



RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

DATE:	Monday, 13 January 2025
TIME:	7.00 pm
VENUE:	Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor P Honeywood (Chairman)	Councillor P Harris
Councillor M Cossens (Vice - Chairman)	Councillor S Honeywood
Councillor M Bensilum	Councillor S Newton
Councillor C Doyle	Councillor G Steady
Councillor B Goldman	

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

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

If you have any queries regarding webcasting or the recording of meetings by the public, please contact Keith Simmons Email: democraticservices@tendringdc.gov.uk or Telephone on 01255 686580.

DATE OF PUBLICATION: Thursday, 2 January 2025

AGENDA

1 Apologies for Absence and Substitutions

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

2 Minutes of the Last Meeting (Pages 5 - 16)

To confirm and sign as a correct record, the minutes of the last meeting of the Committee, held on Tuesday 17 December 2024.

3 Declarations of Interest

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

4 Questions on Notice pursuant to Council Procedure Rule 38

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

5 Reference from the Cabinet - A.1 - Executive's initial budget proposals for 2025/26 (General Fund and Housing Revenue Account) (Pages 17 - 64)

To set out the Executive's initial budget proposals for 2025/26 in respect of both the General Fund (GF) and Housing Revenue Account (HRA) for scrutiny by the Committee in accordance with the provisions of Budget and Policy Framework Procedure Rule 3 of the Council's Constitution.

6 Reference from the Cabinet - A.2 - Executive's Initial Highlights Priorities Proposals (Pages 65 - 86)

To set out the Executive's initial proposals for highlight priorities in 2025/26 for scrutiny by the Committee.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Resources and Services Overview and Scrutiny Committee is to be held in the Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 7.30 pm on Tuesday, 11 March 2025.

Information for Visitors

FIRE EVACUATION PROCEDURE

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

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

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

Your calmness and assistance is greatly appreciated.

Public Document Pack Agenda Item 2

Resources and Services Overview and
Scrutiny Committee

17 December 2024

**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON TUESDAY, 17TH DECEMBER, 2024 AT 7.30 PM
IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD, CLACTON-
ON-SEA, CO15 1SE**

Present:	Councillors P Honeywood (Chairman), M Cossens (Vice-Chairman), Bensilum, Doyle, Goldman, Harris, S Honeywood, Newton and Steady
Also Present:	Councillors Smith (Portfolio Holder for the Environment)(except items 66 & 67) and M Stephenson (Leader of the Council & Portfolio Holder for Finance & Governance)(except items 65 – 67)
In Attendance:	Ian Davidson (Chief Executive)(except items 65 - 67), Damian Williams (Corporate Director (Operations and Delivery))(except items 66 & 67), Lisa Hastings (Director (Governance) & Monitoring Officer), Richard Barrett (Director (Finance and IT) & Section 151 Officer), Tim Clarke (Assistant Director (Housing and Environment))(except items 66 & 67), Ian Ford (Committee Services Manager) and Bethany Jones (Committee Services Officer)

60. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies for absence submitted nor substitutions made on this occasion.

61. MINUTES OF THE LAST MEETING

It was moved by Councillor Newton, seconded by Councillor S Honeywood and:-

RESOLVED that the Minutes of the last meeting of the Committee held on 23 September 2024 be confirmed as a correct record and be signed by the Chairman.

62. DECLARATIONS OF INTEREST

There were no declarations of interest made on this occasion.

63. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

No Questions on Notice pursuant to Council Procedure Rule 38 had been submitted for this meeting.

64. REPORT OF THE HEAD OF DEMOCRATIC SERVICES AND ELECTIONS - A.2 - PORTFOLIO HOLDER PROJECTS - PERFORMANCE AND PROJECT MANAGEMENT

The Committee considered a report of the Head of Democratic Services & Elections (A.2) which enabled it to consider the outcome of its decision from its meeting on 23 September 2024 (Minute 57 referred) which had been considered by Cabinet on 15 November 2024 (Minute 75 referred). The Committee had recommended, in the light of the unauthorised expenditure found in relation to the Spendells temporary

accommodation project that Portfolio Holders reviewed performance and project management of all their existing projects. This review, the Committee had requested, should be completed in time for the findings to be reported to this meeting together with any additional actions determined by the Leader. The Leader of the Council attended this meeting to discuss the outcome of the Portfolio Holder reviews of their projects.

The Chief Executive (Ian Davidson) referred to the announcement by HM Government of its White Paper on Devolution and Local Government re-organisation (LGR). He outlined the context in relation to the timescales for completing the projects and other constraining effects on the Council's key projects that would need to be kept under close review moving forward. Responding and reacting to the White Paper would have a significant effect on this Council's capacity and resources. It would also challenge this Council to maintain its current good performance in terms of Value for Money judgements (which had been recognised by the Council's External Auditor). Mr. Davidson then responded to Members' questions as follows:-

<u>Committee Members' Questions</u> (Summary)	<u>Responses (Chief Executive, unless otherwise stated)</u> (Summary)
Will there be a clause in the new Waste Management Contract that will protect TDC in the event that it disappears under LGR?	There are a myriad of contracts that will need to be gone through. Harmonisation of contracts with other local authorities would take place over time. If TDC was to cease to be then the burden of such contracts would fall on the successor Authority. These are all matters that need to be closely considered alongside other matters such as TDC's close working relationships with the District's Parish and Town Councils.
As LGR progresses will there be a grading system introduced for projects that are underway or are still in the planning stage?	Excellent question. This is just the sort of thing that Officers will need to examine and then facilitate the Cabinet in making its decisions. For some projects, TDC is already contractually obliged having accepted the relevant external funding. The Council's Monitoring Officer and the Section 151 Officer will both play a key role in that process. [Director (Governance)] – These are daunting times for local government as it is facing its largest re-organisation since the passing of the Local Government Act 1972. This is also happening alongside large-scale changes to the national planning, housing and procurement statutory frameworks. Already, cautionary

