

**MINUTES OF THE MEETING OF THE COUNCIL,
HELD ON TUESDAY, 13TH FEBRUARY, 2024 AT 7.30 PM
HELD IN THE PRINCES THEATRE, AT THE TOWN HALL, STATION ROAD,
CLACTON-ON-SEA, CO15 1SE**

Present:	Councillors Scott (Chairman), Casey (Vice-Chairman), Alexander, Amos, Baker, Barrett, Barry, Bensilum, Bray (except item 121), Calver, Chapman BEM, A Cossens, M Cossens, Davidson, Doyle, Everett, Fairley, Ferguson, Goldman, Griffiths, Guglielmi, Harris, I Henderson, J Henderson, P Honeywood, S Honeywood, Kotz, Land, McWilliams, Morrison, Newton, Platt, Skeels, Smith, Steady, G Stephenson, M Stephenson, Sudra, Talbot, Turner, White and Wiggins
In Attendance:	Ian Davidson (Chief Executive), Lisa Hastings (Assistant Director (Governance) & Monitoring Officer), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Keith Simmons (Head of Democratic Services and Elections & Deputy Monitoring Officer), Ian Ford (Committee Services Manager), William Lodge (Communications Manager), Madeline Adger (Leadership Support Manager), Bethany Jones (Committee Services Officer), Kai Aberdeen (Theatre General Manager (Technical)) and Simon Kedge (Casual Technician (Princes Theatre))

113. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Bush, Codling, Fowler, Oxley, Placey and Thompson.

114. MINUTES OF THE LAST MEETING OF THE COUNCIL

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

RESOLVED that the minutes of the ordinary meeting of the Council held on 30 January 2024 be approved as a correct record and be signed by the Chairman.

115. DECLARATIONS OF INTEREST

The Monitoring Officer reminded Members that she and the Section 151 Officer had circulated, by email on 9 February 2024, their annual joint guidance and advice on a number of matters relating to interests and voting on the annual budget and setting of Council Tax and, especially, the requirements of section 106 of the Local Government Finance Act 1992. The Monitoring Officer read out the contents of that email as follows:-

“Tendring District Council has adopted the LGA Model Members’ Code of Conduct which does not include the provisions confirming Members do not have a declarable interest which relates to the function of setting the Council Tax under the Local Government Act 1992. Therefore, to enable you to debate and vote on the budget item to set the Council Tax, this email provides all District Councillors with a dispensation under Section 33(2)(a) to (e) of the Localism Act 2011. Consequently, you will not be required to declare an interest based on the fact you live in the District and therefore have to pay Council Tax.”

However, Members are importantly reminded of section 106 of the Local Government Finance Act 1992, which provides that any Member, who is in arrears by at least 2 months with their Council Tax payments cannot vote on matters concerning either the level of or administration of Council Tax. It is important to note that this also covers Council Tax liabilities outside of the district and property which may not be your main residence. If present at the meeting, a Member to whom this provision applies must disclose the fact and may speak on the item, but cannot vote. Non-compliance with this section is a criminal offence. Therefore, should this provision apply to any Member, this should be declared at the Declarations of Interest agenda item.

In 2014, the Government passed The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 making it mandatory for councils to amend their Standing Orders so as to include provisions requiring recorded votes at budget meetings. I can confirm that the Constitution reflects this requirement and the Council's Procedure Rules state at 19.5:

"A recorded vote is mandatory on any decision relating to the budget or Council Tax. This includes not only on the substantive budget motions agreeing the budget and setting Council taxes, but also on any amendments proposed at the meeting."

For other types of Interests, which need to be considered, Disclosable Pecuniary Interests (DPIs), Other Registerable Interests (ORIs) or Non-Registerable Interests are defined in the Code of Conduct and for DPIs & ORIs, these have been (or should have been) registered in advance, and with the exception of the Council Tax exemption for residing in the District, you should still consider if any other interests do apply. A blanket exemption/dispensation has not been applied for all."

Councillor Bray declared a Personal Interest in relation to Agenda Item 9 (Report of the Cabinet – A.2 – Executive's Proposals: Housing Revenue Account Budget 2024/2025) insofar as he was a housing tenant of Tendring District Council. He informed Council that he would not take part in the Council's consideration of this item nor the voting thereon.

116. ANNOUNCEMENTS BY THE CHAIRMAN OF THE COUNCIL

The Chairman of the Council (Councillor Scott) reminded Members that the Pride of Tendring Awards were this Friday (16 February 2024). He looked forward to seeing Members there along with their 'winners'.

