

# Public Document Pack

## TENDRING DISTRICT COUNCIL

### AGENDA

For the meeting to be held on 28 March 2017

#### **Prayers**

**1 Summons to Council (Pages 1 - 2)**

**2 Apologies for Absence**

The Council is asked to note any apologies for absence received from Members.

**3 Report of the Returning Officer on the District Council By-Election - Great and Little Oakley Ward (Pages 3 - 4)**

The Council will receive the Returning Officer's Report on the by-election held on 9 February 2017 in the Great and Little Oakley Ward.

**4 Minutes of the Last Meeting of the Council (Pages 5 - 14)**

The Council is asked to approve, as a correct record, the minutes of the Council Meeting held on Tuesday 7 February 2017.

**5 Declarations of Interest**

Councillors are invited to declare any disclosable pecuniary interests, or other interest, and the nature of it, in relation to any item on the agenda.

**6 Announcements by the Chairman of the Council**

The Council is asked to note any announcements made by the Chairman of the Council.

**7 Announcements by the Chief Executive**

The Council is asked to note any announcements made by the Chief Executive.

**8 Statements by the Leader of the Council**

The Council is asked to note any statements made by the Leader of the Council.

*Councillors may then ask questions of the Leader on his statements.*

**9 Statements by Members of the Cabinet**

The Council is asked to note any statements made by Members of the Cabinet (Portfolio Holders).

*Councillors may then ask questions of the Portfolio Holders on their statements.*

**10 Annual State of the Tendring District Statement by the Leader of the Council**

The Council will receive the annual State of the Tendring District Statement from the Leader of the Council.

**11 Petitions to Council**

The Council will consider any petition(s) received in accordance with the Scheme approved by the Council.

There are none on occasion.

**12 Questions Pursuant to Council Procedure Rule 10.1**

Subject to the required notice being given, members of the public can ask questions of the Leader of the Council, Portfolio Holders or Chairmen of Committees.

The Chairman shall determine the number of questions to be tabled at a particular meeting in order to limit the time for questions and answers to half an hour.

There are none on this occasion.

**13 Questions Pursuant to Council Procedure Rule 11.2 (Pages 15 - 16)**

Subject to the required notice being given, Members of the Council can ask questions of the Chairman of the Council, the Leader of the Council, Portfolio Holders or Chairmen of Committees or Sub-Committees.

The time allocated for receiving and disposing of questions shall be a maximum of 45 minutes. Any question not disposed of at the end of this time shall be the subject of a written response, copied to all Members unless withdrawn by the questioner.

**14 Report of the Leader of the Council - Urgent Cabinet or Portfolio Holder Decisions (Pages 17 - 18)**

The Council will receive a report on any Cabinet decisions taken as a matter of urgency in accordance with Access to Information Procedure Rule 17.4, Budget and Policy Framework Procedure Rule 6(b) and/or Overview and Scrutiny Procedure Rule 18(i).

**15 Minutes of Committees (Pages 19 - 52)**

The Council will receive the minutes of the following Committees:

- (a) Community Leadership and Partnerships Committee of Monday 9 January 2017;
- (b) Local Plan Committee of Thursday 19 January 2017;
- (c) Audit Committee of Thursday 26 January 2017;
- (d) Corporate Management Committee of Monday 13 February 2017;
- (e) Community Leadership and Partnerships Committee of Monday 20 February 2017;
- (f) Council Tax Committee of Wednesday 22 February 2017;
- (g) Service Development and Delivery Committee of Monday 27 February 2017;
- (h) Corporate Management Committee of Monday 13 March 2017;
- (i) Human Resources Committee of Tuesday 14 March 2017; and
- (j) Audit Committee of Thursday 16 March 2017.

**NOTES:** (1) The above minutes are presented to Council **for information only**. Members can ask questions on their contents to the relevant Chairman but questions as to the accuracy of the minutes **must** be asked at the meeting of the Committee when the relevant minutes are approved as a correct record; and

(2) The minutes referred to in items (i) and (j) above are to follow.

## **16 Motions to Council**

The Council will consider motions, notice of which has been given, pursuant to Council Procedure Rule 12.

There are none on this occasion.

## **17 Recommendations from the Cabinet - Annual Treasury Strategy 2017/2018 (including Prudential and Treasury Indicators) (Pages 53 - 78)**

Council's approval is sought in respect of the Annual Treasury Strategy for 2017/2018.

Cabinet considered the Strategy at its meeting held on 17 March 2017 and its recommendation to Council is contained in Minute 166 which is shown in bold text. The Report of the Resources and Corporate Services Portfolio Holder which Cabinet considered is attached.

## **18 Reports Submitted to the Council by an Overview and Scrutiny Committee**

The Council is asked to consider any reports submitted to it by an Overview and Scrutiny Committee.

There are none on this occasion.

## **19 Report of the Chief Executive - A.2 - St James Ward By-Election (Pages 79 - 80)**

To inform Council of the date of the By-Election in the St James Ward.

**20 Report of the Chief Executive - A.3 - Review of the Allocation of Seats to Political Groups (Pages 81 - 82)**

Following the by-election held in the Great and Little Oakley Ward, to report the outcome of a review of the allocation of seats to political groups carried out in accordance with Section 15(1)(e) of the Local Government and Housing Act 1989 and Regulation 17(b) of the Local Government (Committees and Political Groups) Regulations 1990.

**21 Report of the Corporate Director (Corporate Services) - A.4 - Operation of Political Proportionality Rules in Allocating Seats on Committees Etc. to Non-Aligned Members (Pages 83 - 98)**

To enable Council to consider the operation of political proportionality rules in allocating seats on Committees etc. to Non-Aligned Members.

To enable Council to then choose one of the three available options which will be implemented with effect from the Annual Meeting of the Council on 25 April 2017.

**22 Report of the Corporate Director (Corporate Services) - A.5 - Pay Policy Statement 2017/18 (Pages 99 - 110)**

Council's approval is sought in respect of the Pay Policy Statement for 2017/18.

**23 Urgent Matters for Debate**

The Council will consider any urgent matters submitted in accordance with Council Procedure Rules 3(xvi), 11.3(b) and/or 13(q).

**Date of the Next Scheduled Meeting of the Council**

Tuesday, 25 April 2017 at 7.30 pm - Princes Theatre, Town Hall, Station Road, Clacton-on-Sea, CO15 1SE.

**PRINCES THEATRE**

**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 four fire exits in the auditorium and follow the exit signs out of the building.

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

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

The assembly point for the Princes Theatre is in the car park to the left of the front of the building as you are facing it.

Your calmness and assistance is greatly appreciated.

# Agenda Item 1

## TENDRING DISTRICT COUNCIL

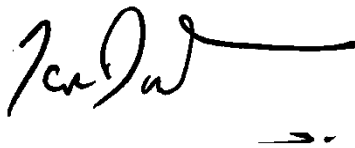
Committee Services  
Town Hall  
Station Road  
Clacton-on-Sea  
Essex  
CO15 1SE

20 March 2017

Dear Councillor

I HEREBY SUMMON YOU to attend the meeting of the Tendring District Council to be held in the Princes Theatre, Town Hall, Station Road, Clacton-on-Sea at 7.30 p.m. on Tuesday 28 March 2017 when the business specified in the accompanying Agenda is proposed to be transacted.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Davidson', with a long horizontal flourish extending to the right.

Ian Davidson  
Chief Executive

To: All members of the  
Tendring District Council

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## COUNCIL

28 MARCH 2017

### RETURNING OFFICER'S REPORT

### DECLARATION OF RESULT OF POLL

### GREAT AND LITTLE OAKLEY WARD

The result of the by-election in the Great and Little Oakley Ward of the District held on 9 February 2017 was as follows:-

Matthew Charles Bensilum	83 votes
Michael Bush	216 votes
Andrew James Erskine	171 votes
Robert James Shepherd	117 votes

Michael Bush was duly elected a Councillor for the Great and Little Oakley Ward of the District of Tendring and has since made a Statutory Declaration of Acceptance of Office.

Councillor Bush has also given notice that he wishes to be treated as a member of the UKIP Group for the purposes of the Local Government and Housing Act 1989. The notice was counter-signed by the Leader of the UKIP Group, Councillor Stephenson..

This item is submitted for **INFORMATION ONLY.**

**IAN DAVIDSON**  
**RETURNING OFFICER**

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**MINUTES OF THE MEETING OF THE TENDRING DISTRICT COUNCIL,  
HELD ON TUESDAY 7 FEBRUARY 2017 AT 7.30 PM  
IN THE PRINCES THEATRE, TOWN HALL, CLACTON-ON-SEA**

**Present:** Councillors Chapman (Chairman), Platt (Vice-Chairman), Amos, Baker, Bennison, Bray, Broderick, B E Brown, M Brown, Bucke, Calver, Cawthron, Chittock, Coley, Cossens, Davis, Everett, Fairley, Ferguson, Fowler, Gray, Griffiths, G V Guglielmi, V E Guglielmi, Heaney, I J Henderson, J Henderson, Hones, Honeywood, Khan, King, Land, Massey, McWilliams, Miles, Newton, Nicholls, Parsons, Pemberton, Poonian, Porter, Raby, Scott, M J Skeels, M J D Skeels, Steady, Stock, Turner, Watling, Watson, White, Whitmore, Winfield and Yallop

**In Attendance:** Chief Executive (Ian Davidson), Corporate Director (Corporate Services) (Martyn Knappett), Head of Finance, Revenues & Benefits Services (Richard Barrett), Committee Services Manager (Ian Ford), Communications & Public Relations Manager (Nigel Brown) and Committee Services Officer (Katie Sullivan)

**133. APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors J A Brown, Callender, Stephenson and Talbot.

**134. MINUTES**

**RESOLVED**, that the minutes of the ordinary meeting of the Council, held on Tuesday 24 January 2017, be approved as a correct record and signed by the Chairman.

**135. DECLARATIONS OF INTEREST**

There were none made at this time.

**136. ANNOUNCEMENTS BY THE CHAIRMAN**

The Chairman thanked everyone who had helped at, or attended, the recent Civic Service and the Pride of Tendring Awards.

The Chairman was also pleased to inform Members that Councillor Talbot was recovering very well from his operation that he had had that morning.

**137. ANNOUNCEMENTS BY THE CHIEF EXECUTIVE**

The Chief Executive announced that a review of the arrangements for security and for filming at meetings of the Council was being undertaken. Consideration would also be given to the formulation of a protocol for public attendance at meetings.

**138. STATEMENTS BY THE LEADER OF THE COUNCIL**

The Leader of the Council (Councillor Stock) referred to Members' anxiety about the behaviour of a member of the public at the previous meeting of the Council, which had led to concerns about the security arrangements at Council meetings.

The Leader of the Council welcomed the Chief Executive's review and encouraged Members to engage with that review and to put forward their ideas.

Councillors I J Henderson, Scott, Bray, Broderick, Watling and Porter spoke to the Leader's statement and Councillor Stock responded to those Members, as appropriate.

**139. STATEMENTS BY MEMBERS OF THE CABINET**

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

**140. REPORT OF THE CABINET – A.1 - CABINET'S PROPOSALS – GENERAL FUND BUDGET AND COUNCIL TAX 2017/2018**

The Council gave consideration to the Cabinet's General Fund budget proposals for 2017/18 and the amount of Council Tax for District and Town and Parish Council services for the financial year 2017/18, for each category of dwellings within the District of Tendring, to support the proposed level of expenditure.

Members were aware from Minute 135 (A.2) of the meeting of the Cabinet held on 20 January 2017, that the Corporate Director (Corporate Services), in consultation with the Leader of the Council and the Interim Finance, Revenues & Benefits Portfolio Holder, had been authorised to submit a report to this meeting in respect of the formal draft resolutions necessary to implement the Cabinet's budget proposals, together with any late information, or notifications received from the Department for Communities and Local Government, as may necessarily affect the budget.

The Council was advised of all the resolutions made by the Cabinet on 20 January 2017, together with the additional recommendations necessary to set the Council Tax levy. Those resolutions and recommendations were before the Council, as contained within item A.1 of the Report of the Cabinet.

The Council was aware that the Cabinet's proposed budget had been subject to the Council's Budget and Policy Framework Procedure Rules, which had included scrutiny by the Council's Corporate Management Committee.

Members were also aware that the Town and Parish Councils within the District had met to set their precepts and those precepts were contained within Appendix E to the Report of the Cabinet, which detailed the Precepts on the Collection Fund. The Council was also aware from Appendix F, that the average District and Parish Council Tax for a Band D property would increase to £192.52.

The Leader of the Council (Councillor Stock) made the following statement on the Council's estimates and financial arrangements for the year ending 31 March 2017:

*"When I stood here 12 months ago and introduced the 2016/17 budget I explained how it had been the toughest budget in many recent years. But the budget for 2017/18 has been even tougher and following the Government's 4 year funding offer there will be no let-up in the need to find savings right through to 2019/20.*

*And even then, whilst I am sure many people will be hoping that things will start to get better after 2019/20 with the introduction of the 100% business rates retention approach, I think it would be safe for us all to remain cynical and assume that our funding position is not going to get any easier. History would suggest that it is quite likely that Government will be considering devolving further burdens down to Local Authorities but not backing them up with the right level of funding, which was the trick we all remember*

*they did with the Local Council Tax Support Scheme.*

*Our underlying principle in past years when making savings has always been to protect front line services. So our focus has been on working more efficiently and reducing our staffing and overhead costs alongside modest changes to service delivery. We have taken £12million out of the budget over the last few years and I am extremely proud that the impact on front line services has been minimal. Twelve million pounds out of the budget with little or no impact on services!*

*However, given the scale of savings required over the next two years and beyond, this line is becoming increasingly difficult to hold. In fact, let me be frank; it's going to be impossible!*

*Chairman, it was interesting to see that there were no responses to the budget consultation exercise we undertook this year. It set out two simple questions one of which was:*

*Have you any specific ideas about how the council can save money and protect services, then please let us know?*

*We received no responses to that consultation. And of course, it is worth reminding ourselves that even if we had been inundated with responses and ideas it is still the responsibility of my Cabinet to put forward any actual budget reductions, wherever the original idea came from, but we do all need to help shape what this Council will look like over the next few years and what services our residents, businesses and visitors want from us. We may all have different ideas about how to do this but let's put them on the table as it is so important that we set out what the foundations of this Council will be, as at the end of the day we are only the current trustees or custodians of the Council for a limited period of time and we want to make sure we set our stall out now to build on over the next 5 to 10 years.*

*I am always torn between an emotional response to the budget reductions needed and the hard headed approach that we need to maintain. I have recently seen comments where people criticise us for the budget reductions we are proposing, such as the closure of some public conveniences. I totally understand people's frustration but this has to be aimed at the Government and not this Council. I would love us to be in the position where we do not have to make any further budget reductions but this is simply not an option.*

*So the question I would always have for people when they criticise us for the tough decisions we need to make is what savings would they put forward instead – we simply cannot protect everything we currently provide to our residents, business and visitors. I would always welcome any suggestions for how we can balance the budget regardless of who proposes it - if it's a good idea, it's a good idea and therefore one we can explore it further.*

*So, turning to the budget for 2017/18, the budget presented to Members tonight continues to be built on strong foundations as has been the case in previous years.*

*We would all agree that raising additional income instead of reducing services is a logical place to work from. We mention self-sufficiency during each budget cycle and 2017/18 is no different. We need to build our Council Tax and Business Rates income over the coming years. Although this will take time it will ensure that it limits budget reductions elsewhere and working without the black cloud of the annual revenue support grant announcement will be welcomed.*

*With this firmly in mind, we have to put money into the long term financial sustainability of the Council as this will provide future generations with a Council that can still deliver quality services to local people.*

*The money that we have set aside from new homes bonus aims to achieve this. Broadband, Garden Communities, regeneration in Jaywick along with events like the Airshow and Women's cycle tour all have one thing at their hearts – building our economy and therefore strengthening our local business and council tax base.*

*I recall discussions in connection with economic studies a few years ago where it was suggested that as a district we needed to grow our way out of historically low economic performance. You could say that this is stating the obvious but a stronger local economy will be delivered through housing and business growth, which need to go hand in hand. Although housing growth will always present a very difficult political challenge for all of us, it does make economic sense. However, as I have said in the past it is about the right growth in the right area as similarly to being custodians of this Council we are also stewards of our fantastic district which forms the basis of the legacy we will all leave behind.*

*With this in mind, I am pleased that we are bold enough to be a key player in the Garden Community project and I applaud all Members in this chamber for the massive support you gave it at our meeting back in November. We are all aware of the infrastructure requirements when there is housing growth and we know people are concerned that if you grow your housing numbers you need the infrastructure around it – this is exactly what lies at the centre of the garden community principles and it will provide a good quality environment for those who will live and work there. Although it is a long term project that will span a number of administrations here at Tendring District Council, it will provide additional income from council tax and business rates as part of the council's overall drive towards self-sufficiency. We could take a really short term view based on the short democratic cycle but we have chosen not to, and that is why an additional £2million has been set aside to support this project.*

*Although some Councils may think that a project of this scale is enough to be getting on with, we are looking to do even more. In addition to various projects we are developing, the budget also includes a number of commitments including:*

- 1) £1 million for the Harwich Public Realm project*
- 2) £350 thousand to support Channel Shift projects within the Council*
- 3) £20 thousand to continue the sea and beach festivals*
- 4) £40 thousand to refurbish the theatre toilets*
- 5) £25 thousand to continue to lift the profile of the district via a TV commercial campaign*
- 6) £23 thousand to support the continuation of the important Mental Health Hub work*

*These are in addition to the investment in the office transformation project with £1.160million set aside to fund it and £70,000 to be spent on public conveniences across the District as part of an overall package which will include the closure of some facilities.*

*Whilst we can make decisions around investments we can't take our eye off our emerging cost pressures. The budget recognises a number of these such as £220,000 for remedial works to the cliff retaining wall along Marine Parade West, Clacton, which is a significant amount of money that we have had to find within a difficult budget round.*

*It is also worth highlighting cost pressures within our supply chains. A good example of*

*this is the Waste, Recycling and Street Cleansing Contracts. At a total cost of £4.3 million these account for a significant element of our overall budget. Given their size it is logical to think that it would be a good place to see what savings may be possible to achieve from this area of the Council's budget. However, on recent investigation, it quickly became apparent that our suppliers and contractors are experiencing their own cost pressures such as the living wage, pensions, apprenticeship levy to name a few. Such costs all feed through to us as the final customer and compound the challenge of identifying budget reductions – it could well be possible that the Council has to reduce a service just to keep costs the same in future.*

*If that was the case, then we will need to look elsewhere in the budget for the savings – I really hope that people understand the real financial challenge we face rather than think we are just going around suggesting reductions to services because we want to – identifying budget reductions is not an option or a choice that we have made but a financial necessity, just as would be the case if we all experienced the same reduction in income in our own domestic lives. We cannot keep spending money that is not coming in any more.*

*As I have said before, I would always urge those who initially and perhaps instinctively oppose the options and ideas we put forward to just take a moment to appreciate the difficult financial job the Council is continually faced with. I think it is fair to say that a lot more people in the Government now know who we are and where we are for all of the right reasons - we have built a reputation for being a confident and 'can do' Council which is definitely being recognised at Whitehall.*

*As we have highlighted before, most of our residents see a Council Tax bill for an amount in excess of £1,000 each year. You could argue that our residents should not care about where this funding goes as it is all within the Public Sector but we must make it clear whenever we can that only a very small percentage is receivable by this Council. Let's never forget that no private sector organisation can boast of doing what we do – that is to deliver such a diverse range of services to such a diverse range of customers all for an average Council Tax amount of just £3 per week.*

*In terms of looking towards 2018/19 and beyond, I genuinely want to work with as many members and other stakeholders as possible – we may all have different political backgrounds or outlooks but as mentioned earlier we are the current custodians and stewards of this Council and District. Only working together can we secure the best possible future for this Council and for everyone who lives, works or visits the district and it will take all of us and the people who fill our seats in the future to keep shaping the Tendring District and the Council which serves it for the good of all – PRO BONO OMNIUM.*

*And one final word Chairman, before I sit down. When discussing the details of a budget we don't often talk about our reserves – except perhaps when an amendment is proposed to dip into them. And I just wanted to mention one example of why we need reserves and indeed why our Chief Financial Officer has a legal obligation to ensure that they are sufficient; just a few weeks ago hundreds of our residents were evacuated to safety as their homes faced the imminent threat of being flooded by the sea. Luckily the sea didn't come over the wall. But it did in 1952 and we know that it will again some time... we just don't know when. When that event happens we all hope and pray that the emergency procedures that were put into operation last month will again ensure that everyone is moved safely to a place of refuge but if the sea does come in it will destroy homes leaving many of our residents homeless; maybe dozens, hundreds or more and it will be our legal duty to house them. I mention that because we all know that it is a very real risk and it is just one of the reasons that we do need to keep decent reserves.*

*Chairman, this is a confident, constructive and optimistic budget despite the national backdrop of unprecedented cuts to local government. This Council strives to be creative, innovative and positive no matter what and we will continue to deliver for our residents and improve and enhance this amazing district for the good of all.*

*Chairman I commend this budget to the Council.”*

It was moved by Councillor Stock: :

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 the responses to the budget consultation process the Council approves the budget proposals (based on a £5 Band D council tax increase for district services) and agrees:

- i) that the total General Fund net revenue budget for 2017/18 be set at £13.696m and revised net budget for 2016/17 of £14.048m (a council tax requirement of £7.229m and £6.855m respectively excluding parish precepts);
- ii) that the General Fund capital programme be approved totalling £2.730m in 2017/18;
- iii) that the detailed General Fund budgets be as per the Cabinet’s budget proposals of 20 January 2017, as set out in Appendix B to the Report of the Cabinet;
- iv) the calculation of the Council’s Council Tax requirement, Special Expenses and Parish/Town Council precepts, as set out at Appendix D to the Report of the Cabinet;
- v) the Council Tax for District and Parish/Town Councils’ services, as set out at Appendix G to the Report of the Cabinet 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) that subject to the above, if budget adjustments are required following the late notification of external / grant funding then, in consultation with the Finance, Revenues and Benefits Portfolio Holder, budgets are adjusted accordingly with no net impact on the overall budget, or capital programme set out above.