	<p>messages are being issued to Councils about looking at, in the New Year, transformation projects whether planned or already underway.</p>
<p>Should this overview and scrutiny committee be concentrating on the process in terms of LGR and its effect on TDC's projects?</p>	<p>It would be valid for this Committee to look at the process for choosing which projects are continued or are ceased. A report will be submitted to Full Council in January 2025 that will place all the available information before Members in order to allow them to debate this matter.</p> <p>[Director (Governance)] – Officers will, of course, keep Members up-to-date as matters progress. It is expected that tools will be provided in due course for Members by bodies such as the Centre for Governance and Scrutiny. Eventually an Order will be made in Parliament that will set out all those functions (including contractual matters) that will be put over to the new Authority.</p>
<p>Has TDC been involved in any Best Value related collaborations with neighbouring Authorities on these large projects/contracts e.g. Waste Management?</p>	<p>Yes, most certainly e.g. with Colchester CC and Essex CC on the TCB Garden Community. Another example would be regarding collection methods and mechanisms for purchasing collection vehicles for the new waste collection contract.</p> <p>[Leader of the Council] – Other examples would include the Health & Well-being Alliance, procurement, Emergency Planning, new HR systems and the NEC audit.</p>

The Leader of the Council (Councillor M Stephenson) then addressed the Committee and stated that the Leader/Portfolio Holders' review of projects had focused on three key aspects i.e. capacity, governance and finance. He was broadly comfortable that Portfolio Holders were on top of their respective projects. Councillor Stephenson commended the Committee for their recommendation as this had proved to be a very useful exercise for both Officers and Portfolio Holders. He intended to pull together a comprehensive list of all of TDC's current projects which he would submit to a future meeting of the Committee.

The Leader of the Council then responded to Members' questions as set out hereunder. The Chairman (Councillor P Honeywood) acknowledged that the Leader had not had sight of the questions before the meeting

<u>Committee Members' Question</u> (Summary)	<u>Responses (Leader of the Council, unless otherwise stated)</u> (Summary)
Have all the cameras been granted planning permission?	No. A number of planning applications had been submitted and any that were still outstanding would be submitted shortly. These planning applications would be required to be considered by the Planning Committee.
Regarding the CCTV project, what has happened and what is the progress?	Outlined the timeline to the Committee and undertook to circulate the timeline to Members after the meeting.
How did the CCTV project get so far behind schedule?	There were problems with specifications and the tender process.
Is everything going to be completed for the CCTV project by March 2025?	The aim was to have everything completed by 10 April 2025.
Since the Safer Street Funding briefing note has been circulated, what has happened since then?	Will provide a written answer circulated to all members of the Committee.
Is the Council adhering to the terms of the funding agreement?	Yes, but will confirm that in writing.
What is the financial risk to the Council?	Not aware of any risk. Money is passported and there has been an extension of time granted.
<p>Regarding the site at Weeley, what is the end date for the project? What has happened since 2023 when the heads of terms were signed? How long were the heads of terms agreed for? What happens if there is no completion of the development? Are the housing prices right for the development? Is the deal still good for the Council? What is the procedure for property acquisitions or disposals in relation to tender? What was the process that was undertaken?</p>	<p>This is a sensitive issue best answered by the Corporate Director. There are things going on in the background but they are of a sensitive nature.</p> <p>[Corporate Director (Operations & Delivery)] – It's undeniable that this matter has not proceeded as quickly as TDC would have liked. Officers have been pushing hard but, as yet, have not reached an agreement with the Developer. Is aware of the ongoing cost liabilities to the Council of this site. Will start to look at alternative options for the disposal of this site in an effort to speed up a resolution. Frustrating for all concerned. Any alternative to the current negotiating process will require a further report to Cabinet and a new decision. The negotiations have been lengthy, detailed and problematic (e.g. ransom strips).</p> <p>[Chief Executive] – To an extent, TDC is in the hands of Developers and their willingness to release sites into the housing market. Obviously, this would</p>

	<p>be done on a 'drip feed' process in order to avoid a sudden 'glut' and a depression of house prices.</p> <p>[Councillor M Cossens] – The site at Weeley will be a key focus of the work of the Asset Management Arrangements Task & Finish Working Group.</p>
<p>Further to the responses just provided, this needs close examination to learn lessons for the future. Is going out to a re-tender one of the alternative options?</p>	<p>[Corporate Director (Operations & Delivery)] – Yes, that is one of the options.</p> <p>[Chief Executive] – There is a requirement for seven dwellings to come into TDC's housing stock. This has been a complicating factor and has meant that it has not been a straight-forward land sale.</p>
<p>What projects do you have underway? What was the review process taken?</p>	<p>Review of projects had focused on three key aspects i.e. capacity, governance and finance. He was broadly comfortable that Portfolio Holders were on top of their respective projects. He intended to pull together a comprehensive list of all of TDC's current projects which he would submit to a future meeting of the Committee. List being refined all the time. Had been a very useful exercise for both Officers and Cabinet Members to bring this list of all the projects into one place.</p>
<p>Further to the responses just provided, will this factor into the Administration's priorities going forward and will this Committee have a say in producing that list?</p>	<p>Yes, they will. The draft initial priorities list for consultation purposes will be submitted to Cabinet on Friday. No though yet has been given to producing milestones for these priorities.</p>
<p>What is the progress with Clacton Town Board?</p>	<p>Previous Conservative Government earmarked £20million over a ten-year period. The matter was paused whilst the General Election was held and whilst the new Labour Government considered and confirmed its regeneration priorities. Therefore, the CTB has been effectively in limbo as a result but it has remained determined to take advantage of any opportunities that comes its way and it has been able to proceed with smaller initiatives like empty shop wrapping in Clacton Town Centre and the development of a</p>