Councillor Harris respectfully asked the Chairman, in the light of the sad diagnosis of cancer for His Majesty The King, if he would write, on behalf of the Council, to wish him well and a speedy recovery. In addition, Councillor Harris asked the Chairman if he could reassure Members that the official portrait of His Majesty The King had been ordered and that it would be installed shortly.

In reply, Councillor Scott stated that he would gladly send such a letter. He also informed Council that the Portrait had been ordered but had not yet been delivered. He further informed Members that he and the Vice-Chairman were in discussions with Officers about relocating the portrait of Her Late Majesty Queen Elizabeth II from the Town Hall Foyer to the Chairman's Parlour.

117. ANNOUNCEMENTS BY THE CHIEF EXECUTIVE

There were no announcements made by the Chief Executive on this occasion.

118. STATEMENTS BY THE LEADER OF THE COUNCIL

The Leader of the Council (Councillor M E Stephenson) informed Members that he had had the privilege of attending the recent Tendring Stars Awards which recognised and acknowledged the excellent work of the Council's staff. He stated that it had been humbling to hear about their experiences including under the new category of 'Saving Lives'. Councillor Stephenson also acknowledged the significant number of staff receiving long service awards for 30+ years with the Council.

119. STATEMENTS BY MEMBERS OF THE CABINET

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

120. REPORT OF THE CABINET - A.1 - EXECUTIVE'S PROPOSALS - GENERAL FUND BUDGET AND COUNCIL TAX 2024/2025

Further to Minute 78 of the meeting of the Cabinet held on 26 January 2024, the Council considered the Executive's General Fund budget and Council Tax proposals for 2024/25.

Members were made aware that, as highlighted in the budget report to Cabinet on 26 January 2024, the following adjustments had been outstanding at that time, which had now been reviewed / finalised for inclusion within the final budget proposals:

1. The final employee cost estimates for the year
2. Recharges between the GF and HRA
3. Income from Business Rates
4. Any changes emerging from the Final Local Government Finance Settlement and / or other grants / funding
5. Any impact from proposed fees and charges

Council was informed that the updated forecast for 2024/25, including the changes above, was set out in Appendix A to the report of the Cabinet (A.1). The forecast deficit for 2024/25 had reduced from the £1.715m, reported to Cabinet on 26 January, to £0.449m. That reduction had been largely due to the final figures associated with income from business rates. This had reduced the use of the Forecast Risk Fund by a corresponding amount.

Members were advised that it was important however to highlight that in taking a cautionary approach, the above favourable outcome relating to business rates should be treated on a one-off basis given the uncertainty around that complex area of the budget in future years.

It was reported that Appendices B and C to report A.1 set out the Net Savings and Cost Pressures respectively. Those had remained unchanged from the same appendices considered by Cabinet on 26 January 2024.

As recommended by Cabinet on 26 January 2024, the Executive's budget proposals set out a Band D Council Tax of £193.73 in 2024/25, which was an increase of 2.99% (£5.62), with a Council Tax requirement of £10.048m. Therefore, taking into account the

changes to the budget required since Cabinet had met on 26 January 2024, the total net General Fund revenue budget for 2024/25 was £15.123m, along with a General Fund capital programme totalling £0.827m.

Council was made aware that the original savings targets of £1.000m and £1.500m in 2025/26 and 2026/27 respectively remained the same at this time. Even after including the above savings targets, a structural annual deficit of over £2.000m was still expected to remain at the end of 2026/27.

Members were informed that the forecast would remain 'live' and be responsive to changing circumstances and it would be revised on an on-going basis. Council was told that it was essential that the Council continued to work towards delivering in-year balanced budgets as soon as possible over the forecast period rather than continued to rely on reserves, which was not sustainable in the longer term.

However, the reduced call on the forecast risk fund in 2024/25 as highlighted above did provide some additional flexibility and within this context it was acknowledged that the Council needed to maximise the time that the Forecast Risk Fund allowed, in order to secure the necessary savings as soon as possible.

Council was reminded that the budget recommended by Cabinet for approval by Council included only the District and Parish elements of the Council Tax rather than those from the major precepting authorities. The formal approval of the 'full' Council Tax levy for the year, including the precepts from Essex County Council, Essex Police and Essex Fire & Rescue Services, was delegated to the Human Resources and Council Tax Committee which was due to meet on 26 February 2024.