Councillor Broderick moved and Councillor Bray seconded that Councillor Stock’s motion be amended by the addition of the following:

- “vii) that the uncommitted amount of the Big Society funding be allocated in equal amounts to each Councillor (all 60) for them to identify and sanction support to deserving causes in their Wards, in neighbouring Wards even joining with other Councillors to fund a general community project. The key aim being to empower all 60 Councillors to make the decision for their wards rather than just a committee of 10.”

Councillors Scott, Winfield, G V Guglielmi, Honeywood, Calver, Miles, J Henderson, Steady, Watling and Stock all spoke to Councillor Broderick’s amendment.

The Chief Executive reminded Members that The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 required local authorities to hold a named vote on the Budget motion and all amendments thereto.

In respect of Councillor Broderick's amendment the vote resulted as follows:

<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Bray	Amos	None	J A Brown
Broderick	Baker		Callender
Bucke	Bennison		Stephenson
Cawthron	B E Brown		Talbot
Davis	M Brown		
Everett	Calver		
Gray	Chapman		
Khan	Chittock		
King	Coley		
Newton	Cossens		
Pemberton	Fairley		
Porter	Ferguson		
Raby	Fowler		
Watson	Griffiths		
Winfield	G V Guglielmi		
	V E Guglielmi		
	Heaney		
	I J Henderson		
	J Henderson		
	Hones		
	Honeywood		
	Land		
	Massey		
	McWilliams		
	Miles		
	Nicholls		
	Parsons		
	Platt		
	Poonian		
	Scott		
	M J Skeels		
	M J D Skeels		
	Steady		
	Stock		
	Turner		
	Watling		
	White		
	Whitmore		
	Yallop		

Councillor Broderick's amendment was declared **LOST**.

Councillors I J Henderson, Bray, Parsons, Broderick, Scott, Steady, G V Guglielmi, Calver, Porter, Newton and Everett all spoke to Councillor Stock's motion.

In respect of Councillor Stock's motion the vote resulted as follows:

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<u>Councillors For</u>	<u>Councillors Against</u>	<u>Councillors Abstaining</u>	<u>Councillors Not Present</u>
Amos	Bray	Bucke	J A Brown
Baker	Broderick		Callender
Bennison	Cawthron		Stephenson
B E Brown	Everett		Talbot
M Brown	Gray		
Calver	King		
Chapman	Newton		
Chittock	Porter		
Coley			
Cossens			
Davis			
Fairley			
Ferguson			
Fowler			
Griffiths			
G V Gugliemi			
V E Gugliemi			
Heaney			
I J Henderson			
J Henderson			
Hones			
Honeywood			
Khan			
Land			
Massey			
McWilliams			
Miles			
Nicholls			
Parsons			
Pemberton			
Platt			
Poonian			
Raby			
Scott			
M J Skeels			
M J D Skeels			
Steady			
Stock			
Turner			
Watling			
Watson			
White			
Whitmore			
Winfield			
Yallop			

Councillor Stock's motion was declared **CARRIED**.



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**141. REFERENCE FROM THE AUDIT COMMITTEE – A.2 – APPOINTMENT OF EXTERNAL AUDITOR FROM 2018/19**

Council was informed that, on 26 January 2017, the Audit Committee had considered a report of the Corporate Director (Corporate Services) which set out the proposal to opt into the appointing person arrangements made by Public Sector Audit Appointments for the appointment of External Auditors from 2018/19.

The Audit Committee had resolved that it recommended to Council that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments for the appointment of external auditors from 2018/19.

The Audit Committee report referred to above was attached as Appendix A to the Reference from the Audit Committee for the Council's consideration.

It was moved by Councillor Coley and:

**RESOLVED** that

- (a) Tendring District Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors from 2018/19; and
- (b) PSAA be informed of the Council's decision by PSAA's deadline for responses of 9 March 2017.

**142. REPORT OF THE CHIEF EXECUTIVE – A.3 – APPROVAL OF NON-ATTENDANCE AT MEETINGS**

The Chief Executive formally reported that the last meeting which Councillor Callender had attended was that of the full Council on 6 September 2016. Since then, Members were aware that Councillor Callender, following a period of time in which he had nursed his sick wife in a hospice and who had then sadly passed away, had not been able to attend meetings due to his bereavement.

Council was informed that, if a Councillor did not attend any meeting of the Council (or any of its Committees or Sub-Committees) for a consecutive period of six months, they would be disqualified from office under Section 85 of Part V of the Local Government Act 1972 unless the Full Council had approved their reason for non-attendance before the end of that period.

Members were advised that this was the last scheduled meeting of the Full Council before the six-month period expired in the case of Councillor Callender.

It was moved by Councillor G V Guglielmi, seconded by Councillor Watling and:

**RESOLVED** that Councillor Callender's reason (namely bereavement) for non-attendance at meetings of the Council be approved in the event of him not attending a meeting before 6 March 2017.

**143. URGENT MATTERS FOR DEBATE**

There were none on this occasion.

The meeting was declared closed at 9.10 pm.

Chairman

## **Questions pursuant to Council Procedure 11.2**

The following question has been received, on notice, from a Member:

### Question

From Councillor Richard Everett to **Councillor Neil Stock, Chairman of the Local Plan Committee:**

*“At the meeting of the Local Plan Committee held on Thursday, 19th January, 2017, a methodology for calculating the Five-Year Housing Land Supply was discussed. The Local Plan Committee:*

- *agreed a flawed methodology for calculating the five-year housing land supply;*
- *noted an underestimation of the real position of a five-year housing land supply; and*
- *noted that a formal housing land supply statement would be reported in March which has not since materialised.*

*Given that these decisions were taken on incomplete and incorrect data, and excluding an essential element of supply permitted by the High Court ruling last year (the Modwen Judgement), does the Chair of the Local Plan Committee feel that it was wise voting for a flawed methodology that gives speculative developers a green light for their development?*

*Further does he feel that the underestimation of the real position on housing land supply is fair to the people of Tendring who wish to be able to defend against greedy developers dumping their housing in inappropriate places, (such as Ardleigh, Great Bentley, Great Oakley, Kirby, Little Clacton and Weeley to name just a few.”*

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## COUNCIL

28 MARCH 2017

### REPORT OF LEADER OF THE COUNCIL

#### A.1 EXECUTIVE DECISION TAKEN AS A MATTER OF URGENCY

##### PART 1 – KEY INFORMATION

###### **PURPOSE OF THE REPORT**

To notify Members of any recent Executive Decision(s) taken in the circumstances set out in the Council's Constitution in:-

- (a) Rule 15 of the Access to Information Procedure Rules (Special Urgency); and/or
- (b) Rule 18(i) of the Overview and Scrutiny Procedure Rules (Call-in and Urgency).

###### **EXECUTIVE SUMMARY**

In accordance with the requirements of Rule 16.2 of the Access to Information Procedure Rules and Rule 18(i) of the Overview and Scrutiny Procedure Rules, this report notifies Members of any recent Executive Decision(s) taken in the circumstances set out in Rule 15 of the Access to Information Procedure Rules and/or Rule 18(i) of the Overview and Scrutiny Procedure Rules.

###### **RECOMMENDATION**

**That the contents of the report be noted.**

##### PART 2 – SUPPORTING INFORMATION

###### **BACKGROUND**

The "Special Urgency" procedure in Rule 15 of the Access to Information Procedure Rules provides that where a key decision cannot be reasonably deferred to allow the procedure in Rule 14 (General Exception) of those procedure rules to be followed, it may still be taken with the agreement of the Chairman of the relevant overview and scrutiny committee, or failing him/her, the Chairman or Vice-Chairman of the Council.

Rule 18(i) of the Overview and Scrutiny Procedure Rules provides that the "call-in" procedure will not apply to a decision if the Chairman, or failing him/her the Vice-Chairman, of the relevant overview and scrutiny committee agrees both that the decision is reasonable in all its circumstances and that any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests.

###### **DECISION TAKEN AS A MATTER OF URGENCY**

###### **Men's Cycle Tour of Britain 2017**

On 28 February 2017, in view of the urgency of the issue concerned and in accordance with Rule 15 of the Access to Information Procedure Rules and Rule 18(i) of the Overview and Scrutiny Procedure Rules, I sought and subsequently obtained the Chairman of the Corporate Management Committee's (Councillor Steady) consent that my decision relating

to agreeing that the Council makes a bid to bring a time trial stage of the Men's Tour of Britain 2017 to the District of Tendring should be taken under the Special Urgency procedure and also be exempt from the call-in procedure.

My decision was as follows:

*“(a) The Leader agrees that the Council makes a bid to bring a time trial stage of the Men's Tour of Britain 2017 to the District of Tendring;*

*(b) That the additional funding required of up to £95,000 be met from the New Homes Bonus and added to the £65,000 that was included in the budget for the Women's Tour to fully fund the event; and*

*(c) To delegate to the Corporate Director (Operational Services) to undertake the necessary actions to facilitate the bid and host the event in 2017.”;*

It was felt that any delay likely to be caused by the call-in process and by not being allowed to use the special urgency process would have seriously prejudiced the Council's and the public's interest for the following reasons:-

*“A time limited offer was made to the Council in respect of making a financial contribution to bring a stage of the Men's Tour of Britain cycling event to the Tendring District in September 2017.*

*It was felt that a significant economic/tourism opportunity would be missed if it was not agreed to bid to host a key stage of the Men's Tour.”*

## **BACKGROUND PAPERS**

Letter dated 28 February 2017 from the Leader of the Council to the Chairman of the Corporate Management Committee.

Reply dated 1 March 2017 from the Chairman of the Corporate Management Committee signifying consent to allow the decision to be taken under the Special Urgency procedure and to be exempted from call-in.

Report from the Corporate Director (Operational Services) to the Leader of the Council.

Executive Decision dated 1 March 2017.

## **APPENDICES**

None.

**MINUTES OF THE MEETING OF THE COMMUNITY LEADERSHIP AND  
PARTNERSHIPS COMMITTEE,  
HELD ON MONDAY 9 JANUARY 2017 AT 7.30 PM  
IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY**

<b>Present:</b>	Councillors Fairley (Chairman), Baker (Vice-Chairman), Amos, Broderick, I Henderson, Land, Newton, Stephenson, Whitmore and Yallop
<b>Also Present:</b>	Councillors Bucke, Davis, McWilliams and Platt
<b>In Attendance:</b>	Anastasia Simpson (Head of People, Performance and Projects), Karen Neath (Management and Members' Support Manager), Rebecca Morton (Executive Projects Manager) and Katie Sullivan (Committee Services Officer)
<b>Also In Attendance</b>	Petrina Murphy (Area Station Manager – Abellio)

**26. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were apologies for absence received from Councillor Poonian, Councillor King (with Councillor Broderick substituting) and Councillor Raby (with Councillor Whitmore substituting).

**27. MINUTES OF THE LAST MEETING**

The minutes of the last meeting of the Committee, held on Monday 14 November 2016, were approved as a correct record and signed by the Chairman.

**28. DECLARATIONS OF INTEREST**

There were none.

Later on in the meeting, as mentioned below in minute 31, Councillor Broderick declared a Non Pecuniary Interest, by virtue of the fact that she was a member of the Citizens Advice Bureau.

**29. EAST ANGLIA RAIL FRANCHISE**

Petrina Murphy, Area Station Manager for Abellio attended the meeting and gave a presentation to the Committee on Abellio's plans and proposals for the new nine year East Anglia Rail Franchise. Her presentation covered the following:

- (1) Headline Benefits;
- (2) New trains for Essex;
- (3) More frequent and improved journeys;
- (4) Station improvements;
- (5) Performance improvements; and
- (6) Other enhancements, which included supporting the regional economy.

Members asked questions on various issues which included:

- (a) The location of new ticket vending machines;
- (b) Car parking;
- (c) Bike spaces on trains;
- (d) Disabled facilities;
- (e) CCTV;
- (f) Later trains into Clacton;
- (g) Job seekers support;
- (h) Planned maintenance disruptions;
- (i) Manned ticket offices and platforms; and
- (j) Risk assessments.

Petrina Murphy was unable to answer all of the questions asked but agreed that she would go away and look into them further and get back with answers.

It was suggested by the Chairman that Petrina Murphy (or a representative of Abellio) came back to the Committee later on in 2017 with an update on the progress made.

The Chairman thanked Petrina Murphy for her attendance and looked forward to the plans and proposals being taken forward in the future.

**30. REVIEW OF THE CHILDREN AND YOUNG PEOPLE PARTNERSHIP DELIVERY PLAN 2015 -2016**

The Committee had before it a report of the Corporate Director (Corporate Services), which presented it with the review of Tendring's Children and Young People Partnership Delivery Plan 2015/16. The Delivery Plan 2015/16 was attached to the report as appendix A.1.

It was reported that:

- Tendring District Council's Children and Young People's Partnership Delivery Plan 2015/16 had been put in place to support the Children and Young People's Strategy which had been approved in 2011, and updated in 2015.
- The Delivery Plan had provided the opportunity for the Council to work with key partner agencies to ensure that progress was made against agreed objectives/priorities in compliance with Government guidelines and best practice.
- The Delivery Plan had reflected the four main priority areas namely: Education, Safeguarding, Child Poverty and NEET's (16 to 19 year olds not in Education, Employment or Training).
- The report reviewed the progress made against those priority areas.
- It was proposed that a new Delivery Plan 2016/17 be developed as part of the work on a new Children and Young People Strategy for Tendring.
- This was a timely opportunity to review the Council's priorities for Children and Young People with the launch of the Council's Corporate Plan 2016 – 2020 and the new Essex County Council Children and Young People's Strategic Plan, 2016 and onwards.



The Council's Executive Projects Manager (Rebecca Morton) gave Members an update on the current position of the four key priority areas. Officers then responded to questions raised by Members on various issues which included:

- (1) The Mental Health hub;
- (2) Support of North East Essex Children's Partnership Board; and
- (3) The new IntoUniversity Centre, opening in autumn 2017 in Tendring.

Councillor Broderick declared a Non Pecuniary Interest, by virtue of the fact that she was a member of the Citizens Advice Bureau.

Officers undertook, when looking at the new Delivery Plan, to look again at actions that can have an impact on reducing child poverty.

Following discussion by the Committee it was **RESOLVED** that:

- (a) The Committee notes the update and progress made against the 2015/16 targets identified within the Children and Young People's Delivery Plan.
- (b) That the Committee notes that the Children and Young People's Strategy is to be reviewed and updated, and that the Portfolio Holder for Leisure, Health and Wellbeing will be invited to attend a future Community Leadership and Partnerships Committee meeting to present the updated Strategy.

**31. UPDATE ON THE COMMUNITY LEADERSHIP AND PARTNERSHIPS COMMITTEE WORK PROGRAMME**

The Committee received an update on its work programme from the Management and Members' Support Manager (Karen Neath).

A list of suggested items for the work programme for the 2017/18 municipal year was circulated to the Committee and discussion took place on Members thoughts and ideas. It was agreed that Members would go away and think about potential items and put any forward in time for the scheduled Committee meeting in March, where the review of the year and work programme for 2017/18 would be agreed.

The Meeting was declared closed at 9.16 pm.

**Chairman**

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**MINUTES OF THE MEETING OF THE LOCAL PLAN COMMITTEE**  
**HELD ON 19 JANUARY 2017 AT 6.00 P.M. IN THE PRINCES THEATRE, TOWN HALL,**  
**STATION ROAD, CLACTON-ON-SEA**

**Present:** Councillors Turner (Vice-Chairman, in the Chair), Amos, Bray, M Brown, Cawthron, Everett, G V Guglielmi (except items 20 -23), V E Guglielmi (except items 20 – 23), I J Henderson (except items 20 - 22), Land, Newton, Scott and Winfield

**Also Present:** Councillors Heaney, McWilliams, Parsons and White

**In Attendance:** Corporate Director (Corporate Services) (Martyn Knappett), Head of Planning Services (Cath Bicknell), Committee Services Manager (Ian Ford), Planning and Regulation Manager (Simon Meecham), Communications Manager (Nigel Brown) and Planning Officer (Will Fuller)

**Also in Attendance:** Senior Development Technician (Mary Foster)

**20. CHAIR**

In the absence of the Chairman of the Committee (Councillor Stock), the Chair was occupied by the Vice-Chairman (Councillor Turner).

**21. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were submitted on behalf of Councillors Broderick (who was substituted by Councillor Winfield), Chapman, Platt (who was substituted by Councillor V E Guglielmi), Stephenson (who was substituted by Councillor Everett), M J D Skeels and Stock (who was substituted by Councillor M Brown).

**22. MINUTES OF THE LAST MEETING**

It was **RESOLVED** that the minutes of the last meeting of the Committee, held on 3 November 2016, be approved as a correct record and signed by the Chairman.

**23. DECLARATIONS OF INTEREST**

Councillor Scott declared a non-pecuniary interest in all agenda items insofar as he was the Ward Member for Alresford and insofar as he personally knew Sir Bob Russell who was a former employer.

