silo or corporate way to ensure that (within the purposes of particular enforcement powers) the Council considers the ability to address non-compliances robustly.</p> <p>(d) The experience of fly tipping on public land and the actions to deter such fly tipping</p> <p>The use of mobile CCTV cameras overly and covertly to identify offences</p>			<p>Numbers of fly tipping instances recorded by the Council by quarter for the past five years in respect of public land and the measures taken to deter fly tipping.</p> <p>The policy and experience of the use of deployable CCTV cameras as part of enforcement (including covert and overt use).</p>		
---	--	--	---	--	--

APPENDIX A

and, potentially, offenders.					
---------------------------------	--	--	--	--	--

This page is intentionally left blank

A.1 APPENDIX B

Resources and Services Overview and Scrutiny Committee 12 December 2023

RECOMMENDATIONS MONITORING REPORT

(Prepared by Keith Durran)

Recommendation(s) Including Date of Meeting and Minute Number	Actions Taken and Outcome	Completed, follow-up work required or added to Work Programme
<p><u>This Committees meeting on 19 September 2023 (Minute 29 refers)</u></p> <p><u>SUNSPOTS JAYWICK</u></p> <p>It was RESOLVED to RECOMMEND to Cabinet:</p> <ul style="list-style-type: none">a) That the positive news about occupancy rates for the Sunspot Centre, Jaywick Sands and the intentions around the on-site market be noted; andb) that the capacity and expertise of the Council in costing and programme managing major capital schemes of the Council be strengthened to avoid or minimise unforeseen “mission creep” in schemes and unrealistic cost assessments being presented as part of approval mechanisms (that then needing to be repeated when true market costings are subsequently identified). <p>It was further RESOLVED:</p> <ul style="list-style-type: none">c) That delivery against the business plan compared with the experience in the first	<p><u>These recommendations are submitted to Cabinet to be heard on 15 December 2023 and on that basis an update will be provided to the next meeting of the Committee..</u></p>	

A.1 APPENDIX B

six months operation of the Sunspot Centre, Jaywick Sands be confirmed in the Committee’s Work Programme for April 2024.		
--	--	--

Recommendations monitoring for those recommendations from earlier meetings of the Committee have been previously reported to the Committee and, as such, are not repeated here as there is no further update to be provided on them.

Resources and Services Overview and Scrutiny Committee
12 December 2023

OVERVIEW AND SCRUTINY PROCEDURE RULE 13 – SCRUTINY OF PROPOSED DECISIONS

(Prepared by Keith Durran)

The below forthcoming decisions are those published since 10 September 2023 – the publication date for the Committee’s last ordinary meeting.

In presenting the following, the Committee’s attention is drawn to the agenda item notes in respect of Overview and Scrutiny Procedure Rule 13.

DESCRIPTION OF DECISION	KEY DECISION – YES/NO	DECISION MAKER	Decision Due Date
Essex Devolution Deal	NO	Council	30/01/24
Drawdown of Levelling Up Fund and Capital Regeneration Project Government funding allocations	YES	Cabinet	26/01/24
Options approval for future waste and recycling and street cleaning arrangements	YES	Cabinet	15/12/23
Setting Council Tax and Budget 2024-25	NO	Council	13/02/2024
Final Council Tax General Fund and HRA Budget Proposals for 2024-2025	YES	Cabinet	26/01/24
Approval of Housing policies: Tenancy Policy, Tenant Involvement Policy, Housing Anti Social Behaviour Policy	YES	Cabinet	16/02/24
Approval of Housing policies: Homelessness Prevention Policy; Tenancy Deposit Guarantee Policy; Temporary Accommodation Policy	YES	Cabinet	26/01/24
Climate Change Action Plan 2024-2028	NO	Env Portfolio Holder	21/05/24
Levelling Up and Town Centres	YES	Cabinet	15/12/24
Safer Streets / CCTV Project (Clacton on Sea)	YES	Partner Portfolio Holder	15/12/24

This page is intentionally left blank