The Leader of the Council (Councillor M E Stephenson) made the following budget statement:-

"This marks my inaugural budget statement as Leader, and before delving into the specifics of the 2024/25 budget, I believe it's crucial to start by providing a comprehensive assessment of our current standing and the trajectory that has led us to this point in time.

Tonight, I aim to offer an unvarnished examination of our circumstances, encompassing both our achievements and our challenges. It's imperative that we collectively grasp the realities we face before outlining our fiscal plans for the forthcoming year.

Before I start, I think it only proper to commend the exceptional efforts of our financial officers who have skillfully navigated us through the challenges posed by the Government's prolonged financial squeeze on councils. Despite the significant strain, TDC's financial standing, while weakened, is not as dire as that of many other local authorities. I do not laud this over others but want us all to recognise how much worse it could be.

In various parts of the country, including some closer to home in Essex, Chief Finance Officers have resorted to issuing Section 114 notices, prompting staff to consider voluntary redundancies, and councils to seek permission from the government to enable them to borrow money to bridge the gap in funding required for essential services. The media has often labelled Section 114 notices as bankruptcy, and, although not entirely

accurate in the context of councils, it does encapsulate the dire financial predicament they find themselves in – i.e. unable to meet their financial obligations.

Upon reflection, it's evident that we have a culture here at Tendring District Council, which undoubtedly contributes to our success. This culture was highlighted in a recent discussion I had with Cabinet members from other Borough, City and District councils, where many were surprised to learn about the regular interaction between our Officers and Members. I believe that such collaborative relationships are vital for effective governance, financial resilience and achieving our priorities set out in our Corporate Plan.

It is through this joint working that we have been able to identify, and confront, significant challenges, and it is also important to clarify that many of these issues aren't of this Council's making or even those of past and current administrations. Over the past six years, the Government has slashed the Revenue Support Grant (RSG) by 80%, resulting in a staggering £10+ million reduction from our intended budget. Now, with only £15 million at our disposal, we are tasked with managing a budget shortfall inherited from the previous administration, amounting to approximately £1.3 million, and we're expected to find an additional £3 million in savings over the next three years with all the low hanging fruit having been picked. We must recognise the necessity of making tough decisions in the face of these challenges, albeit with gratitude for the Forecast Risk Fund, which provides some breathing space for thoughtful decision-making.

Moreover, the Government's tendency to exert control over local government further complicates matters. From convoluted formulas for rates and RSG to yearly funding agreements that leave uncertainty looming over initiatives like the New Homes Bonus and National Rateable Review, it is no wonder that councils nationally struggle to plan effectively. Additionally, new obligations surrounding the Regulator for Social Housing, OFLOG, and recently announced performance reviews, place significant strain on our resources and capacity at a time when we are already stretched thin.

Internally, we are grappling with inflation, escalating energy costs, and increasing staff salaries, all of which impact our budgets. Furthermore, our ongoing efforts to address coastal protection issues demand attention, as we endeavour to understand the true costs associated with safeguarding both property and our coastline in the years ahead.

It is disappointing that our previous Auditors have yet to finish the 2020/21 accounts or even start on those from 2021/22 and 2022/23. It is crucial to have an independent assessment of our Council's finances, especially given the challenges the public sector is facing, with some councils facing severe financial difficulties.

Having said all that, I hope this statement provides some reassurance about our current and future financial position, supported by our Section 151 Officer's statement in the report.

Interestingly, our new Auditors, KPMG, are likely to give their assessment before our previous Auditors do. We expect to receive their initial feedback early in 2024/25.

The significant array of challenges we face highlights the critical importance of getting the budget right. Failing to do so will impose a substantial burden on our residents and businesses, impacting them for years to come. While our tenure as Members may be brief, the repercussions for our District will extend far into the future. It is essential to

emphasise that this is the reality confronting residents, confronting Essex, particularly those in areas like Thurrock.

Now that I have outlined the financial situation, it is important to note that there are still opportunities amid these challenges. We have several ongoing projects that are well-funded through external sources, but even they may require extra resources for successful delivery. Our aim is to strike a balance between pursuing ambitious endeavours and ensuring financial viability and sustainability.