**24. PUBLIC SPEAKING**

The Chairman invited the following persons to address the Committee:

Item A.3 – Methodology for the Five Year Housing Supply and Prediction for 31 March 2017 Housing Land Supply

Mr Peter Harry (resident of Great Bentley) asked the following question:

*“As a Great Bentley resident I have followed the development of the Local Plan and the numerous Planning applications as they affect our village. Great Bentley currently stands to gain some 300 dwellings since 2013/14 either completed, under construction or with outline planning permission. This represents a 44% increase in housing stock and 90% of the proposed housing allocation for the 6 Key Rural Service Centres.*

*Following the consultation period on TDC’s Preferred Options Document, amongst the many representations submitted, **Page 23** identified land that will affect the Parish of Great*

*Bentley. Of these 8 representations two have already been re-submitted as Planning Applications without waiting for a TDC response. If accepted and approved this would mean - a further 150 dwellings.*

*In response to a local magazine article re developments, Stephen Williams of Hills Building Group, stated on a public website that "Great Bentley is only being targeted by developers because TDC see it as an appropriate location for further development." And: "There is a shortfall of housing and it is TDC's duty to fill the gap where they see it is appropriate".*

*Having recently perused the papers for the forthcoming Local Plan Committee meeting on 19th Jan I note that TDC is predicting a 'shortfall' at the end of March 2017 of some 569 dwellings for the 5 year housing plan.*

*My question therefore "Is it the intention of the Local Plan Committee to adopt any of the 8 representations of land and in particular, the two recently submitted Planning Applications, to make up the shortfall. I would suggest that 450 dwellings is not sustainable in any sense of the word."*

The Chairman of the Committee replied along the following lines:

*"Thank you for your question Mr Harry.*

*At its meeting held on 3 November 2016, this committee agreed housing allocations for the Local Plan that were known as 'Option T'. This option did not include the allocation of any sites in Great Bentley. I can therefore confirm that the Council does not have any plans to make up any shortfall in housing land supply by allocating sites in Great Bentley.*

*However, as you point out, there are currently applications before the Council that propose residential development in Great Bentley. I also note your view that 450 homes is not sustainable. The Council is required to determine applications submitted to it taking into account national and local policy and other material considerations, including its current housing land supply position. I cannot comment on the merits of the applications but, if approved, these permissions would contribute to the supply of housing land."*

#### Item A.1 – Local Development Scheme 2016 - 2019

Parish Councillor Kevin Plummer (Great Bentley Parish Council), made a statement in which he expressed the Parish Council's concerns at the number of recent planning applications approved either by the Council or on appeal in Great Bentley together with other planning applications in the system which could lead to a 50% increase in the size of the village. The Parish Council did not feel that any increase in the size of the village envelope was required and could not support any large scale development at Aingers Green which should remain as a hamlet. The Parish Council requested that their views be taken into account by the Committee in progressing the Local Plan.

Angela Barnes, Vice-Chairman of Weeley Residents' Association (WRA), made a statement in which she advocated that the Council should look again at allocating the Horsley Cross site for development as a garden village which would generate the needed upgrade of the A120 and improvements to transport links.

Pippa Drew (Protect Great Bentley) made a statement in which she referred to the Council's decision to pursue Option T in the emerging Local Plan and queried how much weight in planning terms could now be given to the Plan in determining planning applications.

Carol Bannister (resident of Weeley) made a statement in which she welcomed the re-designation of Weeley as a Village Settlement but argued that the employment land allocations at Weeley now needed to be revised in the light of the above especially as a

planning application for a mixed use development had now been submitted. She also restated her opposition to any allocation of land for housing south of Thorpe Road.

#### Item A.2 – Local Plan Evidence Update

Sir Bob Russell, a resident of Colchester, referred to a recent workshop held on garden communities and queried its status. He also expressed his concerns about the status of the “gap” between the edge of the Borough of Colchester and the proposed new garden community in west Tendring and urged that it be as large as possible in order to protect Salary Brook.

At the request of the Chairman, the Head of Planning responded to the points made by Sir Bob.

### **25. LOCAL DEVELOPMENT SCHEME 2016 - 2019**

The Committee had before it a report of the Head of Planning Services (A.1), which sought its agreement to publish a new Local Development Scheme (LDS) in order to update the proposed timetable for preparing the new Tendring District Local Plan and other planning documents.

Members were aware that the LDS was designed to set out the process for producing the Local Plan, the Community Infrastructure Levy (CIL) and other planning documents. It included the anticipated timetable of consultation periods, examinations and expected dates of adoption. Publishing the LDS also ensured that stakeholders, including members of the public, Town and Parish Councils, landowners and developers, partner organisations and the Planning Inspectorate were kept aware of the timetable the Council was working to and help them organise their time and resources accordingly.

It was reported that the updated LDS proposed a revised timetable for the Local Plan in order to ensure that critical evidence documents were completed to inform policy and to ensure that there was sufficient time for the Sustainability Appraisal to appraise a fully completed Local Plan.

The Committee was made aware that, whilst this LDS requested that the public consultation on the Local Plan moved from February to June 2017, the date of Adoption agreed at the September 2016 meeting of the Committee, remained unchanged. Consequential alterations were also to be made to the timetables of the Area Action Plan and the CIL.

Members were informed that Braintree and Colchester Councils were also seeking to revise their timetables for the same reasons as this Council. The proposed timetable set out in the revised LDS aligned the preparation of all three Councils' Local Plans.

Having considered all of the information provided, it was moved by Councillor G V Guglielmi and seconded by Councillor Amos and unanimously:

**RESOLVED** that the Committee approves the Local Development Scheme 2016 -2019, as attached as Appendix 1 to item A.1 of the Report of the Head of Planning Services, and agrees to its publication on the Council's website.

### **26. LOCAL PLAN EVIDENCE UPDATE**

The Committee had before it a detailed report of the Head of Planning Services (A.2) which provided an update on the progress of the evidence that was necessary to underpin the content of the new Local Plan.

The report provided an update on:

- (1) The Objectively Assessed Needs Housing Target – November 2016 Update; and
- (2) Ongoing Evidence Requirements
  - (i) Strategic Flood Risk Assessment and flood risk sequential tests;
  - (ii) Holiday Park Review;
  - (iii) Transport Modelling – Phase 3;
  - (iv) Employment and Demography for the garden communities including non ‘B’ class uses;
  - (v) Infrastructure Delivery Plan;
  - (vi) Habitats Regulation Assessment and appropriate screening;
  - (vii) Local Plan Viability;
  - (viii) Sustainability Appraisal and Strategic Environmental Assessment for the Submission Local Plan; and
  - (ix) Concept Frameworks for the Garden Communities.

Having discussed the information provided, it was moved by Councillor G V Guglielmi and seconded by Councillor Bray and unanimously:

**RESOLVED** that the Local Plan Committee:

- (a) notes the latest progress on the evidence base to justify the content of the Local Plan;
- (b) approves the Objectively Assessed Needs housing target for Tendring District Council as 550 homes each year, in the light of the November 2016 PBA report; recognising that further updates may be required when new guidance and data is published by Government; and
- (c) authorises the Head of Planning to continue commissioning and finalising the outstanding studies as set out in Table 1 of the report and any other evidence studies required, providing updates to this Committee on an ongoing basis.

**27. METHODOLOGY FOR THE FIVE YEAR HOUSING SUPPLY AND PREDICTION FOR 31 MARCH 2017 HOUSING LAND SUPPLY**

The Committee had before it a detailed report of the Head of Planning Services (A.3) which sought its agreement to the methodology of calculating the five-year housing land supply; which was in compliance with the methodology recommended by the Planning Practice Guidance and in accordance with the National Planning Policy Framework. Also, the Committee was requested to note the progress towards achieving a five-year housing land supply illustrated with a predicted supply for the close of the 2016/17 financial year (ending 31 March 2017).

**Section A – Methodology**

The Committee was informed that Section A of the report explored the approach the Government required in order to produce a five-year Housing Land Supply (HLS). The report methodically ran through the relevant parts of the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG). Also, where relevant, the report provided information on how this Council had implemented the NPPF and PPG for the calculation of the five-year HLS. The methodology described had been used for Section B of the report which was a predication of housing land supply at 31 March 2017 and also for Agenda Item A.4 The Authorities Monitoring Report (2015/2016).

**Section B – Prediction of 31 March 2017 housing land supply position**

Members were made aware that, whilst the financial year 2016 / 2017 did not finish until the end of March 2017, Section B of the report appraised the Committee of the current status of the five-year HLS.

It was reported that the calculations predicted that the housing land supply position in Tendring at 31 March 2017 would be around 3,866 homes or 4.4 years of supply. It was emphasised that this was a predication based on assumptions that were spelt out in the report and did not represent the official five-year HLS position of the Council. This was because an HLS could only be produced once housing completions, housing losses, new planning permissions, and lapsed planning permission had been monitored and a judgement was made on what to include within the new five-year HLS.

In the opinion of the Officers the housing land supply position for the Tendring District was improving quickly and was potentially nearing a five-year housing supply. A formal housing land supply statement would be reported to the Committee to replace this prediction for 2016/2017 as soon as possible after the end of March 2017.

It was reported that in respect of pages 51 and 80 of the Officers' report the following text should be disregarded as it was not part of the calculation:

*"A predicted housing land supply for January to March 2017 has been established based on the Development Management Work Programme and it is estimated that 300 homes can be added to the supply."*

Having discussed the information provided, it was moved by Councillor G V Guglielmi and seconded by Councillor V E Guglielmi that the Local Plan Committee:

- (a) agrees that the methodology set out in Section A and Appendix 1 of the report is used by Tendring District Council for calculating the five-year housing land supply;
- (b) notes the predicted five-year housing land supply of 4.4 years for 31 March 2017, as set out in Section B and Appendix 1 of the report and notes that because the data is in part a projection, it would not be credible to adopt the supply in Table 8 of the report as the Council's housing land supply position for Development Management purposes; and
- (c) notes that a formal housing land supply statement for 2016/17 will be reported to this Committee as soon as possible after March 2017. This will reflect any revised Government guidance to the methodology published in the interim.

It was then moved by Councillor Everett and seconded by Councillor Bray that Councillor G V Guglielmi's motion be amended by the deletion of paragraph (b), which amendment on being put to the vote was declared **LOST**.

Councillor G V Guglielmi's motion on being put to the vote was declared **CARRIED**.

## **28. AUTHORITIES MONITORING REPORT 2015 - 2016**

The Committee had before it a report of the Head of Planning Services (A.4) which submitted the Council's Authorities Monitoring Report and the five year housing land supply position.

The Committee was informed that the Authorities Monitoring Report had been produced as a means of monitoring the progress of the preparation of the District's replacement Local Plan and related documents. The report covered the period April 2015 to March 2016 and contained a summary of the preparation of Local Plan, housing completions data and the five year housing land supply position.

Having discussed the information provided, it was moved by Councillor G V Guglielmi, seconded by Councillor V E Guglielmi and:-

**RESOLVED** that the Local Plan Committee:

- (a) notes the Authorities Monitoring Report 2015-2016 (as attached as Appendix 1 to item A.4 of the Report of the Head of Planning) and agrees to its publication on the Council's website; and
- (b) notes the five year housing land supply position.

The meeting was declared closed at 7.38 p.m.

**Chairman**



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**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD****ON THURSDAY 26 JANUARY 2017****AT 7.30 P.M. IN THE COUNCIL CHAMBER, COUNCIL OFFICES, WEELEY**

**Present:** Councillors Coley (Chairman), Griffiths (Vice-Chairman), Hones and Poonian

**In Attendance:** Head of Finance, Revenues & Benefits Services & Section 151 Officer (Richard Barrett), Audit and Governance Manager (Steve Blake) and Committee Services Manager (Ian Ford)

**Also in Attendance:** Chris Hewitt (Ernst & Young – External Auditor)

**19. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

An apology for absence was submitted on behalf of Councillor Stephenson (with Councillor Hones substituting).

**20. MINUTES OF THE LAST MEETING**

The minutes of the meeting of the Committee held on 22 September 2016 were approved as a correct record and signed by the Chairman, subject to the correction of a minor typographical error in Minute 13.

**21. DECLARATIONS OF INTEREST**

There were none on this occasion.

**22. REPORT ON INTERNAL AUDIT – SEPTEMBER 2016 – NOVEMBER 2016**

The Council's Audit and Governance Manager (Steve Blake) provided a periodic report on the Internal Audit function for the period of September 2016 to November 2016, which also set out the proposed budget for Internal Audit for 2017/18 and also the arrangements for the first stage of seeking the mandatory external review of Internal Audit.

The Audit and Governance Manager informed the Committee that 11 audits had been completed with the final report issued and 9 audits completed in the period had achieved a satisfactory level of assurance, with two exceptions (Procurement – Contractor Use and Payroll/Human Resources – Computer Application Review) receiving an "improvement required" classification.

The Audit and Governance Manager also informed the Committee of the current position in relation to:

- (i) Public Sector Internal Audit Standards;
- (ii) Standard 1110 Organisational Independence;
- (iii) Standard 1312 External Assessments;
- (iv) Internal Audit Plan Progress;
- (v) Emerging Key Projects;
- (vi) Fraud and Compliance Team review;
- (vii) Quality Assurance;

- (viii) Outcomes of Internal Audit Work;
- (ix) Procurement – Contractor Use;
- (x) Payroll/Human Resources – Computer Application Review; and
- (xi) Management response to Internal Audit findings.

Following discussion and questions by Members, it was:

**RESOLVED** that

- (a) the contents of the report be noted;
- (b) the proposed Internal Audit budget for 2017/18 be approved;
- (c) the Committee confirms its agreement to the approach to be adopted for the forthcoming external assessment of the Internal Audit function and;
- (d) the changes to the Internal Audit plan, as detailed in the report, be approved.

### **23. CORPORATE RISK UPDATE**

There was submitted a report by the Council's Corporate Director (Corporate Services), which presented to the Committee an updated Risk Management Framework and Corporate Risk Register.

It was reported that the Risk Management Framework had been updated to reflect updated guidance on corporate governance.

It was also reported that the Corporate Risk Register was regularly updated and presented to the Committee every six months.

Members were informed that three new risks had been identified and added to the Corporate Risk Register, no risks had been removed and no risks had been amended. One risk score had been amended.

The Committee was informed of the reasons why the following three new risks had been identified and added to the Corporate Risk Register:

- (1) Risk 2i Garden Communities;
- (2) Risk 3c Health and Safety; and
- (3) Risk 3d Fraud and Corruption.

Members were further informed of the reasons that a risk score amendment had been made in respect of:

Risk 5a Financial Strategy.

Having considered and discussed the report it was:

**RESOLVED** that the updated Risk Management Framework and the current Corporate Risk Register be noted.

### **24. CODE OF CORPORATE GOVERNANCE**

There was submitted a report by the Council's Corporate Director (Corporate Services), which sought approval for a new Code of Corporate Governance reflecting the requirements of the new local government framework.

Members were reminded that the current Code of Corporate Governance had been approved by the Committee at its meeting held on 25 June 2015 (Minute 5 referred). That Code had been consistent with the principles of the CIPFA/Solace Framework "Delivering Good Governance in Local Government (2007).

However, it was reported that CIPFA/Solace had published an updated framework in 2016 which was applicable to local authorities from 2016/17 onwards and therefore it had been necessary to produce a new Code of Corporate Governance that reflected the new framework.

The proposed new Code was before the Committee for consideration as Appendix A to item A.3 of the Report of the Corporate Director (Corporate Services).

Having considered and discussed the report and the proposed new Code it was:

**RESOLVED** that the Code of Corporate Governance, as set out in Appendix A to item A.3 of the Report of the Corporate Director (Corporate Services), be approved.

**25. EXTERNAL AUDIT'S ANNUAL AUDIT LETTER 2015/16**

There was submitted a report by the Council's Corporate Director (Corporate Services), which presented to the Committee the External Auditor's Annual Audit Letter 2015/16.

The Committee was informed that the Letter primarily summarised the outcomes from various audit activities undertaken during the year. The key messages set out in the letter highlighted that the Council had received an unqualified opinion on both its financial statements and value for money arrangements.

It was reported that, whilst no significant concerns had been raised relating to 2015/16, a number of points had been identified to consider in the future in addition to the overall challenge of identifying the necessary savings to meet forecasted budget gaps in 2018/19 and 2019/20 which would remain one of the top priorities for the Council in 2017/18.

The Committee had before it the Officers' responses to the points raised by the External Auditor in respect of the following:

- (a) Economic impact of the EU Referendum;
- (b) Faster closure of Accounts; and
- (c) Appointment of External Auditors.

**RESOLVED** that the contents of the Annual Audit Letter 2015/2016 be noted.

**26. APPOINTMENT OF EXTERNAL AUDITOR FROM 2018/19**

There was submitted a report by the Council's Corporate Director (Corporate Services), which set out the proposal to opt in to the Public Sector Audit Appointments (PSAA) arrangements for appointing External Auditors from 2018/19.

The Committee was reminded that, following the demise of the Audit Commission, new arrangements had been needed for the longer term appointment of external auditors and that the Local Audit and Accountability Act 2014 required the Council to, either opt in to an appointing person regime, or to establish an auditor panel and conduct their own procurement exercise once the existing contract with Ernst and Young expired.

It was reported that, as part of closing the Audit Commission, the Government had novated external audit contracts to PSAA on 1 April 2015. Those contracts were due to expire following conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to approval from the Department for Communities and Local Government.

In October 2015 the Secretary of State had confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year. This meant that for the audit of the 2018/19 accounts it would be necessary for Authorities to either undertake their own external audit procurement process or opt in to an appointed person regime. An appointed person regime was to a large extent how the external auditors had been appointed under the previous Audit Commission arrangements.

Members were advised that there had been a degree of uncertainty around the new appointed person regime until July 2016 when PSAA had been specified by the Secretary of State as an appointing person body. The appointing person was sometimes referred to as the sector led body and PSAA had wide support across local government. PSAA had originally been established to operate the transitional arrangements following the closure of the Audit Commission and was a company owned by the Local Government Association's Improvement and Development Agency (IDeA).

The Committee was informed that an invitation to local authorities to opt in had been received from the PSAA on 27 October 2016 and a response was required by 9 March 2017. Subject to the agreement of this Committee, the recommendation to make use of the appointing person arrangements offered by PSAA would be considered by Council on 7 February 2017, as required by the Regulations.

The Committee was made aware that the main advantages of opting in to the PSAA's appointing person option was set out in its prospectus which were summarised below, namely:

- Assure timely auditor appointments;
- Manage independence of auditors;
- Secure highly competitive prices;
- Save on procurement costs;
- Save time and effort needed on auditor panels;
- Focus on audit quality; and
- Operate on a not for profit basis and distribute any surplus funds to scheme members.

Members were informed that the alternative approach of establishing an auditor panel and conducting a local procurement process would be a far more resource intensive process and without the bulk buying power of the sector led procurement it would be likely to result in a more costly External Audit service.

The Committee was advised that, via discussions with other authorities, it was understood by Officers that most (if not all) other Authorities across Essex would be opting in to the new PSAA appointing person approach.

Having considered the matter it was:

**RESOLVED** that the Committee recommends to Council that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments for the appointment of external auditors from 2018/19.

**27. AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES**

There was submitted a report by the Council's Corporate Director (Corporate Services) which presented to Members the progress against outstanding actions identified by the Committee.

It was reported that there were no significant issues to bring to the attention of the Committee, with updates provided against individual items, as set out in Appendix A to item A.6 of the Report of the Corporate Director (Corporate Services), or elsewhere on the agenda where appropriate.