	website.
How many times has the local MP been to the meetings of the Clacton Town Board?	Will provide a written answer circulated to all members of the Committee.
If LGR goes ahead, will that make the CTB more important as a way of ensuring input into decision making at the local level?	Yes, it will. The CTB is very determined to take ownership of Clacton's future.
What are the milestones for the savings plans?	[Director (Finance & IT)] - A report will be submitted to Cabinet on Friday that details when savings will come into the Budget in 2025/26 and 2026/27.
Are you behind or ahead with the savings plan?	[Director (Finance & IT)] - Not behind and ahead in some ways but it will require concrete work, actions and decisions made going forward. Worry is about the unexpected/unforeseen (e.g. Covid-19) occurrences that could knock TDC off-course. Overall, TDC is currently in a good position. [Chief Executive] – TDC is not in danger of having to issue a Section 114 Notice unlike many other Councils. The External Auditor is content with TDC's approach of a rolling ten-year financial forecast. This 'smooths out' the process and avoids annual wholesale 'panic' cuts of services.
What is the current position with the old Savoy nightclub in Clacton Town?	[Chief Executive] – This is a commercially sensitive matter at this time but forms part of TDC's overall partnership project with the Arts Council. Willing to give more detail in writing to Members.

It was moved by Councillor P Honeywood, seconded by Councillor Doyle and:-

RESOLVED that the Committee, having discussed the review of performance and project management undertaken by Portfolio Holders with the Leader of the Council:-

- (a) looks forward to receiving the further written answers in due course from the Leader of the Council and would welcome any further expanded responses to those already provided at the meeting; and
- (b) reserves the right to submit any comments or recommendations to Cabinet on this matter once it has considered the Executive's budget proposals and initial highlight priorities at its meeting due to be held on 13 January 2024.

65. REPORT OF THE PORTFOLIO HOLDER FOR THE ENVIRONMENT - A.3 - UPDATE ON THE WASTE AND RECYCLING SERVICE PROCUREMENT

The Committee considered a report of the Portfolio Holder for the Environment which updated it on the current position on the waste and recycling and street cleaning service procurement.

It was noted that as the procurement process was now under way there was a limit to how much information about the process and the bidders involved that could be shared with the Committee.

Members were reminded that, at its meeting held on 26 July 2024, Cabinet had considered a report of the Environment Portfolio Holder (A.6), which had:-

- provide it with an update on progress with future options for kerbside waste and recycling collection and street sweeping beyond the expiry in 2026 of the current contractual arrangements;
- sought Cabinet's approval to go out to tender in order to find a suitable service provider;
- sought the adoption of the Core Specification Principles; and
- sought to delegate a number of decisions to Portfolio Holders and Officers to ensure a smooth progression of this work.

Cabinet had resolved "*RESOLVED that Cabinet –*

1. *notes the work undertaken by the Waste Contract Project Board to date and the contributions from the Member Working Group;*
2. *notes the content and recommendations made in the Options Appraisal and Outline Business Case produced in partnership with EELGA;*
3. *endorses the proposal set out within the Options Appraisal and Outline Business Case to re-tender both the waste and recycling collection and street sweeping services as a single contract in order that a contractor is in place to deliver services at the time of the expiry of the current contracts on 31st December 2025 and 31st January 2026;*
4. *notes the outcome of the market engagement exercise;*
5. *agrees to the route to procurement being Competitive Dialogue;*
6. *agrees to formally adopt the Contract Principles, endorsed by the Waste Contract Project Board and against which the new service will be set, along with the Core Specification Principles set out in Table 4 within the Portfolio Holder's report (A.6);*
7. *agrees to offer a lease of the Fowler Road depot in Clacton on the existing terms as part of any future contractual arrangement, accepting that the depot is likely to require reconfiguring / modernisation during the contract period. Therefore, Cabinet also agrees to initiate the Property Dealing Procedure allowing Officers to explore options and alternative / additional land purchase or lease opportunities;*
8. *agrees a delegation to the Portfolio Holder for Assets to determine the Social Value Themes, Outcomes and Measures (TOMs) against which the social value aspects of the tender submissions will be considered;*
9. *agrees a joint delegation to the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets to approve:-*
 - a. *the high level service specification provided that they consult with the Waste Contract Project Board and the Member Working Group beforehand;*
 - b. *the aspects of the tender about which there will be dialogue held with bidders;**and*

c. the tender evaluation criteria to be used;

10. *agrees a delegation to the Corporate Director (Operations & Delivery) to approve:*

a. the detail of the service specification providing that they have consulted with the Portfolio Holder for the Environment; and also

b. the membership of the tender evaluation panel; and

11. *authorises a joint delegation to the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets, in consultation with the Corporate Director (Operations & Delivery), the Section 151 Officer and the Monitoring Officer to agree any short term extension to the current contractual arrangements, where permissible to do so and solely for the purpose of assisting with the mobilisation of the new contracts.*

The Committee was made aware that, since that 26 July 2024 Cabinet decision, the relevant portfolio holder decisions had been taken and the procurement exercise had been formally launched on 16 October 2024.

The first stage of the procurement exercise had been completed and bidders had now been invited to submit detailed solutions that were due to be submitted in mid-January 2025. Those submissions would then be scored and evaluated before bidders were invited to participate in a round of dialogue discussions aimed at increasing understanding of both the Council's requirements and bidder's proposals.

Following the dialogue sessions the bidders would be invited to submit their final solutions with the aim that a formal decision on the award of contract could be made in June 2025.

The Portfolio Holder for the Environment (Councillor Smith) then responded to Members' questions as set out hereunder. The Chairman (Councillor P Honeywood) acknowledged that the Portfolio Holder had not had sight of the questions before the meeting. The Chairman also requested that a copy of the Portfolio Holder's opening remarks be circulated to the members of the Committee after the meeting.