When writing this speech I looked to our Corporate Plan, agreed upon by this Council, and to one of the priorities that talked about financial sustainability and openness. The words we set out under this heading put a good marker down about how we intend to continue to meet these challenges and are therefore worth repeating as follows:

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

I think the above captures our intentions clearly and reflects this Council's continued commitment to strong financial stewardship. It is worth acknowledging the reference to capacity, as while we will continue to be ambitious, the scale and speed that we can deliver the things we want to do will always need to be balanced against our available resources, which includes our amazing Officers as well as money.

I can report that we have already taken action to meet this commitment, as we have been committed to this approach from day one and I would like to share several examples:

- Maintaining a focus on the delivery of existing key projects, for example, Spendells House in Walton and the Honeycroft Scheme in Lawford, which will both have a favourable impact on the Council's finances.*
- Continuing to be a lead voice in responding to the financial challenges posed by our membership of the North Essex Parking Partnership*
- Maximising external funding opportunities such as those associated with the Government's Levelling Up agenda. This not only includes specific capital projects in Clacton and Dovercourt but also involves exploring further key improvements across the district via the wider Levelling Up Partnership and the High Streets Accelerator scheme. We expect to be granted over £60m in the coming years specifically earmarked for regenerating Clacton and Dovercourt town centres.*
- Extending the period that council tax premiums on empty properties become payable along with looking to introduce premiums on second homes from April 2025.*
- Recognising the reputational and economic importance of the Clacton Airshow, with a commitment to continue the show for at least the next four years, which is reflected in the budget for 2024/25.*

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- *Commencing a wider review of external funding the Council provides to other local organisations. This latter point is being helpfully supported by the Community Leadership Overview and Scrutiny Committee.*
 - *Commencing a review of the Council's Careline Service, with the outcome due to be presented to Cabinet later this year.*
 - *Engaging EELGA to support the Council through the processes associated with the upcoming tender of the Waste and Street Cleansing Contract.*
 - *Completing and opening the new car park and flexible space in Dovercourt known as Orwell Place.*
 - *Completing and opening the new flexible workspaces in Jaywick known as The Sunspot.*
 - *Instigating a peer review of our housing provision and identifying additional capacity to support the work associated with the new era of Social Regulation.*
 - *Introducing three new Housing Policies which will improve the services we provide while undoubtedly helping to reduce the ongoing financial impact on the Council in terms of homelessness.*

I am sure there are other examples I have missed, but I hope that the above reflects our approach, a flavour of our ambitions over the next three years and how we want to continue to be a 'can do' Council. As we have discussed before, having a reputation for getting things done will continue to stand us in good stead when potential funding partners look to us in the future.

In turning to the budget proposals for 2024/25 it is worth reflecting on some further points made last year which helps set the context of the forecast and budget setting process this year. Last year highlighted several major global, national and local issues, which included:

- *Russia's continuing conflict with Ukraine*
- *Supply chain disruption*
- *Commodity market volatility*
- *Weak GDP growth across the world*
- *Workforce shortages*
- *An environment of high Interest rates*
- *The highest UK inflation for a generation*

It is fair to say that these have not gone away, with their impact still being felt in 2024/25 and probably beyond in areas such as:

- *Increases in the cost of delivering projects.*
- *Increased contracts / goods and services*
- *Higher staff costs*
- *Increases in the cost of homelessness.*
- *Energy prices*

In terms of the increased costs above, some of these costs are effectively being met from the Forecast Risk Fund until such time as corresponding ongoing savings are identified. This further emphasises my earlier point about budgets being funded but not balanced.

In terms of securing the savings we need, as was discussed at the recent Resources and Services Overview Scrutiny Committee, this work is on-going in consultation with Portfolio Holders and will continue over the coming months, with updates provided via separate reports or alternatively within the regular financial performance reports presented to Members during the year.

With this foundation laid, we can now proceed to analyse the specifics of the 2024/25 budget. As discussed in the report, the cost pressures currently included in the budget for 2024/25 broadly reflect unavoidable items. However, there is a significant level of additional items that remain subject to ongoing review. These items will therefore be considered outside of the budget setting process and prioritised accordingly. Any decisions required will be set out in future reports, which will also set out the use of any one-off funding that is required to support them.

In terms of further transparency, it is also proposed to ensure that the list of further potential cost pressures that will be maintained on a 'live' basis, will be made available to Members accordingly.

To demonstrate the need for a 'live' budget the Government provided Councils with more money via the Final Local Government Financial Settlement announced last week. Although the total amount of £600 million sounded a lot, we will be receiving just an extra £187k in funding compared to the figures currently included in the report.