Updates against actions identified within the Annual Governance Statement 2015/16 were set out in Appendix B with no significant issues to highlight at the present time.

The Committee recalled that, at its meeting held on 22 September 2016 (Minute 13 referred), it had agreed to invite the Planning and Regeneration Portfolio Holder to the next meeting of the Committee to discuss issues relating to Section 106 agreements. However, this invite had been revised by the Head of Revenues, Benefits and Revenues Services to the March 2017 meeting of the Committee, which would provide a better opportunity to review the latest position / update from the service in terms of improvement actions undertaken.

The Head of Revenues, Benefits and Revenues Services circulated an update on HRA Impairment Charges on the land purchased in Jaywick during 2104/15 and 2015/16 following a recent HRA determination by the Government.

It was **RESOLVED** that the progress made against the outstanding issues be noted.

**28. ITEMS SCHEDULED FOR THE NEXT MEETING OF THE COMMITTEE IN MARCH 2017**

It was reported that items currently scheduled for that meeting included:

- 1) *Internal Audit Regular Monitoring Report*
- 2) *External Audit – Audit Plan 2016/17*
- 3) *Annual Internal Audit Plan 2017/18*
- 4) *Certification of Claims and Returns 2015/16*
- 5) *Audit Committee Work Programme 2017/18*
- 6) *Table of Outstanding Issues (including update against External Audit Recommendations)*

**29. EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Item 12 on the grounds that it involves the likely disclosure of exempt information as defined in the relevant paragraph(s) of Part 1 of Schedule 12A, as amended, of the Act.

**30. EXEMPT MINUTE OF THE LAST MEETING**

The exempt minute of the meeting of the Committee held on 22 September 2016 was approved as a correct record and signed by the Chairman.

The meeting was declared closed at 8.25 p.m.

Chairman

**MINUTES OF THE MEETING OF THE CORPORATE MANAGEMENT  
SCRUTINY COMMITTEE HELD ON MONDAY 13 FEBRUARY 2017 AT 7.30 P.M. IN THE  
COUNCIL CHAMBER, COUNCIL OFFICES, WEELEY**

**Present:** Councillors Steady (Chairman), Platt (Vice-Chairman)(except items 51 – 54 (part)), Baker, Parsons and Whitmore

**Also Present:** Councillor Stephenson

**In Attendance:** Head of Finance, Revenues & Benefits Services (Richard Barrett), Management and Members' Support Manager (Karen Neath), Committee Services Manager (Ian Ford) and Human Resources Operations Manager (Katie Wilkins)

**51. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

The Chairman welcomed Councillor Parsons to this, his first meeting of the Committee, since his recent appointment to serve on the Committee.

Apologies for absence were submitted on behalf of Councillors Chittock and Platt (who was late to the meeting). There were no substitutions on this occasion.

The Chairman invited Councillor Stephenson to join the meeting and to participate in the discussion of the Agenda items.

**52. MINUTES OF THE MEETING OF THE COMMITTEE HELD ON 12 AND 19 DECEMBER 2016 AND 5 JANUARY 2017**

The Minutes of the meetings of the Committee, held on 12 and 19 December 2016 and 5 January 2017, were approved as correct records and signed by the Chairman.

**53. DECLARATIONS OF INTEREST**

There were none.

**54. ANNUAL TREASURY STRATEGY 2017/18 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)**

There was submitted a reference report by the Cabinet, which enabled the Committee to review the Annual Treasury Strategy for 2017/18 (including the Prudential and Treasury Indicators).

The Council's Head of Finance, Revenues & Benefits Services (Richard Barrett), informed the Committee that the Strategy was based on CIPFA's latest Code of Practice and that no significant changes were proposed with limited amendments in areas such as the general economic outlook and interest rate forecasts, with the Council maintaining a very low risk approach to its treasury activities. He also stated that, although not specified within the Treasury Strategy, the need to borrow money might arise in future years in relation to the Garden Communities project. Although this project would be subject to separate decision making processes as necessary, any borrowing requirements would need to be considered within the overall Treasury Strategy framework.

After discussion of the report it was **AGREED** that the Committee **COMMENTS TO CABINET** that the Committee supports the proposed Annual Treasury Strategy for 2017/18 (including the Prudential and Treasury Indicators).

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**55. PERFORMANCE REPORT – QUARTER THREE REPORT – OCTOBER 2016 TO DECEMBER 2016**

The Committee had before it a report of the Corporate Director (Corporate Services) which presented the Performance Report for Quarter Three (October 2016 to December 2016), including the Corporate Plan and Priorities and Projects 2016. Appendix A to that report contained details of the 14 indicators and projects where performance was measured. Of those, 10 (71%) were on, or above, their expected target and 4 (29%) were not currently in line with the expected performance. Three of the indicators and projects highlighted in the report were deemed 'non-measurable' as this Council's role was that of influence only.

The Human Resources Operations Manager (Katie Wilkins) gave a verbal update in respect of several indicators and projects.

Officers responded to questions raised by Members on various topics and where an answer was not immediately available, the Human Resources Operations Manager undertook to respond to Members as soon as possible after the meeting.

After discussion of the report it was **AGREED** that the Committee **COMMENTS TO CABINET** that:

- (a) the Committee is concerned at the ongoing decline in performance in the Handling of Planning Applications, especially Major Applications;
- (b) the Committee would like to see the various Portfolio Holder financial savings working parties continue in some form and that any reports/briefing papers submitted to those meetings should be circulated to all Members for their information;
- (c) the Committee would like to see an All-Member briefing at which Members would be informed of, and could contribute towards forming, the overall vision for the future waste management and recycling contracts and the retender process and which should include a focussed initiative to promote recycling amongst the general public.

The meeting was declared closed at 8.45 p.m.

Chairman



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**MINUTES OF THE MEETING OF THE COMMUNITY LEADERSHIP AND  
PARTNERSHIPS COMMITTEE,  
HELD ON MONDAY 20 FEBRUARY 2017 AT 7.30 PM  
IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY**

<b>Present:</b>	Councillors Fairley (Chairman), Baker (Vice-Chairman), Amos, I Henderson, Nicholls, Raby, Stephenson and Yallop
<b>Also Present:</b>	Councillor McWilliams
<b>In Attendance:</b>	John Fox (Head of Environmental Services), Karen Neath (Management and Members' Support Manager), Cassie Barrett (Public Health Improvement Co-Ordinator) and Katie Sullivan (Committee Services Officer)
<b>Also In Attendance</b>	Laura Taylor-Green (Interim Public Health Specialist – Essex County Council)

**32. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were apologies for absence received from Councillors Newton (with Councillor Stephenson substituting), Poonian (with Councillor Nicholls substituting), King (with no substitute), Parsons (with no substitute) and Land (with no substitute).

**33. MINUTES OF THE LAST MEETING**

The minutes of the last meeting of the Committee, held on Monday 9 January 2017, were approved as a correct record and signed by the Chairman.

**34. DECLARATIONS OF INTEREST**

Councillor I Henderson declared a Non Pecuniary Interest in minute 35 below by virtue of the fact that he was an Essex County Councillor.

**35. PUBLIC HEALTH**

The Council's Head of Environmental Services (John Fox) introduced the Council's Public Health Improvement Co-Ordinator (Cassie Barrett) and Essex County Council's Interim Public Health Specialist (Laura Taylor-Green) to the Committee and gave an overview of their roles.

The Council's Public Health Improvement Co-Ordinator gave a presentation to the Committee on Public Health. The presentation covered the following:

- (1) Public Health in Tendring – Local Priorities;
- (2) Clacton Seafront Parkrun;
- (3) Breastfeeding Welcome Scheme;
- (4) Making Every Contact Count (MECC) – Partnership with Provide and Essex County Council Commissioner;
- (5) Housing and Hazard Awareness Project;
- (6) Upcoming Projects; and
- (7) Health and Wellbeing Board.

Officers responded to questions raised by Members on various issues which included:

- Ensuring that the approach to Public Health was district wide;
- Community transport options;
- Reaching out to, and including, those who live in the rural areas of the District;
- Funding for outdoor Gyms;
- Mental Health in Schools; and
- Production of a Health and Wellbeing Strategy.

It was **AGREED** Cabinet be requested to:-

- (a) look at ways to ensure that public health projects are available across the district;
- (b) look at ways of measuring the success of the work carried out; and
- (c) note concerns that funding was currently in place for a fixed term only and the implications for the future provision of the Public Health Improvement Co-ordinator post.

**36. REPORT OF MANAGEMENT AND MEMBERS' SUPPORT MANAGER - A.1 - CORPORATE ENFORCEMENT STRATEGY**

The Committee had before it a report of the Management and Members' Support Manager, for consideration of the Council's draft Corporate Enforcement Strategy. The draft Strategy was attached to the report as Appendix A.

It was reported that:

- At Cabinet on 16 December 2016, the draft Corporate Enforcement Strategy had been agreed for consultation. Within the Council, it had been agreed that the Strategy be considered by the Planning, Licensing and Community Leadership and Partnerships Committees.
- The purpose of the Corporate Enforcement Strategy was to set out the overarching "umbrella" principles to apply to all service departments and its Officers within the Council which undertook enforcement functions.
- The Council's enforcement responsibilities and powers covered a wide range of legislation with a variety of formal and informal sanctions, which aimed to protect the interests and rights of people in relation to the environment that they use. The enforcement of regulatory legislation enabled the Council to achieve its priorities contained within the Corporate Plan and fitted with national policy, codes and guidance.
- It was important that those enforcement functions were carried out in an equitable, practical and consistent manner, and that both those subject to regulation and those on whose behalf enforcement was carried out could understand the approach taken. The purpose of the Corporate Enforcement Strategy was to explain clearly and publicly summarise Tendring District Council's intended approach towards enforcement and dealing with non-compliance.

- It was important to note that the Licensing and Registration and Planning Committees retained the legal responsibility and power with regards to enforcement decisions including the proposed adoption of a corporate Harm Risk Assessment Checklist and Template however, it was intended that some general principles could be agreed across the Council to form a corporate approach.
- The draft Strategy included the following sections on how the Council would deal with enforcement:-
  - Openness & Transparency;
  - Helpfulness;
  - Consistency;
  - Proportionality;
  - Targeting resources on higher risk; and
  - Accountability.

Members raised questions on various issues which included:

- (1) Costs incurred by the Council in undertaking enforcement and whether any financial deterrent can be introduced for non-compliance;
- (2) Ensuring that the cost of non-enforcement was considered for example in economic growth and tourist areas;
- (3) The impact of unkempt and derelict areas on the locality; and
- (4) Suggested word changes to the draft strategy.

The outcome of the consultation, including the comments made by members of the Committee, would be reported back to Cabinet in early 2017 for consideration in the adoption of the final document.

The Meeting was declared closed at 9.17 pm

**Chairman**

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**MINUTES OF THE MEETING OF THE COUNCIL TAX COMMITTEE**  
**HELD ON 22 FEBRUARY 2017 AT 10.02 A.M. IN THE**  
**CONNAUGHT ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA**

**Present:** Councillors Miles (Chairman), Bray and Chittock

**In Attendance:** Corporate Finance Manager (Richard Bull) and Committee Services Manager (Ian Ford)

**1. ELECTION OF A VICE-CHAIRMAN OF THE COMMITTEE**

The Committee considered electing one of its members to the vacant office of Vice-Chairman of the Committee.

It was moved by Councillor Chittock, seconded by Councillor Miles and:-

**RESOLVED** that Councillor Bray be elected Vice-Chairman of the Committee for the remainder of the municipal year.

**2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were no apologies for absence and there were no substitutions.

**3. MINUTES OF THE LAST MEETING**

The minutes of the meeting of the Committee held on 24 February 2016 were approved as a correct record and signed by the Chairman.

**4. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**4. FORMAL CONFIRMATION OF COUNCIL TAX AMOUNTS FOR 2017/18 FOLLOWING THE NOTIFICATION OF THE PRECEPTS FROM THE MAJOR PRECEPTING AUTHORITIES**

The Committee's confirmation was sought in respect of the final Council Tax amounts for 2017/18 including the precepts issued for 2017/18 by Essex County Council, the Essex Police and Crime Commissioner and Essex Fire Authority.

The Committee was aware that the District and Parish/Town Council precepts for 2017/18 had been approved at the meeting of the Council held on 7 February 2017. Since that date the precepts from the major precepting authorities for 2017/18 had now been received. The table set out below showed the precepts issued for 2017/18 by Essex County Council, the Essex Police and Crime Commissioner and Essex Fire Authority:

## PRECEPTS ON THE COLLECTION FUND

2016/17		2017/18		
44,908.3		45,859.5		
Amount	Council Tax	Amount	Council Tax	Change in Tax
£'000	£	£'000	£	%
13,998	311.69	13,696	298.65	
(7,163)	(159.50)	(6,249)	(136.26)	
<b>6,835</b>	<b>152.19</b>	<b>7,447</b>	<b>162.39</b>	
20	0.45	(218)	(4.75)	
<b>6,855</b>	<b>152.64</b>	<b>7,229</b>	<b>157.64</b>	<b>3.28%</b>
6,353	141.47	6,723	146.61	<b>3.63%</b>
502	11.17	506	11.03	<b>-1.25%</b>
<b>6,855</b>	<b>152.64</b>	<b>7,229</b>	<b>157.64</b>	<b>3.28%</b>
1,439	32.05	1,600	34.88	<b>8.83%</b>
<b>8,294</b>	<b>184.69</b>	<b>8,829</b>	<b>192.52</b>	<b>4.24%</b>
50,752	1,130.13	53,367	1,163.70	<b>2.97%</b>
3,039	67.68	3,166	69.03	<b>1.99%</b>
6,831	152.10	7,202	157.05	<b>3.25%</b>
<b>68,916</b>	<b>1,534.60</b>	<b>72,564</b>	<b>1,582.30</b>	<b>3.11%</b>

Band	Essex County Council	Essex Fire Authority	Essex Police
	£	£	£
A	775.80	46.02	104.70
B	905.10	53.69	122.15
C	1,034.40	61.36	139.60
D	1,163.70	69.03	157.05
E	1,422.30	84.37	191.95
F	1,680.90	99.71	226.85
G	1,939.50	115.05	261.75
H	2,327.40	138.06	314.10

It was moved by Councillor Bray, seconded by Councillor Chittock and:-

**RESOLVED** that

- (a) the precepts issued by Essex County Council, the Essex Police and Crime Commissioner and Essex Fire Authority for 2017/18 be noted; and
- (b) the amounts of Council Tax for 2017/18 for each of the categories of dwellings, as shown in the table set out below, be confirmed:

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**COUNTY, FIRE, POLICE, DISTRICT AND PARISH/TOWN COUNCIL TAX AMOUNTS 2017/2018**

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Multiplier</b>	<b>(6/9)</b>	<b>(7/9)</b>	<b>(8/9)</b>	<b>(9/9)</b>	<b>(11/9)</b>	<b>(13/9)</b>	<b>(15/9)</b>	<b>(18/9)</b>
<b>Parished or Unparished Area</b>								
Unparished Area:								
Clacton	1,036.87	1,209.69	1,382.50	1,555.31	1,900.93	2,246.56	2,592.18	3,110.62
Parishes of:								
Alresford	1,090.97	1,272.79	1,454.62	1,636.45	2,000.11	2,363.76	2,727.42	3,272.90
Ardleigh	1,050.75	1,225.87	1,401.00	1,576.12	1,926.37	2,276.62	2,626.87	3,152.24
Beaumont-cum-Moze	1,043.97	1,217.97	1,391.96	1,565.96	1,913.95	2,261.94	2,609.93	3,131.92
Great Bentley	1,084.26	1,264.97	1,445.68	1,626.39	1,987.81	2,349.23	2,710.65	3,252.78
Little Bentley	1,033.51	1,205.76	1,378.01	1,550.26	1,894.76	2,239.26	2,583.77	3,100.52
Bradfield	1,109.10	1,293.95	1,478.80	1,663.65	2,033.35	2,403.05	2,772.75	3,327.30
Brightlingsea	1,061.99	1,238.98	1,415.98	1,592.98	1,946.98	2,300.97	2,654.97	3,185.96
Great Bromley	1,064.43	1,241.84	1,419.24	1,596.65	1,951.46	2,306.27	2,661.08	3,193.30
Little Bromley	1,036.09	1,208.78	1,381.46	1,554.14	1,899.50	2,244.87	2,590.23	3,108.28
Little Clacton	1,073.29	1,252.18	1,431.06	1,609.94	1,967.70	2,325.47	2,683.23	3,219.88
Elmstead	1,055.62	1,231.56	1,407.49	1,583.43	1,935.30	2,287.18	2,639.05	3,166.86
Frating	1,051.91	1,227.22	1,402.54	1,577.86	1,928.50	2,279.13	2,629.77	3,155.72
Frinton and Walton	1,071.37	1,249.94	1,428.50	1,607.06	1,964.18	2,321.31	2,678.43	3,214.12
Harwich	1,055.85	1,231.82	1,407.80	1,583.77	1,935.72	2,287.67	2,639.62	3,167.54
Lawford	1,057.46	1,233.70	1,409.95	1,586.19	1,938.68	2,291.16	2,643.65	3,172.38
Manningtree	1,045.41	1,219.64	1,393.88	1,568.11	1,916.58	2,265.05	2,613.52	3,136.22
Mistley	1,063.11	1,240.29	1,417.48	1,594.66	1,949.03	2,303.40	2,657.77	3,189.32
Great Oakley	1,059.66	1,236.27	1,412.88	1,589.49	1,942.71	2,295.93	2,649.15	3,178.98
Little Oakley	1,051.97	1,227.29	1,402.62	1,577.95	1,928.61	2,279.26	2,629.92	3,155.90
Ramsey and Parkeston	1,084.67	1,265.45	1,446.23	1,627.01	1,988.57	2,350.13	2,711.68	3,254.02
St Osyth	1,066.21	1,243.91	1,421.61	1,599.31	1,954.71	2,310.11	2,665.52	3,198.62
Tendring	1,052.40	1,277.80	1,403.20	1,578.60	1,929.40	2,280.20	2,631.00	3,157.20
Thorpe-le-Soken	1,061.79	1,238.75	1,415.72	1,592.68	1,946.61	2,300.54	2,654.47	3,185.36
Thorrington	1,050.74	1,225.86	1,400.99	1,576.11	1,926.36	2,276.60	2,626.85	3,152.22
Weeley	1,065.12	1,242.64	1,420.16	1,597.68	1,952.72	2,307.76	2,662.80	3,195.36
Wix	1,071.16	1,249.69	1,428.21	1,606.74	1,963.79	2,320.85	2,677.90	3,213.48
Wrabness	1,042.99	1,216.83	1,390.66	1,564.49	1,912.15	2,259.82	2,607.48	3,128.98

The meeting was declared closed at 10.07 a.m.

**Chairman**

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**MINUTES OF THE MEETING OF THE SERVICE DEVELOPMENT AND DELIVERY  
COMMITTEE,  
HELD ON MONDAY 27 FEBRUARY 2017 AT 7.30 PM  
IN THE COUNCIL CHAMBER, COUNCIL OFFICES, THORPE ROAD, WEELEY**

<b>Present:</b>	Councillors Griffiths (Chairman), V E Guglielmi (Vice-Chairman), Fowler, Hones, Miles, Pemberton and Skeels Jnr
<b>Also Present:</b>	Councillors Baker, Honeywood (Housing Portfolio Holder), McWilliams (Leisure and Partnerships Portfolio Holder), Stephenson and Turner (Commercialisation, Seafronts and Parking Portfolio Holder)
<b>In Attendance:</b>	Mark Westall (Head of Customer and Commercial Services), Ian Taylor (Head of Public Realm), Tim R Clarke (Head of Housing), David Black (Housing Manager) and Katie Sullivan (Committee Services Officer)

**35. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

An apology was received from Councillor Yallop.