<u>Committee Members' Questions</u> (Summary)	<u>Responses (by the Environment Portfolio Holder, unless otherwise stated)</u> (Summary)
Has the Waste and Recycling service kept to the timelines?	In the main, yes. Still on course for the final decision to be made by Cabinet at its meeting in June 2025.
What happens if the timeline slips?	Following the Extended Competitive Dialogue (ECD) process has provided TDC with flexibility.
What happens if the budget goes over?	A written answer will be provided to all members of the Committee following the meeting. [Director (Governance)] – The report submitted to Cabinet in July 2024 set

	out the financial position.
What happens if the lowest bid is over the budget?	[Assistant Director (Housing and Environment)] – The ECD process will show up at an earlier stage the likely contract price. If it is too high then it could be negotiated downwards or items could be removed from the contract to reduce the price.
How much is the current cost of using consultants? What is the risk factor of proceeding without knowing the outcome of LGR?	Consultant cost is currently £128,000+ [Corporate Director (Operations & Delivery)] – TDC has no choice but to proceed with a new contract as the current contract is due to expire. If TDC ceases to exist then the new successor Authority will take over responsibility for the contract.
Will this contract be robust enough to compensate for the significant amount of additional housing that will be required to be built within the District?	[Assistant Director (Housing and Environment)] – There are in-built escalator clauses within the contract.
If the budget is over, what happens to the savings plan?	A written answer will be provided to all members of the Committee following the meeting.

It was moved by Councillor P Honeywood, seconded by Councillor Newton and:-

RESOLVED that the Committee:-

- (a) looks forward to receiving the further written answers in due course from the Environment Portfolio Holder and would welcome any further expanded responses to those already provided at the meeting; and
- (b) reserves the right to submit any comments or recommendations to Cabinet on this matter once it has considered the Executive's budget proposals and initial highlight priorities at its meeting due to be held on 13 January 2024.

66. REPORT OF THE DIRECTOR (FINANCE & IT) - A.4 - EXTERNAL AUDITOR'S COMBINED ANNUAL REPORT INCLUDING THEIR VALUE FOR MONEY COMMENTARY ON THE COUNCIL'S USE OF RESOURCES

Further to the request made by the Committee at its previous meeting, the Committee had before it a report of the Director (Finance & IT) (A.4) which presented the External Auditor's Combined Annual Report for the years ended 31 March 2021, 31 March 2022 and 31 March 2023.

A report from the Council's External Auditor (EA) was attached which set out the most up to date and independent value for money commentary on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The EA's report had been formally considered by the Council's Audit Committee on 9

December 2024 and set out a detailed commentary on a range of value for money issues along with providing a summary of the key issues arising from the work of the External Auditor for the years ended 31 March 2021, 31 March 2022 and 31 March 2023. In terms of this latter point (pages 5 and 6 of the EA report), this referred to the work the Auditors had undertaken as part of their statutory financial statements work, which had been considered by the Audit Committee as part of the activities associated with the publication of the Council's Statement of Accounts for 2020/21, 2021/22 and 2022/23.

In terms of the value for money element of the work undertaken by the Council's External Auditor, the Code of Audit Practice required auditors to carry out a full scope audit of Value for Money (VFM) arrangements for 2023/24 onwards. However, as set out within the EA's Combined Annual Report, a reduced scope had been carried out to date as permitted for preceding years. From 2024/25 onwards, auditors would be required to issue their annual auditor's report containing the VFM commentary each year by 30 November. This had been designed to ensure that, even where the financial audit opinion was disclaimed, the audit still provided useful information to audit committees and other stakeholders about the financial management and financial sustainability of local bodies.

The EA's detailed value for money commentary was set out on pages 7 to 17 of the EA's report and it highlighted a number of important areas of the Council's work and demonstrated a strong and continually improving picture across the various value for money themes.

This was a very welcome position which hopefully provided Members with assurances, especially around the two key themes of financial sustainability and governance, given no such independent commentary had been provided in recent years due to the external audit delays.

Although highlighted on page 17 of the attached report, it was worth highlighting the following statement by the External Auditor:-

"Our VFM work for 2020/21 to 2022/23 has not identified any significant weaknesses in the Authority's arrangements. However, we have identified opportunities for the Authority to improve their arrangements and have made a recommendation accordingly."

In respect of the recommendation referred to in the above statement, this was also set out on page 17 of the EA's report along with confirmation that the associated matter had been addressed in 2023.

<u>Committee Members' Questions</u> (Summary)	<u>Responses by the Director (Finance and IT) & Section 151 Officer</u> (Summary)
Does this impact the Council's financial forecast at all?	Not directly. The External Auditor has not made any adverse comments / recommendations regarding the Financial Forecast so TDC is free to proceed. This gives TDC valuable time

	backed up the Forecast Risk Fund. It also enables TDC to avoid an annual scramble to balance the books and precludes 'panic' cuts to services.
When is the KMPG audit report going to be published?	It is due to be submitted to the meeting of the Audit Committee currently arranged for 30 January 2025.

It was moved by Councillor P Honeywood, seconded by Councillor S Honeywood and:-

RESOLVED that the contents of the report be noted.

67. REPORT OF THE HEAD OF DEMOCRATIC SERVICES & ELECTIONS - A.1 - WORK PROGRAMME 2024/25 - INCLUDING MONITORING OF PREVIOUS RECOMMENDATIONS AND SUMMARY OF FORTHCOMING DECISIONS

The Committee considered a report of the Head of Democratic Services & Elections (A.1) which provided it with an update on its approved Work Programme for 2024/25 (including progress with enquiries set out in its Work Programme); feedback to the Committee on the decisions in respect of previous recommendations from the Committee in respect of enquiries undertaken; and a list of forthcoming decisions for which notice had been given since publication of the agenda for the Committee's last meeting.

The report also provided Members with an opportunity for updates on the work of the Committee's Task and Finish Groups; to consider the Committee's approach to budget scrutiny at its January 2025 meeting; and to note that arrangements would be made with the Chairmen of both this Committee and of the Audit Committee to receive the findings in relation to the investigation into the Council's development of Spendells House, Naze Park Road, Walton-on-the-Naze.