This does however reduce the deficit from the £449k set out in the report to £262k. This has the knock on impact of reducing the necessary call on the Forecast Risk Fund by the same amount.

In earlier versions of the forecast, we aimed to avoid being overly optimistic about the money expected from the Government. However, recognising the ongoing challenges faced by Councils, the Government has decided to maintain increased funding for the 2024/25 period. With this increased funding, the total expected from the Government in 2024/25 is just over £2.2 million.

The level of council tax remains a key part of the funding jigsaw puzzle for Councils. It is with reluctance, but with this in mind, that the council tax will be increased by 2.99% compared to last year. This brings the total annual amount payable for Tendring Council Services to £193.73 in 2024/25 which is an increase of £5.62, based on a Band D property. Similarly to last year, this is a below inflation increase, which itself creates underlying pressure elsewhere in the budget.

It is always worth highlighting that when we come together in February each year to agree on the level of council tax, this remains a relatively small amount compared with the overall bill that people receive through their letterboxes which includes amounts for ECC, Police and Fire. The £193.73 that would be receivable by the Council has to support a range of services and works out to be £3.73 per week.

Another significant change in the latest forecast, outlined in the report, is regarding income from business rates. As we've discussed previously, forecasting in this area is complex and challenging, especially early in the budgeting cycle. While we will explore adjustments to the forecasting process, the additional income projected for 2024/25 is now estimated to be just over £1 million.

The report also highlights this Council's inclusion, for the first time, of income from the New Homes Bonus and membership of the Essex Business Rates Pool in its base budget. Previously, such income was not included due to the risk of it not being available year on year. This shift reflects our aim to strike a balance between optimism and pessimism, understanding that the truth often lies somewhere in between.

However, it is important to note that the all these factors contributing to the more favourable position in 2024/25 are not necessarily expected to be repeated in 2025/26 and beyond. While this cautious approach is prudent for now, ongoing efforts will refine the forecast in the coming months to better grasp any associated risks, allowing for necessary revisions if needed.

Although this does not alleviate the need to find ongoing savings, what it does do is provide additional time and flexibility to help us make well informed decisions instead of short-term knee-jerk ones. I am sure we have all heard reports about other Councils embarking on the very unhelpful 'salami slicing' approach when preparing their budgets, including a call for voluntary redundancies. I can say now we will be not doing this, as I cannot see it benefiting anyone, not least our residents.

As set out in Appendix A of the report, the Forecast Risk Fund is estimated to remain in surplus over the remaining life of the forecast period. The importance of the Forecast Risk Fund is not lost on me and so, as part of my work in 2024/25, I will be looking to increase the number of years it spans.

I am also never convinced that Government truly understands the financial challenges faced by Councils up and down the country, especially when you hear things from the Secretary of State saying that Councils are 'overstating their woes' and 'crying wolf'. I can tell you, that the financial wolf is at the gates, and it will only be the prudent steps taken by this Administration that will keep him at bay.

Chairman, in summary and in light of the statement I have given tonight alongside the report we have in front of us, it is my hope that we all can agree on this budget. What we must do for the sake of our residents, businesses and visitors is not to shy away from the challenges at hand, but deliver on a packed and ambitious agenda spread over the next four years. It is essential we continue this Council's sound approach to financial management and planning, whilst balancing the delivery of priorities alongside sound stewardship and ambition. I now commend the recommendations to this Council and ask Members for their support."

It was moved by Councillor M E Stephenson that the recommendations, as set out on pages 8 and 9 of the Council Book, be approved.

In addition to Councillor Stephenson, Councillors Bray, Guglielmi, Harris, P B Honeywood, Steady, Calver and Platt addressed the Council on the subject matter of Councillor Stephenson's motion.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, as reflected within Council Procedure Rule 19.5 of the Council's Constitution, a named vote on Councillor Stephenson's motion was taken.