**36. MINUTES OF THE LAST MEETING**

The minutes of the last meeting of the Committee, held on 23 November 2016, were approved as a correct record and signed by the Chairman.

**37. DECLARATIONS OF INTEREST**

Councillor V E Guglielmi declared an interest in respect of the update on the review of Spendells and Honeycroft sheltered housing schemes insofar as she was a local Ward Member for Honeycroft.

Councillor Baker, sitting in the public gallery, declared an interest in respect of the update on the review of Spendells and Honeycroft sheltered housing schemes insofar as he was a local Ward Member for Honeycroft.

Councillor Miles declared an interest in respect of the update on the review of Spendells and Honeycroft sheltered housing schemes insofar as she was a local Ward Member for Spendells.

**38. UPDATE ON REVIEW OF SPENDELLS & HONEYCROFT SHELTERED HOUSING SCHEMES**

Councillor V E Guglielmi had earlier declared an interest in respect of the update on the review of Spendells and Honeycroft sheltered housing schemes insofar as she was a local Ward Member for Honeycroft.

Councillor Baker, had earlier declared an interest in respect of the update on the review of Spendells and Honeycroft sheltered housing schemes insofar as he was a local Ward Member for Honeycroft.

Councillor Miles had earlier declared an interest in respect of the update on the review of Spendells and Honeycroft sheltered housing schemes insofar as she was a local Ward Member for Spendells.

The Housing Portfolio Holder (Councillor Honeywood) introduced this item to the Committee.

The Council's Head of Housing (Tim R Clarke) was in attendance and gave an update to the Committee on the review of Spendells & Honeycroft sheltered housing schemes.

Members were informed that the review had been continuing at a steady pace and there were now some issues to consider that were much broader than the Spendells and Honeycroft schemes.

Mr Clarke informed the Committee that he had met with an architect to look in particular at future options for Honeycroft and that the grounds had presented an opportunity for further development, potentially of bungalows.

Members were informed that Essex University had funding to undertake local government research and that contact had been made with them to discuss how they could help with the project and how Tendring District Council could cater for the future needs of older persons.

Mr Clarke informed the Committee that Essex County Council had indicated their intention to withdraw Housing Related Support Funding from the end of the financial year and that this would leave Tendring District Council with a £100,000 deficit in the HRA. Mr Clarke confirmed that possible recovery options had been looked at, however, the options were only really to increase rents but that some of the increase may attract Housing Benefit.

Members were informed that changes to the way supported housing was funded were proposed from 2019. Rents, including service charges, would be capped at Local Housing Allowance rates and that further charges would be covered by a separate funding pot.

Members raised questions which were responded to by Officers.

Following discussion, it was **AGREED** that Officers be requested to be innovative whilst looking at the possible future mix of accommodation in the Sheltered Housing stock.

**39. UPDATE ON THE CURRENT SITUATION REGARDING WATER QUALITY AT WALTON LIFESTYLES**

The Committee received a written update from the Council's Head of Sport and Leisure (Mike Carran) which provided an overview of the sequence of events and background information in regards to the positive test of Legionella Bacteria at Walton-on-the-Naze Lifestyles.

The Leisure and Partnerships Portfolio Holder (Councillor McWilliams) informed the Committee that Mr Carran would attend a future meeting to discuss the position in more depth and to update Members on the programme of works that were being undertaken at all other appropriate Council facilities.

Councillor McWilliams confirmed that the Walton-on-the-Naze Lifestyles had reopened on Friday 24 February 2017 following on from completed modifications and negative test results for Legionella Bacteria.

Members were informed that there had been an error in the written update and that in the fourth paragraph down the date should have read 'Friday 2 December' rather than 'Friday 2 November'.

Members raised questions and various concerns which included the Council's process controls for water testing.

A service user of the Council's Leisure Centres who was in attendance and had been invited by the Chairman to sit at the table with the Committee for this item, discussed his concerns especially in relation to the temperature in the changing rooms.

The Chairman requested that the Council's Head of Sport and Leisure (Mike Carran) attend the next meeting of the Committee on 3 April 2017 with Councillor McWilliams to give a formal update and to enable all questions and concerns to be addressed.

The Chairman confirmed that he would draft the brief for this item and it would be likely to be broadened to include all of the Council's leisure facilities and that he would circulate questions to Members and Officers prior to the next meeting. It was requested that the report should include details of any additional costs incurred by the Council as a result of the Legionella case and whether costs were likely to be recouped from the contractor.

**40. CAR PARKS AND EFFECTS OF FREE PARKING**

The Commercialisation, Seafronts and Parking Portfolio Holder (Councillor Turner) and the Council's Head of Public Realm (Ian Taylor) were in attendance and gave an update to the Committee on Car Parks and the effects of free parking.

Members were informed that the car park strategy for Tendring (which had been agreed in 2013) had set out priorities for the District with the main one being an objective of Tendring being "car friendly" and that as part of that the Council would ensure that where charges existed they were reasonable, that enforcement by means of penalty charging was proportionate and designed to encourage and not deter visitors together with the provision of a free parking permit for Council Tax paying Households in order to encourage local travel and to support local businesses.

Mr Taylor informed the Committee that the free permit scheme had cost the Council money but that recent changes had almost made the scheme self-sufficient. The free permits were popular and statistics supported this.

Following discussion and questions raised by Members, the Chairman thanked Councillor Turner, Mr Taylor and his team for their excellent work, which had resulted in a great outcome for the District.

**41. UPDATE ON RELATIONSHIP WITH THE NORTH EAST ESSEX PARKING PARTNERSHIP**

The Commercialisation, Seafronts and Parking Portfolio Holder (Councillor Turner) and the Council's Head of Public Realm (Ian Taylor) gave an update to the Committee on

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the Council's relationship with the North East Essex Parking Partnership and especially the offer made by Essex County Council to extend the current term of the Joint Committee Agreement by four years.

The Committee had before it a briefing note prepared by the Head of Public Realm and which was set out under the following main headings:-

- (1) Background;
- (2) Current Position;
- (3) Alternative Options;
- (4) Proposal and Delegated Power;
- (5) Financial Implications and Risk; and
- (6) Risk Management Implications.

The Committee also had before it a draft letter to Councillor Robert Mitchell, Chair of the North Essex Parking Partnership which stated that Tendring District Council (TDC) had considered the matter, understood the advantages of continuing with the current agreement for a further four years and was in agreement with the proposal subject to the following provisions:-

- (a) TDC will not budget for any money to cover losses arising from the partnership;
- (b) No Camera enforcement cars will operate within the Tendring District; and
- (c) That the partnership agrees to further develop the arrangement with Civil Enforcement Officers employed by TDC to assist with meeting local requirements for on street parking enforcement.

Members raised questions on various issues which included the possible option of coming out of the agreement.

Following discussion, the Committee **RESOLVED** that:

- the relevant Heads of Service research the legalities with regards to the Portfolio Holder for Commercialisation, Seafronts and Parking inviting the Chair of the North East Parking Partnership to attend an appropriate meeting of the Service Development and Delivery Committee.

The Committee further **RESOLVED** that **CABINET**:

- be requested to acknowledge the excellent job that the Parking Services team and their Portfolio Holder have done with regards to the building of relationships with the North East Parking Partnership.
- be requested to ensure that the North East Parking Partnership Terms of Reference are scrutinised by the relevant committee before the next contract is signed by TDC (likely 2021).

The Meeting was declared closed at 9.30 pm

**Chairman**

**MINUTES OF THE MEETING OF THE CORPORATE MANAGEMENT  
COMMITTEE HELD ON MONDAY 13 MARCH 2017 AT 7.30 P.M. IN THE COUNCIL  
CHAMBER, COUNCIL OFFICES, WEELEY**

**Present:** Councillors Steady (Chairman), Platt (Vice-Chairman), Baker, Parsons, Scott and Whitmore

**Also Present:** Councillor Stephenson

**In Attendance:** Head of People, Performance and Projects (Anastasia Simpson), Head of Finance, Revenues & Benefits Services (Richard Barrett)(except item 61), Head of Property Services (Andy White) and Committee Services Manager (Ian Ford)

**56. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies for absence were submitted on behalf of Councillor Chittock. There were no substitutions on this occasion.

The Chairman invited Councillor Stephenson to join the meeting and to participate in the discussion of the Agenda items.

**57. MINUTES OF THE MEETING OF THE COMMITTEE HELD ON 13 FEBRUARY 2017**

The Minutes of the meeting of the Committee, held on 13 February 2017, were approved as a correct record and signed by the Chairman.

**58. DECLARATIONS OF INTEREST**

There were none.

**59. CORPORATE BUDGET MONITORING REPORT FOR THE THIRD QUARTER OF 2016/17**

The Committee had before it a report of the Corporate Director (Corporate Services), which presented it with an overview of the Council's actual financial position against the budget as at the end of December 2016.

The Committee was aware that, at its meeting held on 17 February 2017, Cabinet had considered the Corporate Budget Monitoring Report for the third quarter of 2016/17 and had resolved (minute 152 referred) that the financial position, as at the end of December 2016, be noted.

The Cabinet report referred to above was attached as Appendix A to item A.1 of the Report of the Corporate Director (Corporate Services) for the Committee's consideration.

Having considered and discussed the budget monitoring report:-

It was **RESOLVED** that the contents of the report be noted.

It was also **AGREED** that the Committee **COMMENTS TO CABINET** that:

- (a) no monies should ever be left in the "Less than one year column for Section 106 Agreement unallocated/uncommitted monies" i.e. the money should always have been allocated/committed or spent before that point;

- (b) a robust system should be put in place to protect Council as much as possible from costs arising on-going major repairs/improvements to Council dwellings especially where these are as a result of tenants' actions;
- (c) Are the HRA properties periodically fully inspected and if not, why not?; and
- (d) Essex County Council (ECC) should be urged to reconsider its decision to end the Supporting People funding. The Committee is disappointed that this Council did not make a public protest at the time especially given the short timescale given before ECC's decision came into effect and is concerned that this may have set a precedent for future ECC decisions. The Committee is also concerned that the blame for any future decision to remove Sheltered Housing Wardens as a result of budgetary pressures will now be placed at the door of this Council.

**60. REVIEW OF THE YEAR AND THE CORPORATE MANAGEMENT COMMITTEE'S WORK PROGRAMME FOR 2017/2018**

There was submitted a report by the Corporate Director (Corporate Services), which provided the Committee with a review of the work it had carried out in the current municipal year and sought Members' approval to a draft Work Programme for the coming 2017/2018 Municipal Year for recommendation to the Annual Meeting of the Council to be held on 25 April 2017.

The Council's Head of People, Performance and Projects explained that Appendix A to the report was a summary of what had been discussed and agreed by the Committee in the municipal year thus far. She stated that Appendix B was a suggested work programme for the Committee and she invited the Committee to add any extra items it felt were required.

Following discussion by the Committee it was **RESOLVED** that:

- (a) the report on the review of the year municipal 2016 to 2017, as detailed in Appendix A to item A.2 of the report of the Corporate Director (Corporate Services), be noted; and
- (b) the draft 2016/17 Work Programme, as set out in Appendix B to the aforementioned report, be agreed and submitted to the Annual Meeting of the Council for approval, subject to the inclusion of the following items:
  - (i) the inclusion of two further meetings in the work programme which will be held on 24 July and 16 October 2017;
  - (ii) topics to be included on the agenda for the 26 June 2017 meeting to now include details of statutory and non-statutory budgets and details of write-offs arising from fraud and council tax benefit over-payments;
  - (iii) topics to be included on the agenda for the 24 July 2017 meeting will include an update on waste and recycling performance and details of the finance and future business plans for Leisure Services.

**61. ASSET MANAGEMENT PLAN, PROPERTY STRATEGY, PROPERTY PROGRAMME, PROCEDURE RULES AND CONSEQUENT CONSTITUTION AMENDMENTS**

The Committee had before it a report (and appendices thereto) of the Corporate Director (Corporate Services) which sought the Committee's comments on the draft Asset Management Plan, Property Strategy, Property Programme, Procedure Rules and proposed amendments to the Council's Constitution.

Members were informed that:

- 
- the adoption of an Asset Management Plan (AMP) was no longer mandatory, nor was it a budget and policy framework document but it was considered to be good practice proposed that the AMP was adopted by full Council together with the necessary changes to the Council's Constitution;
  - the AMP, Property Strategy and updated procedure rules had been outstanding Auditors' requirements for some years; and
  - Officers had produced a suite of policy and procedure documents with a high level AMP and subsidiary documents.

The Committee had before it the Appendices to the report which set out the contents of the following:

- Appendix A – Draft Asset Management Plan;
- Appendix B – Draft Property Strategy;
- Appendix C – Draft Property Programme;
- Appendix D – Procedure rules adopted, subject to adoption of the foregoing; and
- Appendix E – Schedule of consequent amendments to the Constitution.

The Head of Property Services (Andy White) informed the Committee of a change to the timelines insofar as those documents that needed further Member approval would now go to Cabinet on 21 April 2017 and full Council on 9 May 2017.

The Chairman and Committee Members placed on record their appreciation of Mr White's hard work over many months on this project and congratulated him on the high quality of his documents.

After discussion of the report and its appendices it was **AGREED** that the Committee **COMMENTS TO CABINET** that:

- (a) the Council's attitude should be that "if we don't need it and its costing us money then we dispose if it";
- (b) robust action/business plans should be put in place to deliver the aspirational aspects of the Property Programme;
- (c) the Property Programme should cover at least a three period in order to take into account the next District Council Elections; and
- (d) the need for an Integrated Transport Plan should be included, where appropriate, in the documents.

The meeting was declared closed at 9.21 p.m.

Chairman

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**166. ANNUAL TREASURY STRATEGY FOR 2017/2018 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS) (Report A.5)**

There was submitted a report by the Portfolio Holder for Resources and Corporate Services (Report A.5), which sought Cabinet's agreement for the Annual Treasury Strategy for 2017/2018 to be submitted to Council.

Cabinet recalled that it had initially considered and agreed the Annual Treasury Strategy for 2016/2017, including Prudential and Treasury Indicators, at its meeting held on 20 January 2017 for submission to the Corporate Management Committee for review.

It was reported that the Corporate Management Committee had considered the Strategy at its meeting held on 13 February 2017 and had resolved that the Committee (minute 53 referred):

*"Supports the proposed Annual Treasury Strategy for 2017/18 (including the Prudential and Treasury Indicators)."*

Cabinet was made aware that the Annual Treasury Strategy had been subject to minor amendments to reflect the most up to date interest rate forecasts along with the Prudential Indicators now taking into account the final budget for 2016/17, as agreed by Council on 7 February 2017. Apart from those minor amendments the Strategy remained as presented to Cabinet at its 20 January 2017 meeting.

Having discussed the Strategy and the proposals contained therein and having considered the comment of the Corporate Management Committee:

It was proposed by Councillor G V Guglielmi, seconded by Councillor Turner and:

RESOLVED that the comments of the Corporate Management Committee be noted; and that it be:

**RECOMMENDED TO COUNCIL that the Annual Treasury Strategy for 2017/2018 (including Prudential and Treasury Indicators), be approved and implemented.**

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<b>Key Decision Required:</b>	<b>Yes</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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**CABINET  
17 MARCH 2017**

**REPORT OF RESOURCES AND CORPORATE SERVICES PORTFOLIO HOLDER**

**A.5 ANNUAL TREASURY STRATEGY FOR 2017/18 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)**

(Report prepared by Richard Barrett and Wendy Borgartz)

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

To agree the Annual Treasury Strategy for 2017/18 (including Prudential And Treasury Indicators) for submission to Council.

**EXECUTIVE SUMMARY**

- The Annual Treasury Strategy for 2017/18 including Prudential and Treasury Indicators was initially considered and agreed by Cabinet on 20 January 2017 for submission to the Corporate Management Committee for review.
- Corporate Management Committee considered the Strategy at its meeting on 13 February 2017 and resolved (minute 53 refers):  
  
*That the Committee supports the proposed Annual Treasury Strategy for 2017/18 (including the Prudential and Treasury Indicators).*
- The Annual Treasury Strategy has been subject to minor amendments to reflect the most up to date information along with the Prudential Indicators now taking into account the final budget for 2017/18 as agreed by Council on 7 February 2017. Apart from these minor amendments the Strategy remains as presented to Cabinet at its 20 January 2017 meeting.
- Cabinet are now asked to agree the Annual Treasury Strategy for 2017/18 (including Prudential and Treasury Indicators) that is attached as **Appendix A** for submission to Council.

**RECOMMENDATION**

**That Cabinet notes the comment of the Corporate Management Committee and agrees that the Annual Treasury Strategy for 2017/18 (including Prudential And Treasury Indicators) attached at Appendix A be submitted to Council for approval.**

**APPENDICES**

**Appendix A** – Annual Treasury Strategy for 2017/18 (including Prudential And Treasury Indicators)

***Tendring***  
***District Council***



**ANNUAL TREASURY  
STRATEGY FOR 2017/18**

**Annual Treasury Strategy for 2017/18**

The Annual Treasury Strategy has been prepared in accordance with the CIPFA Code and includes the following sections.

1. Background
2. Treasury Limits for 2017/18 to 2019/20
3. Prudential and Treasury Indicators for 2017/18 to 2019/20
4. Current Portfolio Position
5. Borrowing Requirement
6. Economic Position
7. Interest Rates
8. Borrowing strategy
  - 8.1 External v internal borrowing
  - 8.2 Gross and Net Debt Positions
  - 8.3 Policy on borrowing in advance of need
9. Debt Rescheduling
10. Annual Investment Strategy
  - 10.1 Investment Policy
    - 10.2 Creditworthiness Policy
  - 10.3 Credit Limits
  - 10.4 Country Limits
  - 10.5 Investment Strategy
  - 10.6 Allocation of Investment returns between GF and HRA.
  - 10.7 End of year investment report

## 1. Background

The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

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

The Council's risk appetite is low and it takes a risk-averse approach to Treasury Management, with the security and liquidity of the investment the prime concern, and the budget for income from investments being formulated on this basis. The Annual Strategy for 2017/18 is based on this risk-averse approach continuing.

For a number of years the Council has engaged the services of treasury advisors to provide its officers with advice on treasury management issues. The current advisors are Capita Asset Services, Treasury solutions (Formerly called Sector Treasury Services) (Sector). However the final decision and responsibility for the actions taken sits with the Council's own officers after considering that advice.

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

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

## 2. Treasury Limits for 2017/18 to 2019/20

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

The Council must have regard to the Prudential Code when setting the Authorised Limit of external debt, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion in corporate financing include both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit

is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. Details of the Authorised Limit can be found in Annex 1 of this report.

The authorised limit reflects the additional borrowing requirement as part of the Housing Revenue Account (HRA) self-financing reforms. The Housing self-financing reforms also set an overall 'debt cap' for the HRA which in itself reflects an affordability level based on the Government's model of how much debt can be supported by the HRA after considering the forecast of income from rents and management and maintenance costs over a 30 year period. The HRA debt cap for Tendring is £60,285,000.

### **3. Prudential and Treasury Indicators for 2017/18 to 2019/20**

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated Treasury Management Strategy. The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The latest revision to the Code is effectively adopted via the approval of this Strategy which reflects the most up to date code and guidance.