The Committee received an oral update on the work of the Asset Management Arrangements Task and Finish Group established by the Committee from its Chairman (Councillor M Cossens). That Group was carrying out two enquiry strands i.e. it was looking at both the Council's physical assets and its IT assets. It had discussed the scoping of those two strands and would shortly begin delving into its detailed enquiry.

It was moved by Councillor P Honeywood, seconded by Councillor M Cossens and:-

RESOLVED that the Committee -

- (a) notes the progress with enquiries set out in its Work Programme 2024/25, plus any feedback to the Committee on the decisions in respect of previous recommendations and the list of forthcoming decisions;
- (b) notes the oral update on the work of the Asset Management Arrangements Task and Finish Groups established by the Committee as given by its Chairman (Councillor M Cossens);
- (c) agrees that its approach to budget scrutiny to be undertaken at its meetings on Monday, 6 January (informal) and Monday, 13 January 2025 in respect of the draft

General Fund and draft Housing Revenue Account budgets for 2025/26 and beyond will be as follows:-

- (1) at its informal meeting on 6 January, the Committee will receive a presentation from the Director (Finance and IT) on the latest budget position and will then look to decide which Portfolio Holders will be required to appear before the Committee on 13 January;
 - (2) on 13 January, the Committee will consider the highlights and general overview of the budget but will particularly focus on how costs are built from the ground upwards with an eye to the implications of LGR;
 - (3) that the meetings on 6 January and 13 January will both commence at 7.00 p.m.; and
 - (4) that the members of the Cabinet be requested to hold the evening of Monday 13 January 2025 in their diaries in case they are required to appear before the Committee.
- (d) notes that arrangements will be made with the Chairmen of this Committee and of the Audit Committee to receive the findings in relation to the investigation into the Council's development of Spendells House, Naze Park Road, Walton-on-the-Naze.

The meeting was declared closed at 9.24 pm

Chairman

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

13 JANUARY 2025

REFERENCE REPORT FROM THE CABINET

A.1 **GENERAL FUND AND HRA BUDGET PROPOSALS 2025/26**

(Report prepared by Ian Ford)

PURPOSE OF THE REPORT

To set out the Executive's initial budget proposals for 2025/26 in respect of both the General Fund (GF) and Housing Revenue Account (HRA) for scrutiny by the Committee in accordance with the provisions of Budget and Policy Framework Procedure Rule 3 of the Council's Constitution.

BACKGROUND / CURRENT POSITION

Reports relating to the Executive's initial GF and HRA Budget proposals for 2025/26 were considered by Cabinet on 20 December 2024, with the comments of the Committee now requested as part of developing the Executive's final budget proposals for presenting to Full Council in February 2025.

The following sets out each report in turn:

1) Appendix A - Updated General Fund Financial Forecast / Budget 2025/26

At its meeting on 20 December 2024 (Minute 98 refers), Cabinet:-

“RESOLVED that –

- a) *the updated Financial Forecast and proposed budget position for 2025/26, as set out in item A.5 of the Report of the Corporate Finance & Governance Portfolio Holder and its appendices, be approved; and*
- b) *the Resources and Services Overview and Scrutiny Committee's comments be requested on this latest financial forecast and proposed position for 2025/26.”*

2) Appendix B - Updated Housing Revenue Account Business Plan and Budget Proposals 2025/26

At its meeting on 20 December 2024 (Minute 104 refers), Cabinet:-

“RESOLVED that -

- a) *the updated HRA 30-year Business Plan, which includes the proposed revised position for 2024/25 along with budget proposals for 2025/26, be approved; and*
- b) *the Resources and Services Overview and Scrutiny Committee's comments be requested on this latest HRA financial forecast.”*

The Committee will recall that, at its meeting held on 17 December 2024 (Minute 67 refers), Members considered, inter alia, the Committee's approach to budget scrutiny at its January 2025 meeting and it had been resolved:-

(c) *“agrees that its approach to budget scrutiny to be undertaken at its meetings on Monday, 6 January (informal) and Monday, 13 January 2025 in respect of the draft General Fund and draft Housing Revenue Account budgets for 2025/26 and beyond will be as follows:-*

- (1) at its informal meeting on 6 January, the Committee will receive a presentation from the Director (Finance and IT) on the latest budget position and will then look to decide which Portfolio Holders will be required to appear before the Committee on 13 January;*
- (2) on 13 January, the Committee will consider the highlights and general overview of the budget but will particularly focus on how costs are built from the ground upwards with an eye to the implications of LGR;*
- (3) that the meetings on 6 January and 13 January will both commence at 7.00 p.m.; and*
- (4) that the members of the Cabinet be requested to hold the evening of Monday 13 January 2025 in their diaries in case they are required to appear before the Committee.”*

RECOMMENDATION

That the Committee considers the two reports (and their appendices) attached and determines whether it has any comments or recommendations it wishes to make or put forward to the relevant Portfolio Holder or Cabinet.

A.1 APPENDIX A

CABINET

20 DECEMBER 2024

REPORT OF THE PORTFOLIO HOLDER FOR FINANCE AND GOVERNANCE

A.5 UPDATED GENERAL FUND FINANCIAL FORECAST / BUDGET 2025/26

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to consider the updated financial forecast and budget proposals for 2025/26 for consultation with the Resources and Services Overview and Scrutiny Committee.