That vote resulted as follows:

<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Alexander Amos Baker Barrett Barry Bensilum Bray Calver Casey Chapman BEM A I Cossens M A Cossens Davidson Doyle Everett Fairley Ferguson Goldman Griffiths Guglielmi Harris I J Henderson J Henderson P B Honeywood Kotz Land McWilliams Morrison Newton Platt Scott Skeels Smith Steady G L Stephenson M E Stephenson Sudra Talbot Turner White Wiggins	None	S A Honeywood	Bush Codling Fowler Oxley Placey Thompson

Councillor Stephenson's motion was declared **CARRIED** and it was therefore:-

RESOLVED that, having had regard to the Chief Finance Officer's (Section 151 Officer) report on the Robustness of Estimates and Adequacy of Reserves in accordance with the requirements under Section 25 of the Local Government Act 2003, and having taken account of any responses to the budget consultation process the Council approves the 2024/25 budget proposals (based on a 2.99% (£5.62) Band D council tax increase for district services) and agrees that:-

- i) the total General Fund net revenue budget for 2024/25 be set at £15.123m (a council tax requirement of £10.048m excluding parish precepts);
- ii) the General Fund capital programme be approved totalling £0.827m in 2024/25;
- iii) the detailed General Fund budget for 2024/25, be as set out in Appendix D to item A.1 of the Report of the Cabinet;
- iv) the calculation of the Council's Council Tax requirement, Special Expenses and Parish/Town Council precepts, be as set out at Appendix F to item A.1 of the Report of the Cabinet;
- v) the Council Tax for District and Parish/Town Councils' services, be as set out at Appendix I to the aforesaid item A.1 and that these are the amounts to be taken into account for the year in respect of the categories of dwellings listed in different valuation bands; and
- vi) if budget adjustments are required such as those necessary to reflect the late notification of external / grant funding then, in consultation with the Corporate Finance and Governance Portfolio Holder, the Council's Section 151 Officer be authorised to adjust the budgets accordingly with no net impact on the overall budget or capital programme as set out above.

121. REPORT OF THE CABINET - A.2 - EXECUTIVE'S PROPOSALS - HOUSING REVENUE ACCOUNT BUDGET 2024/2025

Earlier on in the meeting, as detailed under Minute 115 above, Councillor Bray had declared a Personal Interest in relation to this item insofar as he was a housing tenant of Tendring District Council. He thereupon withdrew from the meeting whilst Council considered this item and reached its decision thereon.

Further to Minute 81 of the meeting of the Cabinet held on 26 January 2024, the Council considered the Executive's Housing Revenue Account (HRA) budget proposals for 2024/25.

Council was made aware that there had been only a very limited number of changes made since Cabinet had met on 26 January 2024, which had been reflected in Appendices A to E as necessary. The outcome of the changes required had been an increased estimated surplus of £0.493m in 2024/25 compared with the figure of £0.300m reported to Cabinet in January. It was proposed to contribute that net surplus to general balances, which would partly offset the proposed use of the same reserve in 2023/24.

It was reported that for 2024/25, the Executive's budget proposals set out an increase in dwelling rents of 7.7% along with a total HRA expenditure budget of £16.227m (net of

indirect income / expenditure) and a capital programme totalling £3.928m. That 7.7% increase in dwelling rents would result in an average weekly rent of £100.89 in 2024/25. (£93.68 in 2023/24).

Council was advised that the proposed budget reflected the continued repayment of debt, with the total level of existing debt falling from £33.949m to £32.535m at the end of 2024/25. The HRA general balance was forecast to total £3.843m at the end of 2024/25, which retained a strong financial position against which the associated HRA 30 year Business Plan could continue to be delivered / developed. The HRA balances, together with the proposed rent increase for 2024/25 were important elements of delivering a financially sustainable HRA in the longer term.

Members were reminded that the HRA Business Plan and proposed budget would play a significant role in the delivery of affordable and decent housing in the District and the Council's responsibilities as a landlord had direct implications for the Council's ability to deliver on its objectives and wider priorities. This recognised the socio-demographics of the area and the increased focus on housing standards by the Government.

The Leader of the Council (Councillor M E Stephenson) made the following budget statement:-

"It probably goes without saying but my Administration has also inherited a financially robust Housing Revenue Account.

Historically we have made sure that as much of the rents we collect from our tenants is invested into maintaining their homes and this remains our focus going forward. This is the fundamental premise of what a good social landlord should do, regardless of any social housing regulations that might require it.

We have looked to capture this hugely important issue in our vision and corporate priorities that we agreed on 28 November 2023. We are committed to providing decent housing that everyone deserves and I am sure we all recognise that good quality housing is at the heart of the quality of life of our residents. These two key issues will be a major consideration as we further develop our highlight priorities and significant objectives over the coming months.

However it is important to highlight the point I made earlier when introducing the General Fund Budget, life is always a series of trade-offs and we therefore have to strike the right balance between our aspirations, affordability and financial sustainability. This does not always mean walking away from something we want to do, but it might mean changing the scale and speed at which we do it.