### **4. Current Portfolio Position**

The Council's treasury position at the end of December 2016 comprised:

- GF borrowing from The Public Works Loan Board (PWLB) of £0.916m at fixed rates at an average rate of interest of 8.20%
- HRA borrowing from the PWLB of £45.540m at fixed rates at an average rate of 3.30%
- Investments of cash flow surpluses, which include reserves and capital receipts, on a short-term basis (less than 1 year) totalling £57.143m at an average rate of interest of 0.46%.

### **5. Borrowing Requirement**

No new, alternative or replacement borrowing is currently reflected in the budgets for both the General Fund and HRA for the period 2016/17 to 2019/20. This position therefore excludes any assumptions on additional borrowing, which would be subject to further consideration as necessary set against the underlying principle of the Council's borrowing requirement being kept under on-going review to respond to any new / future burdens or priorities and overall financial position.

### **6. Economic Position**

The Council's Treasury Advisors provide economic updates during the year with the latest position set out as follows:

## **World economy**

US growth in the first half of 2016 was weak, but it has strengthened in quarter three. Overall, despite some data setbacks, the US is still, probably, the best positioned of the major world economies to make solid progress towards a combination of strong growth, full employment and rising inflation.

Eurozone GDP growth in the first three quarters of 2016 has been an annualised 1.7%. Forward indications are that economic growth in the EU is likely to continue at moderate levels. Economic growth in China has been slowing down and this, in turn, has been denting economic growth in emerging market countries dependent on exporting raw materials to China.

## **UK economy**

UK GDP growth rates between 2013 and 2015 were some of the strongest rates among the G7 countries. Growth is expected to have strengthened in 2016 and the latest Bank of England forecast for growth in 2016 as a whole is +2.2%. Surveys from September showed a sharp recovery in economic confidence, and the latest MPC decision included a forward view that the bank rate could go either up or down depending on how economic data evolves in the coming months.

The November Bank of England Inflation Report included a forecast for growth of 1.4% in 2017 and 1.5% in 2018. The Report also included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017, largely due to the effect of the sharp fall in the value of sterling since the referendum which feeds through into increases in the cost of imports and raw materials. The MPC has warned that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise the Bank Rate.

Investment returns are likely to remain low during 2017/18 and beyond. Borrowing interest rates have been highly volatile during 2016. The policy of avoiding new borrowing by using cash balances has served well over the last few years. However, this needs to be carefully balanced to avoid incurring higher borrowing costs in later times, when authorities may not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt.

## **7. Interest Rates**

The following table gives the Council's External Treasury Advisor's view on Bank Rate movements and their forecast for the PWLB new borrowing rate based on that view. The PWLB rates are based on the 'Certainty Rate' introduced by the Government for local authorities providing improved information and transparency on their locally-determined long-term borrowing and associated capital spending plans. Investment returns are likely to remain low during 2017/18 and beyond.



	Bank Rate	LIBID (London Interbank Bid Rate)*			PWLB Borrowing Rate			
		3 month	6 month	12 month	5 yr.	10 yr.	25 yr.	50 yr.
Dec 2016	0.25	0.30	0.40	0.70	1.50	2.30	2.90	2.70
Mar 2017	0.25	0.30	0.40	0.70	1.60	2.30	2.90	2.70
Jun 2017	0.25	0.30	0.40	0.70	1.60	2.30	2.90	2.70
Sep 2017	0.25	0.30	0.40	0.70	1.60	2.30	2.90	2.70
Dec 2017	0.25	0.30	0.40	0.70	1.60	2.30	3.00	2.80
Mar 2018	0.25	0.30	0.40	0.70	1.70	2.30	3.00	2.80
Jun 2018	0.25	0.30	0.40	0.80	1.70	2.40	3.00	2.80
Sep 2018	0.25	0.30	0.40	0.80	1.70	2.40	3.10	2.90
Dec 2018	0.25	0.40	0.50	0.90	1.80	2.40	3.10	2.90
Mar 2019	0.25	0.50	0.60	1.00	1.80	2.50	3.20	3.00
Jun 2019	0.50	0.60	0.70	1.10	1.90	2.50	3.20	3.00
Sep 2019	0.50	0.70	0.80	1.20	1.90	2.60	3.30	3.10
Dec 2019	0.75	0.80	0.90	1.30	2.00	2.60	3.30	3.10
Mar 2020	0.75	0.90	1.00	1.40	2.00	2.70	3.40	3.20

\* LIBID – the rate at which a bank is willing to borrow from other banks

## 8. Borrowing Strategy

### 8.1 External v Internal Borrowing

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

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

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

#### Total External Debt

	Actual 2015/16	Revised 2016/17	Estimate 2017/18	Forecast 2018/19	Forecast 2019/20
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	50,344	48,118	45,869	43,898	42,076
Estimated change in debt	(2,226)	(2,249)	(1,971)	(1,822)	(1,764)

Estimated debt as at 31 March	48,118	45,869	43,898	42,076	40,312
<b>CFR as at 31 March</b>	<b>53,478</b>	<b>51,257</b>	<b>49,346</b>	<b>47,446</b>	<b>45,555</b>
Difference - internally financed	5,360	5,388	5,448	5,370	5,243

**General Fund External Debt**

	Actual 2015/16	Revised 2016/17	Estimate 2017/18	Forecast 2018/19	Forecast 2019/20
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	1,317	1,055	770	464	306
Estimated repayment of debt	(262)	(285)	(306)	(158)	(100)
Estimated debt as at 31 March	1,055	770	464	306	206
<b>CFR as at 31 March</b>	<b>6,415</b>	<b>6,158</b>	<b>5,912</b>	<b>5,676</b>	<b>5,449</b>
Forecast of internal financing	5,360	5,388	5,448	5,370	5,243

**HRA External Debt**

	Actual 2015/16	Revised 2016/17	Estimate 2017/18	Forecast 2018/19	Forecast 2019/20
	£000's	£000's	£000's	£000's	£000's
Debt as at 1 April	49,027	47,063	45,099	43,434	41,770
Estimated repayment of debt	(1,964)	(1,964)	(1,665)	(1,664)	(1,664)
Estimated debt as at 31 March	47,063	45,099	43,434	41,770	40,106
<b>CFR as at 31 March</b>	<b>47,063</b>	<b>45,099</b>	<b>43,434</b>	<b>41,770</b>	<b>40,106</b>
Forecast of internal financing	0	0	0	0	0

In respect of the General Fund, the Council is 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. This strategy remains prudent, as investment returns are low and counterparty risk is high, and will be continued.

The Council's officers have made an assessment, based on advice from treasury advisors, of the amount of internal resources that it is prudent to use to finance capital expenditure and it is felt, taking into account the Council's financial position, that approximately £4m-£5m would at the present time and over the medium term be an appropriate level of internal borrowing. A maturity loan of £1m fell due for repayment in 2014 but this was not replaced which has led to the current internal borrowing position running just ahead of the £5m level. However given the continuing low return on investments and no significant increases in PWLB interest rates in the immediate future, it is felt prudent to maintain this position in the short term although this will be kept under review in consultation with the Council's external advisors.

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

## 8.2 Gross Debt v Investments

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

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

Comparison of gross and net debt positions at year end	2015/16	2016/17	2017/18	2018/19	2019/20
	actual	Probable out-turn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
General Fund external debt (gross)	1,055	770	464	306	206
HRA external debt (gross)	47,063	45,099	43,434	41,770	40,106
Investments	45,260	45,000	15,000	15,000	15,000
<b>Net debt</b>	<b>2,858</b>	<b>(1)</b>	<b>28,898</b>	<b>27,076</b>	<b>25,312</b>

*The net debt positions show that the Council does not have excess resources which could be used to repay long term debt.*

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

Against this background caution will be adopted within the 2017/18 treasury operations. Interest rates will be monitored and a pragmatic approach adopted to changing circumstances with appropriate action taken in accordance with the Council's Financial Procedure Rules.

## 8.3 Policy on borrowing in advance of need

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

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

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

## **9. Debt Rescheduling**

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

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

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

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

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

## **10. Annual Investment Strategy**

### **10.1 Investment Policy**

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

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

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

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

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

The capital programme for 2016/17 included £750,000 to establish a commercial property investment fund, which is a Non-Specified investment, and has yet to be spent in which case it may roll forward into 2017/18. This fund will be used to purchase property with the aim of yielding both rental income and capital gains. This investment will not have a defined maturity date and it will be an illiquid investment as the Council would need to sell the underlying asset(s) to redeem the investment. The amount invested in any one year will be limited to the amount included within the Council's Capital Programme.

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

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

### **10.2 Creditworthiness Policy and changes to the credit rating methodology**

This Council uses credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors. In determining the appropriate credit rating the Council will use the lowest rating available to determine the investment limits both in terms of amount and period for a particular counterparty. This is in

accordance with the recommendations of The Code. Counterparties rated by only one agency will not be used.

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

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

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

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

### **10.3 Credit Limits**

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

100% of the Council's investments may be in Treasury Bills or Gilts or invested with the Government's Debt Management Office (DMO). Although these sums are very secure the rate of interest is usually lower than the market rate, however Treasury Bills are a valuable tool in providing security and liquidity whilst the DMO offers a variety of investment terms and is a valuable source of investment should credit ratings of other financial

institutions result in a reduction in the number of counterparties that meet the Council's minimum credit rating criteria. There is no limit on the amount that can be invested with other local authorities in total, although there is a limit of £6 million with each individual local authority.

#### **10.4 Country Limits**

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

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

#### **10.5 Investment Strategy**

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

The bank rate is not now forecast to commence rising around the middle of 2019 but then to rise steadily from thereon (see Section 7). The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless exceptionally attractive rates are available which make longer term deals worthwhile without compromising the Council's priority of security of the investments.

For 2017/18 the Council has budgeted for investment returns based on the principles set out in this strategy including the forecast position on interest rates.

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

#### **10.6 Allocation of Investment returns between GF and HRA**

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



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

- Equity
- Risk Sharing
- Minimising volatility between years

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

### **10.7 End of year investment report**

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

## GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Non-specified investment** – as defined in Annex 2.

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

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

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

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

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

**Specified investments** – as defined in Annex 2.

## SPECIFIED AND NON-SPECIFIED INVESTMENTS

This schedule sets out the specified and Non-Specified investments the Council may use in 2017/18.

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

### SPECIFIED INVESTMENTS:

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

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

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

### High credit quality

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

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

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

**NON SPECIFIED INVESTMENTS**

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

The only Non-Specified investments that the Council will use in 2017/18 are investments for periods of longer than 12 months with any institution or investment instrument that would have been classed as a Specified Investment if the investment had been for less than 12 months or property.

### Proposed Prudential Indicators 2016/17 revised, 2017/18 and forecasts for 2018/19 to 2019/20

#### 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.

<b>Capital Expenditure - General Fund</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>£000s</b>	<b>Actual</b>	<b>Revised</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Total Capital Expenditure</b>	<b>22,562</b>	<b>13,257</b>	<b>2,730</b>	<b>890</b>	<b>890</b>
<b>Financing - General Fund</b>					
External contributions	(5,032)	(241)	-	-	-
Section 106	(99)	(77)	-	-	-
Coast protection grant	(10,945)	(4,962)	-	-	-
Other Government grants	(28)	(330)	-	-	-
Disabled Facilities Grant	(944)	(2,338)	(690)	(690)	(690)
Capital receipts	(261)	(1,692)	(100)	(100)	(100)
Direct revenue contributions	(290)	(2,050)	(360)	(100)	(100)
Earmarked reserves	(4,963)	(1,567)	(1,580)	-	-
<b>Total Capital Financing</b>	<b>(22,562)</b>	<b>(13,257)</b>	<b>(2,730)</b>	<b>(890)</b>	<b>(890)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Housing Revenue Account Capital Schemes</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>£000</b>	<b>Actual</b>	<b>Revised</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Total Capital Expenditure</b>	<b>2,953</b>	<b>7,024</b>	<b>4,030</b>	<b>4,043</b>	<b>3,837</b>
<b>Financing - Housing Revenue Account</b>					
Major repairs reserve	(1,959)	(4,841)	(3,250)	(3,250)	(3,250)
Direct revenue contributions	(990)	(2,183)	(780)	(793)	(587)
Section 106	-	-	-	-	-
External Contributions	-	-	-	-	-
Capital grant	(4)	-	-	-	-
<b>Total Capital Financing</b>	<b>(2,953)</b>	<b>(7,024)</b>	<b>(4,030)</b>	<b>(4,043)</b>	<b>(3,837)</b>
<b>Net Financing need (External Borrowing)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 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.

<b>CAPITAL FINANCING REQUIREMENT</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>Actual</b>	<b>Revised</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund	6,415	6,158	5,912	5,676	5,449
Housing Revenue Account	47,063	45,099	43,434	41,770	40,106
<b>Total</b>	<b>53,478</b>	<b>51,257</b>	<b>49,346</b>	<b>47,446</b>	<b>45,555</b>

#### HRA LIMIT ON INDEBTEDNESS

The Council is required to report the level of the limit imposed (or subsequently amended) at the time of the implementation of self-financing by the Department for Communities and Local Government. This is to be compared to the Housing Revenue Account capital financing requirement.

PRUDENTIAL INDICATOR	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Limit on indebtedness	60,285	60,285	60,285	60,285	60,285
Capital Financing Requirement	47,063	45,099	43,434	41,770	40,106
<b>Headroom</b>	<b>13,222</b>	<b>15,186</b>	<b>16,851</b>	<b>18,515</b>	<b>20,179</b>

#### 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	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Capital Financing Requirement	53,478	51,257	49,346	47,446	45,555
External debt	48,118	45,869	43,898	42,076	40,312
Internal borrowing	5,360	5,388	5,448	5,370	5,243

#### 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	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Operational boundary - borrowing	73,536	71,538	67,743	67,101	67,036
Authorised limit - borrowing	85,040	79,486	75,270	74,557	74,523

#### 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, net of investment income.

ESTIMATE OF THE RATIO OF FINANCING COSTS TO NET REVENUE	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimate	Forecast	Forecast
	%	%	%	%	%
General Fund	0.89	0.72	0.48	0.23	0.09
Housing Revenue Account	53.34	61.84	50.11	50.39	49.11

**INCREMENTAL IMPACT OF CAPITAL INVESTMENT DECISIONS**

This is an indicator of affordability that shows the impact of capital investment decisions on the Council Tax and housing rent levels. The incremental impact is the difference between the revenue funding of the proposed capital programme compared to the revenue funding of the previously approved capital programme. As the Council is not proposing any additional borrowing, this means that the impact is solely due to changes in revenue financing of capital expenditure. The increase in Council Tax impact in 2015/16 is mainly due to the Clacton and Holland coast protection scheme. The increase in HRA weekly rents is due to the decision to finance up to £1m of spend from revenue resources each year.

INCREMENTAL IMPACT OF CAPITAL INVESTMENT	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimate	Forecast	Forecast
	£	£	£	£	£
Change in General Fund capital spend financed by loan	-	-	-	-	-
Change in General Fund capital spend financed from revenue	-	3,216,660	1,840,000	-	-
General Fund, Council Tax impact	-	£71.63	£40.12	£0.00	£0.00
Change in HRA capital spend financed by loan	-	-	-	-	-
Change in HRA capital spend financed from revenue and major repairs reserve	-	2,994,000	(214,000)	(195,000)	(395,000)
HRA Average Weekly Rent impact	-	£17.95	(£1.29)	(£1.17)	(£2.37)

**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	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Upper limit for Fixed Interest Rates on debt	53,478	51,257	49,346	47,446	45,555
Upper limit for Variable Interest Rates on debt (based on 30% of the fixed rate limit)	16,043	15,377	14,804	14,234	13,666

**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	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimate	Forecast	Forecast
	£000	£000	£000	£000	£000
Limits on the total principal sum invested to final maturities longer than 364 days	3,500	3,500	3,500	3,500	3,500

**MATURITY STRUCTURE OF FIXED RATE BORROWING**

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



PRUDENTIAL INDICATOR	Upper limit	Lower limit	Estimated outstanding debt maturity % at			
	%	%	31/03/2017	31/03/2018	31/03/2019	31/03/2020
Under 12 months	25	0	4.30%	4.15%	4.19%	4.27%
12 months and within 24 months	30	0	3.97%	4.02%	4.09%	4.15%
24 months and within 5 years	60	0	11.24%	12.79%	12.63%	15.55%
5 years and within 10 years	75	0	24.22%	22.73%	22.92%	20.13%
10 years and above	95	25				
10-20 years			19.58%	18.81%	17.90%	16.89%
20-30 years			3.99%	3.33%	2.61%	1.82%
>30 years			32.70%	34.17%	35.65%	37.21%

#### 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	2015/16 Actual	2016/17 to 31 Dec	2017/18 Upper limit
Average credit score for investments	1.45	1.63	2.00

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## COUNCIL

28 MARCH 2017

### REPORT OF CHIEF EXECUTIVE

#### A.2 ST JAMES WARD BY-ELECTION

I formally report that Notice of the vacancy in the St James Ward has been given and requests to fill the vacancy have been received. The by-election will be held on Thursday 6 April 2017.

This item is submitted for INFORMATION ONLY.

**IAN DAVIDSON**  
**CHIEF EXECUTIVE**

**COUNCIL**

**28 MARCH 2017**

**BACKGROUND PAPERS LIST FOR  
REPORT OF CHIEF EXECUTIVE**

**A.2 ST JAMES WARD BY-ELECTION**

Requests for a By-Election in the St James Ward dated 27 February and 1 March 2017.

## COUNCIL

28 MARCH 2017

### REPORT OF CHIEF EXECUTIVE

#### A.3 **REVIEW OF THE ALLOCATION OF SEATS TO POLITICAL GROUPS**

(Report prepared by Ian Ford)

Following the By-Election held in the Great and Little Oakley Ward and in accordance with Section 15(1)(e) of the Local Government and Housing Act 1989 and Regulation 17(b) of the Local Government (Committees and Political Groups) Regulations 1990 a review of the allocation of seats to political groups was subsequently carried out.

The outcome of that review was that the UKIP Group was entitled to one extra seat.

Consequently on 27 February 2017 and, in accordance with the wishes of the Leader of the UKIP Group and the authority delegated to me, the following appointment was made:

#### Planning Committee

Councillor Davis has been appointed to fill the vacant seat.

This item is submitted for **INFORMATION ONLY**.

**IAN DAVIDSON**  
**CHIEF EXECUTIVE**

**COUNCIL**

**28 MARCH 2017**

**BACKGROUND PAPERS LIST FOR  
REPORTS OF CHIEF EXECUTIVE**

**A.3 REVIEW OF THE ALLOCATION OF SEATS TO POLITICAL GROUPS**

Formal appointment dated 27 February 2017.

## COUNCIL

28 MARCH 2017

### REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

#### **A.4 OPERATION OF POLITICAL PROPORTIONALITY RULES IN ALLOCATING SEATS ON COMMITTEES ETC. TO NON-ALIGNED MEMBERS**

(Report prepared by Ian Ford, Martyn Knappett and Lisa Hastings)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

To enable Council to consider the operation of political proportionality rules in allocating seats on Committees etc. to Non-Aligned Members.

To enable Council to then choose one of the three available options which will be implemented with effect from the Annual Meeting of the Council on 25 April 2017.

##### **EXECUTIVE SUMMARY**

The political proportionality rules that apply in allocating seats on Committees etc. are set out in the Local Government and Housing Act 1989 and apply only to political groups and not non-aligned Members.

Members have requested clarification on this and therefore Officers have reviewed how the political proportionality rules apply in allocating seats on Committees etc. to Non-Aligned Members (i.e. Members who are not a member of any political group on the Council). This is also in the light of the fact that six Members are not a member of any political group which equates to 10% of the Council's total membership.

Following the review Officers have put forward three options for Members to consider.