EXECUTIVE SUMMARY

- A 'live' forecast is maintained and reported to Members throughout the year. The most up to date position in December each year is translated into the detailed budget for the following year for consultation with the Resources and Services Overview and Scrutiny Committee.
- As part of maintaining a 'live' forecast, this report 'builds' on the last position that was presented to Cabinet on 15 November 2024.
- Despite the on-going challenging financial and economic environment, confidence in the long term approach to the forecast continues, which is supported by the forecast risk fund.
- The Council has maintained a prudent and sustainable approach to its long term plan, which provides the 'platform' against which it can consider its financial position in response to the challenging economic outlook it continues to face.
- A limited number of changes to the forecast have been made since 15 November 2024, with a revised position set out in **Appendix A**.
- The changes required broadly reflect updates to cost pressures and savings but also now reflect the most up to date position in respect of the council tax 'base' for 2025/26.
- In terms of the cost pressures included in the forecast, these broadly reflect unavoidable items, many of which relate to issues already identified during the year, with one-off adjustments made in 2024/25 pending the development of the forecast. Many of the cost pressures proposed to be included therefore reflect the on-going impact from these known issues in 2025/26 and beyond.
- Work remains on-going in consultation with Services and it is likely that additional cost pressures will need to be included in later iterations of the forecast before final budget proposals are recommended for presenting to Council in February 2025.
- In terms of the savings identified to date, two new items have been included since the 15 November 2024 report mentioned above and they have also now been split into

A.1 APPENDIX A

those expected to be included in the 2025/26 budget and those that remain subject to further review over the coming year in readiness for confirming as part of agreeing the budget for 2026/27. The necessary work to reflect the identified items within the 2025/26 budget remains on-going and the position will be finalised for consideration by Cabinet in January 2025.

- Taking the above into account and in comparison with the position reported to Cabinet on 15 November 2024, the net overall position reflects a forecasted annual deficit of **£1.508m** (a decrease from £2.476m). This is broadly due to the expected deliverability of savings earlier in the forecast period i.e. from 2025/26. In line with the long term plan, it is currently proposed to meet this from the Forecast Risk Fund, which based on the current forecast would leave a balance within the fund of **£5.157m** at the end of 2025/26.
- An annual review of reserves has also been undertaken, which highlights the need to continue to maintain a number of reserves to support key actions / activities as part of the Council's overall prudent and sustainable approach to managing its finances.
- At the time of finalising this report, the Local Government Finance Settlement for 2025/26 had yet to be announced. It is understood that the announcement will be made a day ahead of this meeting, which if the case, a high level update will be provided directly at the meeting. The forecast will then be updated accordingly for consideration by Cabinet at its January 2025 meeting when it considers its final budget proposals for recommending to Full Council in February.
- The forecast now includes a Council Tax increase of 2.99%. This is the maximum permitted amount without having to hold a referendum as confirmed by the Government in its recent Local Government Finance Settlement Policy Statement. This remains an important element of the forecast, that in turn supports the long term financial sustainability of the Council.
- Once the final position for 2025/26 is determined, the remaining years of the forecast will also be revised, which will be reported to members later in the budget setting process.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) **approves the updated Financial Forecast and proposed budget position for 2025/26 as set out in this report and its appendices; and**
- b) **requests the Resources and Services Overview and Scrutiny Committee's comments on this latest financial forecast and proposed position for 2025/26.**

REASON(S) FOR THE RECOMMENDATION(S)

To set out the latest financial forecast as part of the process of developing the budget proposals for 2025/26.

A.1 APPENDIX A

ALTERNATIVE OPTIONS CONSIDERED

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

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

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

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

OUTCOME OF CONSULTATION AND ENGAGEMENT

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

LEGAL REQUIREMENTS (including legislation & constitutional powers)

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

The arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The previous legislation defining the arrangements for charging, collecting and pooling of Business Rates was contained within the Local Government Finance Act 1988. These have both been amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The Local Government Finance Act 2012 provided the legislative framework for the introduction of the Rates Retention Scheme and the Localisation of Council Tax Support.

A.1 APPENDIX A

The Calculation of Council Tax Base Regulations 2012 set out arrangements for calculation of the council tax base following implementation of the Local Council Tax Support Scheme. These arrangements mean that there are lower tax bases for the district council, major preceptors and town and parish councils.

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

Under Section 25 of the Local Government Act 2003, the Chief Finance Officer (S151 Officer) must report to Council, as part of the budget process, on the robustness of estimates and adequacy of reserves. The proposed approach can deliver this requirement if actively managed and will be an issue that remains 'live' over the course of the forecast period and will be revisited in future reports to members as the budget develops.

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

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2003 set out the requirements of a Minimum Revenue Provision (MRP) Policy Statement which must be approved by Council each year. In calculating a prudent MRP provision, local authorities are required to have regard to guidance issued by the Secretary of State. The latest guidance, issued under section 21(1A) of the Local Government Act 2003, is applicable from 1 April 2025 which the proposed MRP policy reflects.

In respect of special expenses that form part of the budget setting process, expenditure is classed as a Special Expense if it satisfies the requirements of the Local Government Finance Act 1992, Section 35. The only category relevant to this Council is contained within Section 35(2)(d) relating to concurrent functions with Parish and Town Councils. Under the Local Government Finance Act 1992, the Council must identify as its Special Expense, proposed expenditure on those functions which the Council performs in part of the district but which Parish or Town Councils perform elsewhere in the District. If, in the Council's view, a special expense should properly be charged over the whole of the district's area, the Council may pass an express resolution to this effect (known as a **contrary resolution**).

In order for expenditure to be a Special Expense, there are two conditions that must be fulfilled:

1. Expenditure is estimated to be incurred by the District Council in the whole or part of its area on the provision of a function;
2. Expenditure on the provision of the same function is to be incurred by at least one parish/town council elsewhere in the district.

The proposals set out in this report are in accordance with the Council's budget and policy framework.

The Council is also under a broader Best Value Duty that relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in Part 1 of the Local Government Act 1999 ("the 1999 Act") to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of

A.1 APPENDIX A

economy, efficiency and effectiveness". In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget (Part 1 of the Local Government Finance Act 1992), provide statutory services and secure value for money in all spending decisions.

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

Earlier in the year the Government published revised Statutory Guidance on the Best Value Duty of Local Authorities in England under section 26 of the 1999 Act, which best value authorities are required to have regard to. To provide greater clarity to the sector on how to fulfil the Best Value Duty, the statutory guidance sets out seven overlapping themes of good practice for running an authority that meets and delivers best value. These seven best value themes build on the lessons learned from past interventions and reflect what most local authorities already do or are striving to achieve. A detailed description of these themes, including characteristics of a well-functioning local authority and indicators used to identify challenges that could indicate failure, is set out within the revised guidance and financial management and sustainability is a reoccurring expectation throughout the themes and indicators. This report, along with how the Council responds to new or developing issues remains an important element of demonstrating these key requirements.