Hopefully most people understand this balancing act as we all apply it to our own personal finances, in one way or another.

A good example of this was when the aspiration of building and acquiring more homes for local people was discussed at the Resources and Services Overview and Scrutiny Committee back in January. This aspiration has not necessarily been diluted, but we have to balance it with looking after the homes of our existing tenants and perhaps explore ways of achieving those aspirations differently. That is why we will be reviewing the existing Housing Strategy, this year, not necessarily to take us down a different path, but to reflect on where we are financially now and in the future.

I understand the meeting with our Tenant's Panel went well last week, where a number of issues were discussed including the proposed rent increase of 7.7% that we are considering tonight.

They understood the points I have just made about the trade-offs we have to make and although no one is necessarily going to be happy to see their rent increase, I think there is a general acceptance that it is an important part of the financial puzzle we have to wrestle with to ensure the HRA has a long and financially stable future.

While I didn't make this point when I was discussing council tax earlier in the meeting, I wanted to note that we should be aware of the significant 'telescopic' impacts on both council tax and housing rents if we took alternative short term decisions as they do not help in the longer term.

Government has always interfered in housing matters. We will never forget the 1% reduction in rents over a previous four year period that was imposed by the Government. This took millions and millions of pounds out of the business plan that we can never get back. Thankfully the position has been managed well by this Council and along with the repayment of loans that we took on back in 2012 to effectively buy our own housing stock back, annual surpluses are estimated to be available in later years of the forecast.

Tendring District Council is a good landlord and I hope tenants see their future as having their homes owned and managed by us rather than the alternative that we have seen elsewhere in the country where Councils have sold off their entire housing stock.

In repeating a point I made earlier tonight, this Council did not rest on its laurels and it instigated its own peer review of our housing provision along with identifying additional capacity to support the work associated with this and the new era of Social Regulation.

Work also remains in progress on the comprehensive stock condition survey that will also help us plan for the future and better understand our stock of over 3,000 properties. This will also help inform our decisions around whether to retain some of our stock. If, for example, it is challenging to repair and maintain.

We have to remain alert to such cost pressures and liabilities and we will not shy away from selling properties if necessary, rather than them potentially continuing to be a financial burden on the HRA business plan. We will however always look to replace any properties that we sell where we can.

The Portfolio Holder for Housing and Planning and I have also put lot of energy into working with officers to deliver projects started by the previous Administration. This includes Spendells House in Walton and the Honeycoft Scheme in Lawford. These schemes will see a positive impact on our overall financial position as well as our reputation.

In terms of reserves, the estimated annual surplus in 2024/25 is £493k. This partly offsets the additional money that is planned to be drawn out of reserves in 2023/24. Whatever way you want to look at it, this money will go back into investing in the homes of our tenants as the extra money we are spending in 2023/24 relates to capital expenditure such as the replacement of boilers and heating systems with the most up to date equipment.

In repeating an earlier point, a good landlord makes sure that as much money as possible gets invested in the homes of its tenants which goes hand in hand with providing a decent management and responsive repairs service.

In bringing this statement to an end, the corporate priority we have agreed in terms of financial sustainability and openness again captures perfectly our intentions behind the financial management that goes into looking after our tenants' homes.

The budget we are considering tonight therefore continues to provide a sound footing to help us steer our way through the challenging years ahead and to keep on delivering for our tenants who expect nothing less than a well-managed and financially sustainable Housing Revenue Account that underpins the future of their homes.

The proposed budget therefore puts us in a good position to confidently face the future, which includes entering the new era of Social Housing Regulation.”

In addition to Councillor Stephenson, Councillors Harris, P B Honeywood, Guglielmi and Platt addressed the Council on the subject matter of Councillor Stephenson's motion.

It was moved by Councillor M E Stephenson and:-

RESOLVED that Council approves:-

- (a) a 7.7% increase in dwelling rents in 2024/25; and
- (b) the Housing Revenue Account Budget for 2024/25, as set out in Appendix B to item A.2 of the Report of the Cabinet, along with the Scale of Charges, HRA Capital Programme and the movement in HRA Balances / Reserves, as set out in Appendices C, D and E respectively, to the aforementioned report.

122. URGENT MATTERS FOR DEBATE

No urgent matters had been submitted in accordance with Council Procedure Rule 2(viii) for this meeting.

The Meeting was declared closed at 8.34 pm

Chairman