This report sets out those three options for Council to consider in making its decision.

##### **RECOMMENDATION(S)**

**That Council decides which of the three Options it wishes to see approved and implemented with effect from the Annual Meeting of the Council on 25 April 2017, bearing in mind that the case law points to recommending Option 3 but that Section 17 of the Local Government and Housing Act 1989 allows for alternative approaches to be taken if no Member votes against.**

#### **PART 2 – IMPLICATIONS OF THE DECISION**

##### **DELIVERING PRIORITIES**

The Council's decision on this matter will help ensure good governance in the way the

Council operates its Committee system.

## **FINANCE, OTHER RESOURCES AND RISK**

None.

## **LEGAL**

Sections 15 and 17 of the Local Government and Housing Act 1989 are relevant.

The Council has a duty under the legislation, either when certain changes occur or at its Annual Meeting, to review the representation of different political groups and the determination of the allocation of seats on committees etc. The Act (Section 15) requires that the Council, in exercising its duty and power, so far as reasonably practical, give effect to the principles of political balance which can be summarised like this:

- All seats on a committee must not be allocated to the same political group;
- The majority group (if there is one) must have the majority of seats on each committee;
- The total number of committee seats across the Council must be allocated proportionately to the number of seats each group has on the full Council; and
- The seats on each committee must be allocated in proportion to the number of seats of each group on the full Council.

The principles are in order of priority. This means that the second principle is applied subject to the first. Similarly, the third principle is applied subject to the first and the second and so on.

A “political group” comprises two or more Members who have given written notice of their wish to be treated as a group. It must have a Leader and may have another Member authorised to act in the place of the Leader (“the representative”). A Member is to be treated as a member of a group if he/she is party to such a notice, or otherwise gives notice, signed by the Leader, or representative, or a majority of the group members, that he/she wishes to join the group.

The obligation to ensure that there is proportionality in the political composition of public bodies to which this Section applies extends only to proportionate representation of members of political parties and does not require independent members to be proportionally represented. In [R. \(East Riding of Yorkshire Council\) v Joint Committee for the purpose of making appointments to the Humberside Police Authority \(\[2001\] A.C.D. 44; 3 L.G.L.R. \(forthcoming\), QBD](#) the Court held that the use of the words “political groups” implied that an authority was not under a duty to take into account independent councillors when undertaking its review of the representation of different political groups on such a body (on the facts as joint police authority). It was suggested, however, that it might be appropriate for Parliament to clarify the issue given the increase in independent elected representatives. The wording of the Act clearly referred to “parties” and it had to be assumed that it was Parliament’s intention that only representatives of political parties were to be included in the calculation. Reference to Hansard only served to confirm that assumption. The wording had to be given its natural meaning and independent councillors who by definition did not belong to any party could not be taken into account. Any apparent unfairness which resulted could only be remedied by Parliament.

To date the inclusion of non-aligned members within the allocation calculation has not been to ensure that they achieve political proportionality but to allow an elected Member to sit on a committee and represent the Tendring District in its decision making on



committees. The proceedings of a body are not to be invalidated by any departure from Sections 15 and 16 of the 1989 Act, and alternative arrangements not complying with the requirements may be made, by virtue of Section 17 of the 1989 Act, if no Member of the relevant authority, or committee, votes against. However, as the case law demonstrates the Council's obligation does not extend to including any non-aligned Members within the allocation review. An alternative approach strictly in accordance with Section 17 of the 1989 Act could be taken by the Council.

#### **OTHER IMPLICATIONS**

None.

### **PART 3 – SUPPORTING INFORMATION**

#### **OPTIONS TO BE CONSIDERED BY COUNCIL**

##### **Option One – Maintain the Status Quo**

This Option is an alternative approach that departs from Section 15 of the 1989 Act and can only be implemented in strict accordance with Section 17 of that Act i.e. only if no Member of the Council votes against.

This Option would see the Council continue its current practice of including the Non-Aligned Members in the initial calculation and allocate seats to them as if, in effect, they were a group in themselves. At the present time this would equate to 10% of the overall seats on Committees etc.

Appendix A to this report sets out an example of how, based on the current information, such a calculation would look for the Annual Meeting of the Council in April.

##### **Option Two – Do Not Include The Non-Aligned Members In The Initial Calculation**

This Option is an alternative approach that departs from Section 15 of the 1989 Act and can only be implemented in strict accordance with Section 17 of that Act i.e. only if no Member of the Council votes against.

This Option would see the Council not include the Non-Aligned Members in the initial calculation or allocation of seats but would instead see the Non-Aligned Members assigned the remaining "left-over" seats once the Political Groups have taken their allocations.

Appendix B to this report sets out an example of how, based on the current information, such a calculation would look for the Annual Meeting of the Council in April.

##### **Option Three – Do Not Include The Non-Aligned Members At All**

This Option complies with Section 15 of the 1989 Act.

This Option would see the Council not include the Non-Aligned Members at all and the initial calculation would be carried out as if the Council had, in effect, 54 Members and not 60. Therefore, no Non-Aligned Members would receive any Committee seats unless they were unilaterally donated by a Group Leader. This would need Council approval.

Appendix C to this report sets out an example of how, based on the current information,

such a calculation would look for the Annual Meeting of the Council in April.

**NOTE:** In preparing the three examples Officers have assumed for now that UKIP will win the St James Ward By-Election. This is based solely on the fact that the late John Hughes was elected for UKIP in the St James' Ward at the Council Elections in May 2015. Obviously the figures would be recalculated in the event that another Party won the By-Election.

## **BACKGROUND**

In conducting the review Officers contacted other Councils to ascertain how they would administer the operation of political proportionality rules in allocating seats on Committees etc. to Non-Aligned Members.

From the 13 replies received back from Councils, those Councils implement (or would implement) the options as follows:

Option 1 = 2 Councils;

Option 2 = 3 Councils;

Option 3 = 8 Councils.

## **APPENDICES**

Appendix A – Example Political Proportionality Calculation for Option 1

Appendix B – Example Political Proportionality Calculation for Option 2

Appendix C – Example Political Proportionality Calculation for Option 3

**LOCAL GOVERNMENT AND HOUSING ACT 1989**

**POLITICAL COMPOSITION**

**COMMITTEES & SUB-COMMITTEES (APRIL 2017) [OPTION 1 - APPENDIX A]**

Total Number of Committee etc. seats for 1989 Act purposes	107	Initial calculation	Outcome:	Why so? :-
Conservative Group	27	$27 \div 60 = 0.450$	Entitled to 48 seats	See Calculation below
Holland Residents' Group	3	$3 \div 60 = 0.050$	Entitled to 5 seats	See Calculation below
Independent Group	5	$5 \div 60 = 0.083$	Entitled to 9 seats	See Calculation below
Labour Group	5	$5 \div 60 = 0.083$	Entitled to 9 seats	See Calculation below
UKIP Group	14	$14 \div 60 = 0.233$	Entitled to 25 seats	See Calculation below
Non-Aligned	6	$6 \div 60 = 0.100$	Entitled to 11 seats	See Calculation below
	60 ==			

### **Calculation**

Conservative Group =  $0.450 \times 107 = 48.15$ . Rounded = 48 seats.

Holland-on-Sea Residents' Group =  $0.050 \times 107 = 5.35$ . Rounded = 5 seats.

Independent Group =  $0.083 \times 107 = 8.88$ . Rounded = 9 seats

Labour Group =  $0.083 \times 107 = 8.88$ . Rounded = 9 seats.

UKIP Group =  $0.233 \times 107 = 24.93$ . Rounded = 25 seats.

Non-Aligned =  $0.100 \times 107 = 10.70$  Rounded = 11 seats.

NOTE: Since the last review the UKIP Group has gained 1 Member and the "Non-Aligned/Vacant" has lost 1 Member. This is the result of the By-Election in the St James' Ward.

**COMMITTEES AND SUB-COMMITTEES (MARCH 2017)**

<b>Committee/Sub-Committee</b>	<b>Seats</b>	<b>Conservative</b> <b>0.450</b>		<b>Holland Residents'</b> <b>0.050</b>		<b>Independent</b> <b>0.083</b>		<b>Labour</b> <b>0.083</b>		<b>Non-Aligned</b> <b>0.100</b>		<b>UKIP Group</b> <b>0.233</b>	
<b>Audit Committee</b>	5	[3]	2	[0]	0	[0]	0	[0]	1	[1]	1	[1]	1
<b>Community Leadership &amp; Partnerships Committee</b>	11	[5]	5	[1]	1	[1]	1	[2]	1	[0]	1	[2]	2
<b>Corporate Management Committee</b>	8	[4]	4	[0]	0	[1]	1	[1]	1	[1]	1	[1]	1
<b>Council Tax Committee</b>	5	[2]	2	[0]	0	[0]	1	[0]	0	[2]	1	[1]	1
<b>Human Resources Committee</b>	14	[6]	6	[1]	1	[1]	1	[1]	1	[2]	2	[3]	3
<b>Licensing &amp; Registration Committee</b>	15	[7]	7	[1]	1	[1]	1	[1]	1	[2]	2	[3]	3
General Purposes Sub-Committee	8	[3]	4	[1]	0	[1]	1	[1]	1	[0]	1	[2]	1
<b>Local Plan Committee</b>	15	[7]	7	[1]	1	[1]	1	[1]	1	[2]	2	[3]	3
<b>Planning Committee</b>	11	[4]	5	[0]	0	[1]	1	[1]	1	[1]	1	[4]	3
<b>Service Development &amp; Delivery Committee</b>	8	[4]	4	[0]	0	[1]	1	[1]	1	[0]	1	[2]	1
<b>Standards Committee</b>	7	[3]	3	[0]	0	[1]	1	[0]	1	[2]	1	[1]	1
<b>TOTALS</b>	107	[48]	<b>(49)</b>	[5]	<b>(4)</b>	[9]	<b>(10)</b>	[9]	<b>(10)</b>	[13]	<b>(14)</b>	[23]	<b>(20)</b>
<b>ENTITLED TO</b>		<b>+0</b>	<b>48</b>	<b>+0</b>	<b>5</b>	<b>+0</b>	<b>9</b>	<b>+0</b>	<b>9</b>	<b>-2</b>	<b>11</b>	<b>+2</b>	<b>25</b>

**NOTES:** (a) The figures in the top right hand corner of each box are the number of seats each Group is entitled to on each Committee/Sub-Committee when Section 15 of the LGHA 1989 and the LG (Committees and Political Groups) Regulations 1990 are applied. The figures in the square brackets in the top-left hand corner indicate how many Members from that Group are serving on that individual Committee/Sub-Committee at the present time.

(b) Following the By-Election held in the St James' Ward a full review has been undertaken in preparation for the Annual Meeting of the Council. The result of the review is that, based on the figures in square brackets in the columns and the overall entitlement to seats:

- (1) The UKIP Group need to gain 2 seats; and
- (2) The Non-Aligned need to lose 2 seats.

**LOCAL GOVERNMENT AND HOUSING ACT 1989**

**POLITICAL COMPOSITION**

**COMMITTEES & SUB-COMMITTEES (APRIL 2017) [OPTION 2 - APPENDIX B]**

Total Number of Committee etc. seats for 1989 Act purposes	107	Initial calculation	Outcome:	Why so? :-
Conservative Group	27	$27 \div 60 = 0.450$	Entitled to 48 seats	See Calculation below
Holland Residents' Group	3	$3 \div 60 = 0.050$	Entitled to 5 seats	See Calculation below
Independent Group	5	$5 \div 60 = 0.083$	Entitled to 9 seats	See Calculation below
Labour Group	5	$5 \div 60 = 0.083$	Entitled to 9 seats	See Calculation below
UKIP Group	14	$14 \div 60 = 0.233$	Entitled to 23 seats	See Calculation below
Non-Aligned	6			
	60			
	==			

### **Calculation**

Conservative Group =  $0.450 \times 107 = 48.15$ . Rounded = 48 seats.

Holland-on-Sea Residents' Group =  $0.050 \times 107 = 5.35$ . Rounded = 5 seats.

Independent Group =  $0.083 \times 107 = 8.88$ . Rounded = 9 seats

Labour Group =  $0.083 \times 107 = 8.88$ . Rounded = 9 seats.

UKIP Group =  $0.233 \times 107 = 24.93$ . Rounded = 25 seats.

NOTE: In this review the UKIP Group has gained 1 Member and the "Non-Aligned/Vacant" has lost 1 Member. This is the result of the By-Election in the St James' Ward.



**COMMITTEES AND SUB-COMMITTEES (MARCH 2017)**

<b>Committee/Sub-Committee</b>	<b>Seats</b>	<b>Conservative 0.450</b>	<b>Holland Residents' 0.050</b>	<b>Independent 0.083</b>	<b>Labour 0.083</b>	<b>UKIP Group 0.233</b>	<b>Seats Allocated/(Left Over)</b>
<b>Audit Committee</b>	5	2.25	0.25	0.42	0.42	1.17	<b>2</b> <b>0</b> <b>0</b> <b>1</b> <b>3 (2)</b>
<b>Community Leadership &amp; Partnerships Committee</b>	11	4.95	0.55	0.91	0.91	2.56	<b>5</b> <b>1</b> <b>1</b> <b>1</b> <b>3</b> <b>11 (0)</b>
<b>Corporate Management Committee</b>	8	3.60	0.40	0.66	0.66	1.86	<b>4</b> <b>0</b> <b>1</b> <b>1</b> <b>2</b> <b>8 (0)</b>
<b>Council Tax Committee</b>	5	2.25	0.25	0.42	0.42	1.17	<b>2</b> <b>0</b> <b>0</b> <b>1</b> <b>3 (2)</b>
<b>Human Resources Committee</b>	14	6.30	0.70	1.16	1.16	3.26	<b>6</b> <b>1</b> <b>1</b> <b>1</b> <b>3</b> <b>12 (2)</b>
<b>Licensing &amp; Registration Committee</b>	15	6.75	0.75	1.25	1.25	3.49	<b>7</b> <b>1</b> <b>1</b> <b>1</b> <b>3</b> <b>13 (2)</b>
General Purposes Sub-Committee	8	3.60	0.40	0.66	0.66	1.86	<b>4</b> <b>0</b> <b>1</b> <b>1</b> <b>2</b> <b>8 (0)</b>
<b>Local Plan Committee</b>	15	6.75	0.75	1.25	1.25	3.49	<b>7</b> <b>1</b> <b>1</b> <b>1</b> <b>3</b> <b>13 (2)</b>
<b>Planning Committee</b>	11	4.95	0.55	0.91	0.91	2.56	<b>5</b> <b>1</b> <b>1</b> <b>1</b> <b>3</b> <b>11 (0)</b>
<b>Service Development &amp; Delivery Committee</b>	8	3.60	0.40	0.66	0.66	1.86	<b>4</b> <b>0</b> <b>1</b> <b>1</b> <b>2</b> <b>8 (0)</b>
<b>Standards Committee</b>	7	3.15	0.35	0.58	0.58	1.63	<b>3</b> <b>0</b> <b>1</b> <b>1</b> <b>2</b> <b>7 (0)</b>
TOTALS	107	<b>(49)</b>	<b>(5)</b>	<b>(9)</b>	<b>(9)</b>	<b>(25)</b>	<b>97 (10)</b>
ENTITLED TO		<b>48</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>25</b>	

**NOTES:** The figures in the top right hand corner of each box are the number of seats each Group is entitled to on each Committee/Sub-Committee when Section 15 of the LGHA 1989 and the LG (Committees and Political Groups) Regulations 1990 are applied.

(b) Following the By-Election held in the St James' Ward a review has been undertaken in preparation for the Annual Meeting of the Council. The result of the review is that, based on the figures in square brackets in the columns and the overall entitlement to seats:

- (1) The Conservative Group need to give up one seat to the Non-Aligned Members; and
- (2) The Non-Aligned Members will also fill the remaining 10 "left over" seats.

**LOCAL GOVERNMENT AND HOUSING ACT 1989**

**POLITICAL COMPOSITION**

**COMMITTEES & SUB-COMMITTEES (APRIL 2017) [OPTION 3 - APPENDIX C]**

Total Number of Committee etc. seats for 1989 Act purposes	107	Initial calculation	Outcome:	Why so? :-
Conservative Group	27	$27 \div 54 = 0.500$	Entitled to 53 seats	See Calculation below
Holland Residents' Group	3	$3 \div 54 = 0.056$	Entitled to 6 seats	See Calculation below
Independent Group	5	$5 \div 54 = 0.092$	Entitled to 10 seats	See Calculation below
Labour Group	5	$5 \div 54 = 0.092$	Entitled to 10 seats	See Calculation below
UKIP Group	14	$14 \div 54 = 0.259$	Entitled to 28 seats	See Calculation below
Non-Aligned	6			
	60			
	==			

## Calculation

Conservative Group =  $0.500 \times 107 = 53.50$ . Rounded = 53 seats.

Holland-on-Sea Residents' Group =  $0.056 \times 107 = 5.99$ . Rounded = 6 seats.

Independent Group =  $0.092 \times 107 = 9.84$ . Rounded = 10 seats

Labour Group =  $0.092 \times 107 = 9.84$ . Rounded = 10 seats.

UKIP Group =  $0.259 \times 107 = 27.71$ . Rounded = 28 seats.

NOTE: (1) In this review the UKIP Group has gained 1 Member and the "Non-Aligned/Vacant" has lost 1 Member. This is the result of the By-Election in the St James' Ward.

(2) In addition, and in accordance with the provisions of the Local Government and Housing Act 1989 the Non-Aligned Members have been excluded from the calculation of the overall entitlement to Committee etc. seats. That is, the six Non-Aligned Members have been subtracted from the total of 60 Members on the Council and the Groups' entitlements have been calculated on the basis of their proportionality of 54 Members.

**COMMITTEES AND SUB-COMMITTEES (APRIL 2017)**

<b>Committee/Sub-Committee</b>	<b>Seats</b>	<b>Conservative 0.500</b>	<b>Holland Residents' 0.056</b>	<b>Independent 0.092</b>	<b>Labour 0.092</b>	<b>UKIP Group 0.259</b>
<b>Audit Committee</b>	5	[3] 2.50 <b>3</b>	[0] 0.28 <b>0</b>	[0] 0.46 <b>0</b>	[0] 0.46 <b>0</b>	[1] 1.30 <b>1</b>
<b>Community Leadership &amp; Partnerships Committee</b>	11	[5] 5.50 <b>5</b>	[1] 0.62 <b>1</b>	[1] 1.01 <b>1</b>	[2] 1.01 <b>1</b>	[2] 2.85 <b>3</b>
<b>Corporate Management Committee</b>	8	[4] 4.00 <b>4</b>	[0] 0.45 <b>0</b>	[1] 0.74 <b>1</b>	[1] 0.74 <b>1</b>	[1] 2.07 <b>2</b>
<b>Council Tax Committee</b>	5	[2] 2.50 <b>3</b>	[0] 0.28 <b>0</b>	[0] 0.46 <b>0</b>	[0] 0.46 <b>0</b>	[1] 1.30 <b>1</b>
<b>Human Resources Committee</b>	14	[6] 7.00 <b>7</b>	[1] 0.78 <b>1</b>	[1] 1.29 <b>1</b>	[1] 1.29 <b>1</b>	[3] 3.63 <b>4</b>
<b>Licensing &amp; Registration Committee</b>	15	[7] 7.50 <b>8</b>	[1] 0.84 <b>1</b>	[1] 1.38 <b>1</b>	[1] 1.38 <b>1</b>	[3] 3.89 <b>4</b>
General Purposes Sub-Committee	8	[3] 4.40 <b>4</b>	[1] 0.45 <b>0</b>	[1] 0.74 <b>1</b>	[1] 0.74 <b>1</b>	[2] 2.07 <b>2</b>
<b>Local Plan Committee</b>	15	[7] 7.50 <b>8</b>	[1] 0.84 <b>1</b>	[1] 1.38 <b>1</b>	[1] 1.38 <b>1</b>	[3] 3.89 <b>4</b>
<b>Planning Committee</b>	11	[4] 5.50 <b>5</b>	[0] 0.62 <b>1</b>	[1] 1.01 <b>1</b>	[1] 1.01 <b>1</b>	[4] 2.85 <b>3</b>
<b>Service Development &amp; Delivery Committee</b>	8	[4] 4.40 <b>4</b>	[0] 0.45 <b>0</b>	[1] 0.74 <b>1</b>	[1] 0.74 <b>1</b>	[2] 2.07 <b>2</b>
<b>Standards Committee</b>	7	[3] 3.50 <b>3</b>	[0] 0.39 <b>0</b>	[1] 0.64 <b>1</b>	[0] 0.64 <b>1</b>	[1] 1.81 <b>2</b>
<b>TOTALS</b>	107	[48] <b>(54)</b>	[5] <b>(5)</b>	[9] <b>(9)</b>	[9] <b>(9)</b>	[23] <b>(28)</b>
<b>ENTITLED TO</b>		<b>+5 53</b>	<b>+1 6</b>	<b>+1 10</b>	<b>+1 10</b>	<b>+5 28</b>

**NOTES:** (a) The figures in the top right hand corner of each box are the number of seats each Group is entitled to on each Committee/Sub-Committee when Section 15 of the LGHA 1989 and the LG (Committees and Political Groups) Regulations 1990 are applied. The figures in the square brackets in the top-left hand corner indicate how many Members from that Group are serving on that individual Committee/Sub-Committee at the present time.