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

The position set out in this report and the actions proposed are within the Council's powers and reflect the statutory requirements and responsibilities of the Council, including the preparation of its medium term financial plans and associated budget and setting of the council tax.

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

The process for Developing the Budget is set out within the Budget and Policy Framework Procedure Rules, Part 5.14 to 5.16 of the Constitution, which includes the consultation process of the draft Financial Strategy / Forecast setting out the basis on which the budget proposals are intended to be formulated, with the Overview and Scrutiny Committee. Cabinet will have regard to the response received from the Overview and Scrutiny Committee.

Attention is drawn to the on-going reference to the Council's Best Value Statutory Duty and recently published guidance, as set out within the legal requirements section above, along with highlighting that additional decision making will need to be considered as necessary in respect delivering actions supported by the Council's agreed budget each year.

FINANCE AND OTHER RESOURCE IMPLICATIONS

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

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

A.1 APPENDIX A

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

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

The S151 Officer is the author of this report.

USE OF RESOURCES AND VALUE FOR MONEY

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>This is addressed in the body of the report.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>In terms of an independent view, the Council's previous External Auditor has recently submitted their Annual Report that includes their commentary on the Council's use of resources. The report was considered by the Council's Audit Committee on 9 December with the Auditor's headline statement as follows:</p>
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p><i>"Our VFM work for 2020/21 to 2022/23 has not identified any significant weaknesses in the Authority's arrangements".</i></p> <p><i>[One recommendation was set out, which has subsequently been addressed]</i></p>

MILESTONES AND DELIVERY

This report forms part of the Council's wider budget setting processes. Additional update reports will therefore be presented to Cabinet in January as part of developing the detailed estimates that will be presented to Full Council in February 2025.

ASSOCIATED RISKS AND MITIGATION

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

As highlighted earlier, it is likely that further cost pressures will need to be included as part of further iterations of the forecast. As highlighted later in this report, money has been set aside in an associated reserve to help mitigate cost pressures associated with the repair and maintenance of Council assets. When they arise, they are usually significant and the approach taken aims to 'protect' the underlying revenue budget from such items as far as possible.

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

A.1 APPENDIX A

development of the forecast and at the present time its remit remains subject to review by the Government.

As set out in **Appendix A**, based on the latest position forecast, the Forecast Risk Fund is estimated to be depleted by 2027/28, which adds further financial risks and challenges which will require further savings to be identified to deliver a sustainable financial position.

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

EQUALITY IMPLICATIONS

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

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

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

SOCIAL VALUE CONSIDERATIONS

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

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

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

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

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

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

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

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

PART 3 – SUPPORTING INFORMATION

UPDATED FINANCIAL FORECAST 2025/26

A.1 APPENDIX A

The long term forecast is updated on an on-going basis, which is reported to Members quarterly, with the most recent position (at the end of September 2024) being reported to Cabinet at its 15 November 2024 meeting. An additional line of the forecast has been added to better reflect the adjustments required across the forecast period where savings included are not necessarily consistent across future years, for example, treasury income included in 2024/25 was originally expected to reduce over later years of the forecast. This change should help the presentation of these amendments rather than potentially being netted off savings achieved in subsequent years if this presentational adjustment was not made. (Please see new Line 14 'Changes to Savings Identified in Prior Years').

Appendix A sets out an updated forecast for 2025/26 that reflects changes since Cabinet considered the earlier position at its 15 November 2024 meeting. The changes required reflect an improved position – a reduced estimated annual deficit of **£1.508m** (a reduction of £0.968m compared with the figure of £2.476m reported to Cabinet in November).

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

The following table provides a commentary on the changes to the initial forecast set out in **Appendix A** (excludes items where there has been no significant change to the relevant line of the forecast considered by Cabinet on 15 November 2024):

Item in the Forecast	Change since forecast was considered on 15 November 2024	Comments
<i>Underlying Funding Growth in the Budget</i>		
<i>Lines 2a, 4 and 6</i> – Council Tax Increase – 2.99% Growth in Council Tax – general property / tax base growth, and Collection Fund Surpluses b/fwd - Ctax	Net increased income of £0.289m	These changes reflect the final council tax base calculations for 2025/26 where the estimated property growth is higher than originally anticipated, in addition to an increased collection fund surplus position. There is also a small increase in income due to the proposed 2.99% increase in the council tax that is allowable under the referendum principles that were recently confirmed by the Government within their local government finance policy paper mentioned earlier.
<i>Net Cost of Services and Other Adjustments</i>		

A.1 APPENDIX A

<p>Line 21 – Unavoidable Cost Pressures</p>	<p>Increase of £0.657m in estimated costs.</p>	<p>Appendix C sets out a number of items identified to date. As highlighted earlier in the report, work remains on-going in consultation with Services and it is likely that additional cost pressures will need to be included in later iterations of the forecast before final budget proposals are recommended for presenting to Council in February 2025.</p>
<p>Line 24 – On-Going Savings Required</p>	<p>Total savings identified of £2.655m for 2025/26 (£1.336m more than the £1.319m included in earlier forecasts)</p>	<p>Appendix B sets out a number of items identified to date. This change broadly reflects the timing of the impact / deliverability as the items which have now been ‘split’ across 2025/26 and 2026/27. Further work will need to be undertaken during 2025/26 to deliver the remaining items alongside the identification of further savings to support the later years of the forecast.</p>

The above position excludes changes to indirect costs such as internal recharges within the General Fund and technical accounting adjustments that do not have an overall net impact on the budget. However, the full detailed budget, reflecting the above changes, will be presented to Cabinet at its January 2025 meeting.