(b) Following the By-Election held in the St James Ward a review has been undertaken in preparation for the Annual Meeting of the Council. The result of the review is that, based on the figures in square brackets in the columns and the overall entitlement to seats:

- (1) The Conservative Group need to gain 5 seats;
- (2) The Holland Residents' Group need to gain 1 seat;
- (3) The Independent Group need to gain 1 seat;
- (4) The Labour Group need to gain 1 seat; and
- (5) The UKIP Group need to gain 5 seats;

## COUNCIL

28 MARCH 2017

### REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

#### A.5 PAY POLICY STATEMENT 2017/18

(Report prepared by Anastasia Simpson)

#### PART 1 – KEY INFORMATION

##### **PURPOSE OF THE REPORT**

To present a Pay Policy Statement for 2017/18.

##### **EXECUTIVE SUMMARY**

Section 38(1) of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement. The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer.
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

The Pay Policy Statement 2017/18 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. This framework is based on the principle of fairness and that rewards should be proportional to the weight of each role and each individual's performance. The framework aims to ensure the ability of the Council to recruit talented individuals whilst reassuring the citizens of Tendring that their money is being used efficiently.

In 2015, the Government introduced a National Living Wage. With effect from 1<sup>st</sup> April 2017, employees over the age of 25, will receive £7.50 per hour. Employees under this age will receive £7.05 per hour, or £5.60 per hour if aged between 18 to 20.

Although it is recognised that the National Living Wage should be the benchmark for the lowest salaries within the authority, it is proposed that the Council continues to pay staff SCP 8, which will be £7.90 per hour with effect from 1<sup>st</sup> April 2017 (this equates to £15,246 per annum). This is an additional 40p per hour, above the National Living Wage and will apply to all staff regardless of age.

Employees that will benefit from this additional payment above the National Living Wage include Cleaners, Theatre Staff and Leisure Attendants.

Other changes relating to pay during 2017 include the introduction of mandatory gender pay reporting, following the introduction of The Equality Act 2010 (Specific Duties and Public Authorities ) Regulations 2017 and HMRC regulation changes to off payroll payments (IR35).

#### **RECOMMENDATION(S)**

**(a) That the Pay Policy Statement 2017/18 set out at Appendix A be adopted;**

**(b) That the costs of applying salary payments from SCP8 on the National Joint Council (NJC) pay spine will be met from existing salary/vacancy provision within budgets.**

### **PART 2 – IMPLICATIONS OF THE DECISION**

#### **DELIVERING PRIORITIES**

The Council's annual consideration and formal approval of a Pay Policy Statement is part of the Council's governance arrangements and provides transparency for the citizens of Tendring.

#### **FINANCE, OTHER RESOURCES AND RISK**

The Pay Policy 2017/18 proposes to continue paying the Council's lowest earners a minimum wage of £7.90 per hour. The Council will use vacancy savings to meet the cost of this additional payment to staff, which is 40p per hour above the National Living Wage.

#### **LEGAL**

The Council is required to consider and approve an annual Pay Policy Statement in accordance with the provisions of the Localism Act 2011 (Section 38).

#### **OTHER 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 / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

Paying employees above the National Living Wage shows that the Council is demonstrating its role as a community leader and the Pay Policy is designed to ensure that there is a fair and transparent process for pay and rewards.

### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND**

##### Introduction

The Pay Policy Statement 2017/18 is recommending that the National Joint Council (NJC) pay rate, SCP8, £7.90 continues to be paid to support staff employed on the lower pay bands. This equates to £ 15,246 per annum for a full time employee.

The cost of continuing to pay employees above the National Living Wage can be met from vacancy savings across the Council. Employees that benefit from the additional payment include cleaners, theatre staff and leisure attendants.



### Equality Act 2010 (Specific Duties and Public Authorities ) Regulations 2017

During 2017 the Council is obliged to introduce mandatory gender pay reporting, to meet the requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. By 30 March 2018, the Council has to publish the first snapshot of data including the following:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment
- The proportion of males and females in each quartile band

This information will be published on the Council's website as well as a designated government website, which has yet to be determined. Three of the above questions, will not be applicable, as the Council does not operate bonus schemes for any Officers.

The challenge within Tendring District Council and across Great Britain is to eliminate any gender pay gap. If any gaps are determined, as the Council interprets data, an action plan will be prepared.

### Off-Payroll working in the public sector (IR35)

From time to time, due to the requirement for particular specialist skills or due to peaks in workloads the Council uses agency workers or consultants, for short term assignments. At the current time, the Council has such workers within Planning and Environmental Services. With effect from 1<sup>st</sup> April 2017, HMRC has updated the requirements and regulations for off payroll workers within the public sector. From April 2017, individuals working through their own company in the public sector will no longer be responsible for deciding whether the intermediaries' legislation applies and then paying the relevant tax and NIC's. This responsibility will instead move to the public sector employer.

The Council is reviewing the current status of workers with individual agencies and HMRC. It is anticipated that the new regulations will increase the cost of agency workers, if it is determined that they should move across to the Council's payroll. For individual workers, it also makes the public sector a less attractive proposition, which in turn could reduce the talent pool available to the sector.

### Salary Sacrifice Schemes

In 2016, the government announced that due to the cost of schemes, it would consult on limiting the advantages of salary sacrifice arrangements, which allows some employers and employees to pay less Income Tax and NICs by replacing cash salary with Benefits in Kind (BiKs). Legislation will be introduced in the Finance Bill 2017. In response to the changes, the Council will continue to operate the following sacrifice schemes:

- Childcare

- Cycle to work
- Car Scheme (ultra low emission cars)

Officers who are currently in salary sacrifice contracts will be protected for the length of that contract.

UNISON has been consulted in relation to the changes within the Pay Policy Statement and supports the actions of the Council in relation to increased pay for staff on the lower pay bands.

<b>BACKGROUND PAPERS FOR THE DECISION</b>
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None
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<b>APPENDICES</b>
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<b>APPENDIX A - PAY POLICY STATEMENT 2017/18</b>
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# Tendring District Council Pay and Reward Policy

April 2017



## **Introduction**

Tendring District Council recognises in the context of managing public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to the service of the public; but at the same time needs to avoid being unnecessarily generous or excessive.

Section 38(1) of the Localism Act 2011 requires local authorities to produce a pay policy statement for each financial year. The Council will also publish details of its senior pay, salary and structural information as required by the Code of Recommended Practice for Local Authorities on Data Transparency. The matters that must be included in the statutory Pay Policy Statement are as follows:

- A local authority's policy on the level and elements of remuneration for each Chief Officer (for Tendring District Council this includes the Chief Executive, Corporate Directors/Head of Department, Monitoring Officer and the Section 151 Officer).
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest- paid employees" and its reasons for adopting that definition).
- A local authority's policy on the relationship between the remuneration of its Chief Officers and other Officers.
- A local authority's policy on other aspects of Chief Officers' remuneration: remuneration on recruitment increases and additions to remuneration, use of performance related pay and bonuses, termination payments and transparency.

## **Purpose of the Statement**

The Pay Policy Statement 2017/18 has been designed to give an overview of the Council's framework regarding pay and rewards for staff within the Council. The framework is based on the principle of fairness and that rewards should be proportional to the weight of each role and each individual's performance. The framework aims to ensure the ability of the Council to recruit talented individuals whilst reassuring the citizens of Tendring that their money is being used efficiently.

Tendring District Council needs to have high calibre leaders within the organisation to deliver high quality public services, especially in difficult fiscal conditions. At the same time taxpayers are right to demand value for money from public resources and an assurance that their money is not being wasted on excessive senior salaries. The primary aim of the Pay Policy is to set a framework to attract, retain and motivate staff so that the organisation can perform at its best. Research shows that individuals are attracted, retained and engaged by a range of both financial and non-financial rewards so a coherent link between reward and the overall approach to people management leads to the best possible outcome.

## Managing Remuneration

Tendring District Council has a fair, equitable and transparent approach to remuneration, following equal pay legislation. This includes incremental progression based on length of service and more proactively on:

- Achieving annual performance levels
- Development progression against defined frameworks (Career Progression for many posts)

The Council also benchmarks and reviews salary profiles within the job market and has access to the EPayCheck system provided by the East of England Employer's Organisation.

The Council has adopted the National Pay Grades as set by the National Joint Council (NJC) and is subject to the national negotiations regarding pay and conditions of service (commonly known as the 'Green Book'). The Council currently has a Pay Spine that commences on SCP (Spinal Column Point) 8, which is the pay for the "lowest paid employee" and ends at SCP 83. Within the pay structure there are 20 Pay Bands

Over the past few years the Council has deleted a number of Spinal Column Points to support workers at the lower end of the pay line. From 1 April 2015 it was agreed that staff employed within Tendring District Council should be paid a minimum of SCP 8.

During 2015/16 the government introduced a National Living Wage for employees aged over 25. The National Living Wage will be £7.50 per hour with effect from 1 April 2017.

The Council, however, proposes to continue to pay all employees a minimum of SCP 8, £7.90 per hour during 2017/18, this is an additional 40p per hour above the National Living Wage and this rate will apply to all employees, regardless of age.

Apprentices, however, are not included as they have a contract for learning and training with the Council, rather than an employment contract.

The Council's 2016/17 Statement of Accounts includes details of all Chief Officers pay.

The values of the SCPs are updated by the national pay awards and the Council is notified of any changes by the National Joint Council for Local Government.

Employees who are new to the Council and Local Government are usually appointed at the first point of the salary banding, apart from in exceptional circumstances.

National Single Status and the NJC Job Evaluation Scheme have been adopted by the Council with locally agreed conventions, which at the time of adoption were negotiated and agreed with local union officials. Training has been provided by the Regional Employers (EELGA) to ensure that there is a sufficient number of managers and union officials within the organisation who have the skills to implement and apply job evaluation within the Council. This job evaluation scheme is recognised by employers and trade union nationally and the scheme allows for

robust measurement against set criteria resulting in fair and objective evaluations. The Council plans to continue to re-assess and benchmark its structure and salaries during 2017, which may initiate a further need for job evaluation and grading reviews.

Chief Officers are not subject to the NJC Job Evaluation Scheme. Chief Officers within the organisation have their pay set following benchmarking and pay rates which are set to attract and retain key employees. The agreement of pay is subject to Equal Pay legislation.

The highest paid employee is the Chief Executive who is on a salary scale of £112,000 to £126,356 per annum.

Car mileage payments for all employees is paid at the Inland Revenue Rate. This is currently 45p per mile (for the first 10,000 miles). Use of the Inland Revenue rate enables the Council to have a fair and consistent rate of reimbursement for business mileage across the Council.

There are local rates in force for individuals who use their motorcycles or bicycles on official business and to encourage Officers to car share on business journeys the Council has also adopted the additional 5p per passenger per mile, in accordance with Inland Revenue guidance.

Other allowances payable within the Council included the following:

- Committee Attendance
- Overtime Payments
- Standby Payments
- Callout Payments
- Telephone Line Rental
- First Aider Payments

Following a review it was determined that the majority of allowances as detailed above would remain for 2017/18, however there are still some historical inconsistencies that the Council will review during 2017/18. The Council does not currently operate any performance related pay or bonus schemes.

The Council has a Subsistence Policy, adopted by HR Committee. Any payment is made on production of actual receipts and payments adhere to the rates provided by the East of England, Local Government Association.

The Chief Executive also receives a (Deputy/Local/Acting) Returning Officer fee in respect of Parliamentary, European Parliamentary, Referendums, County, Police and Crime Commissioner and District and Parish Council Elections. The fee for undertaking this role within the Tendring District is calculated in respect of District and Parish Council Elections by reference to the Scale of Fees and Expenses payable to the Returning Officer at elections of District and Parish Councillors. In respect of acting as Deputy Returning Officer at elections of County Councillors, reference is made to the Scale of Fees and Expenses payable at Elections of County Councillors supplied by Essex County Council. Fees for conducting Parliamentary,

European Parliamentary Elections, Police and Crime Commissioner Elections and National Referendum are determined by way of a Statutory Instrument.

The fees received by the Chief Executive in 2016/17 in respect of duties performed relating to the Police and Crime Commissioner election for the Essex Police Area, the Referendum on the UK's membership of the European Union, a County Council by-election, 2 District Council by-elections and 3 Parish by-elections, equated to a total payment of £12,246.40.

The Council is an admitted body of the Local Government Pension Scheme and the Pension Scheme for the Council is administered by Essex County Council.

### **Transparency within Tendring District Council**

Existing legislation already requires the Council to publish statements regarding remuneration and each year in the Council's Statement of Accounts includes a detailed analysis of the pay, benefits and pension entitlements for all Chief Officers within the Council. The Council will continue to publish this information on an annual basis and it is readily available to view on the Council's website [www.tendringdc.gov.uk](http://www.tendringdc.gov.uk). This information also includes a structure of the Council's Senior Officers.

In 2017/18 the remuneration for the lowest paid member of staff within the Council will be £15,246 (based on £7.90 per hour) per annum and the most senior officer within the Council will be paid £126,356 per annum. This is a multiple of 8.21, which is lower than half of the pay multiple detailed as the cap for Local Government pay as detailed in the Hutton Review of Fair Pay in the Public Sector. It should be noted that this multiple has reduced by 2 points in comparison to the Pay Statement 2014/15. The Council aims to keep this multiple under review to ensure that it is kept at an appropriate level. The median average pay for Chief Officers is £76,328 (this is based on full time equivalent annual salary, excluding election fees). The median pay for other staff other than Chief Officers is £24,174 per annum.

The Council publishes on the Tendring District Council website a monthly report of salaries paid, by pay band and the number of staff within each pay band - [www.tendringdc.gov.uk](http://www.tendringdc.gov.uk).

### **Equality Act 2010 (Specific Duties and Public Authorities ) Regulations 2017**

During 2017 the Council is obliged to introduce mandatory gender pay reporting, to meet the requirements of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. By 30 March 2018, the Council will have to publish the first snapshot of data including the following:

- The mean gender pay gap
- The median gender pay gap
- The mean bonus gender pay gap
- The median bonus gender pay gap
- The proportion of males and females receiving a bonus payment
- The proportion of males and females in each quartile band

This information will be published on the Council's website as well as a designated government website, which has yet to be determined. Three of the above questions, will not be applicable, as the Council does not operate bonus schemes for any Officers.

The challenge within Tendring District Council and across Great Britain is to eliminate any gender pay gap. If any gaps are determined, as the Council interprets data, an action plan will be prepared.

### **Off- Payroll working in the public sector (IR35)**

From time to time, due to the requirement for particular specialist skills or due to peaks in workloads the Council uses agency workers or consultants, for short term assignments. With effect from 1<sup>st</sup> April 2017, HMRC has updated the requirements and regulations for off payroll workers within the public sector. From April 2017, individuals working through their own company in the public sector will no longer be responsible for deciding whether the intermediaries' legislation applies and then paying the relevant tax and NICs. This responsibility will instead move to the public sector employer.

The Council is reviewing the current status of workers with individual agencies and HMRC.

### **Severance Payments**

The Council has adopted policies regarding severance payments. Full details can be found in the following;

- Organisational Change and Redundancy Policy
- Flexible Retirement Policy

In the case of the Organisational Change and Redundancy Policy the authority has to ensure that the policy is workable, affordable and reasonable having regard to foreseeable costs.

The terms of severance, all policies and payments are the same for the "lowest paid employee" and the Chief Officers of the Council.

Tendring District Council needs to ensure sufficient flexibility to allow for responding to unforeseen circumstances and there maybe occasions when the Council has to take a pragmatic approach to severance. Any enhanced severance agreements will not be entered into without the advice of the External Auditor and will adhere to current legislation. The Enterprise Bill 2015 proposes a cap of £95k on public sector exit payments, including pension strain costs.

### **Other Rewards**

The Council has both financial and non-financial rewards for staff; these are to reflect the different expectations and priorities of staff.



These other rewards include the following:

- Access to the Local Government Pension Scheme for all staff
- Training Support
- Being tax efficient and at nil cost to the Council - Salary Sacrifice Schemes including Childcare Vouchers, Car Purchase Scheme (Ultra Low emission cars) and a Cycle to Work Scheme
- Health Schemes – the Council has been able to offer a number of Weight Management courses, Quit smoking clubs and Health Checks for employees in partnership with ACE and at nil cost to the Council.
- Occupational health and independent counselling
- Additional career development opportunities – secondments, special projects, flexible working and recognition through awards such as the Celebration of Success and STARS Event
- Free car parking
- Flexi time scheme
- Providing discounts at local shops and cafes for employees
- Additional days annual leave granted after 5 years of continuous service with Tendring District Council

There are no rewards that only benefit Chief Officers within the Council.

### **Review of the Pay Policy Statement**

The Localism Act stipulates that the Council's Pay Policy Statement should be kept under regular review on an annual basis. This includes a publication of the salaries of the most senior employees within the organisation compared to the lowest paid employees. This includes using pay multiples.

The Policy is approved by the Human Resources Committee and presented to Full Council.

The Human Resources Committee will take responsibility for the role of the Council's Remuneration Panel. In fulfilling this role the Committee will ensure that decisions will be based on the following:

- Support the achievement of the Council's aims
- Take account of wider public sector pay policy and good practice
- Are proportionate, fair and equitable and support equal pay principles
- Take account of appropriate pay differentials
- Attract, retain and motivate Officers of the right quality and talent
- Take account of the resources required in transitioning to any revised arrangements

## **Other Policies**

The Council has a number of policies that could have a financial benefit and should be read in conjunction with this Pay Policy Statement including the following:

- Disturbance Allowances Policy
- Organisational Change and Redundancy Policy
- Market Forces Policy
- Flexible Retirement Policy
- Acting Up Policy
- Relocation Policy
- Long Service and Retirement Gifts Policy

All of the above policies apply equally to all employees of Tendring District Council.