In terms of cost pressures included within the forecast, their mitigation continues to form an important element of the long-term financial plan. The cost pressures identified for inclusion in the budget largely reflect unavoidable items at this stage, including the on-going impact of items identified as part of earlier financial performance reports. *(Columns 2 to 5 of Appendix C highlight the changes made to the 2024/25 budget, either within the base budget or during the year as part of financial performance reports.)*

Appendix C also includes a number of items where it is proposed to meet the additional costs from increased income that is forecast to be achieved based on the position currently being experienced in 2024/25. There are also a number of items that have been considered but no adjustment is proposed at this stage. This includes planning income (and associated activities) and crematorium income which are both lower than expected to date in 2024/25. Such income streams have historically recovered over time and it is therefore not proposed to adjust the 2025/26 budget at the present time with the position monitored during next year as part of the quarterly financial performance reports. It is also important to mention the potential changes that are likely to emerge from the Government’s National Planning Policy Framework that is currently being developed, which is likely to have an impact on the level of planning fees chargeable by Council’s.

The cost of homelessness continues to be a significant challenge for most Councils across the country. The Government have recognised this position and have committed to providing additional funding to Council’s to support them in meeting this challenge, with the detailed allocations to individual Council’s hopefully announced as part of the Local Government Finance Settlement. At the present time, an additional **£0.500m** is included as a further on-going cost pressure within **Appendix C**, which can be reviewed in light of the any Government support that becomes available. As further mitigation against this risk, a report is planned to be

A.1 APPENDIX A

presented to Cabinet as early as possible in the new year that will explore options to support the Council in responding to this on-going challenge in 2025/26 and beyond.

It is also timely to mention that employee cost estimates have yet to be finalised. The current forecast includes the estimated impact from the recently announced increase in Employers National Insurance contributions. The Government have committed to reimburse this cost which is reflected within **Appendix B**. Final employee cost estimates will be included within the forecast that will be presented to Cabinet in January 2025.

It is also worth highlighting the expectation that the recent national insurance increases will likely feed through to the Council from its suppliers and contractors as they pass on some or all of this additional cost. It is difficult to measure the impact at this stage and it will therefore be an issue that will be kept under review during 2025/26.

As set out in **Appendix A**, taking the above adjustments into account, the updated forecast deficit for 2025/26 totals **£1.508m**, compared with the forecasted deficit of **£2.476m** considered by Cabinet at its 15 November 2024 meeting.

As highlighted in earlier financial performance reports, given the inherent risks to the forecast, a risk assessment of each line of the forecast is maintained. The most up to date assessment is set out within **Appendix D**. The most significant risks to the forecast is uncertainty around the Government's proposed reforms to local government funding, the business rates reset, the level of achievable savings and cost pressures emerging in future.

In terms of supporting the underlying context to the development of the budget for 2025/26, it is worth highlighted the following comments that were set out in earlier financial performance reports: *In terms of the later years of the forecast, it is important to highlight the significant challenges arising from inflationary increases, which are expected to exceed our ability to raise income from council tax and business rates. Therefore, at some reasonable point in the future, the Council must be able to put itself in the position of balancing its annual budget, otherwise the position is not sustainable. Based on the current forecast position, the expected annual imbalance between expenditure and income [from 2027/28 onwards] is approximately £0.700m. This would therefore require corresponding annual on-going savings to be realised over the full forecast period to enable a balanced budget to be set each year.*

Notwithstanding the above, the Council's long term plan and Forecast Risk Fund provide flexibility and support against which the development of the Council's forecast can be considered and it continues to provide the time and opportunity to respond to the structural annual budget deficit that is still estimated to remain at the end of 2026/27.

Local Government Finance Settlement and Government's Spending Review

In the report presented to Cabinet on 15 November 2024, it was highlighted that although the Government had made positive commitments to support local authorities as part of their Autumn Budget Statement, it was not yet clear how this would be distributed and whether it will mean District Council spending power will rise in real terms.

In the interim period, the Government have published a Local Government Finance Policy Paper that broadly confirmed a number of previous statements, with summarised highlights as follows:

A.1 APPENDIX A

- Revenue Support Grant will rise in line with CPI.
- A Council Tax referendum principle of up to 3% or £5, whichever is the higher as mentioned earlier.
- Compensation payable to local authorities for the freeze in the small business rates multiplier via an increase to the calculation of under-indexation compensation.
- Support to the continuation of Business Rates Pooling.
- The introduction of a recovery grant worth £600m nationally which will be distributed using a simple formula based on deprivation, taxbase and population to lay the foundations for reform.
- A funding 'floor' that ensures that no council will see a reduction in Core Spending Power in cash terms, after factoring in forecast council tax increases.
- Bringing forward one further round of New Homes Bonus payments, using the same methodology as in previous years.
- Reconfirming the commitment to supporting Local Authorities in respect of the additional national insurance costs.
- All councils will receive additional income from Extended Producer Responsibility for Packaging (EPR) payments (over and above increases to Core Spending Power). EPR payments will be guaranteed and will not be ringfenced – the Council has recently been informed that the money receivable in 2025/26 is £0.892m.
- Confirmation of the previously announced £233m of new funding nationally for homelessness prevention.
- It is understood that there will be a fundamental reform to the local government funding model after 2025/26. The Government are planning on launching a consultation on a new approach to allocating funding (Fair Funding) and will also launch a technical consultation on resetting business rates in the new year.

Although there is positive news within the above elements of the Local Government Finance Settlement, it is always difficult to translate such high level commentary into what it means for the Council. The Provisional Local Government Finance Settlement is planned to be announced on 19 December 2024, which will provide clarity around the overall impact on the Council. Although an update will be provided directly at the meeting if possible, the required changes to the forecast will be included when the next iteration is presented to Cabinet in January 2025.

It is also worth highlighting the last bullet point above, where the Government intends to move to a new basis of funding for Local Government from 2026/27, including a reset of the business rates system. Although the outcome cannot be forecasted at the present time, this is one of the highest risks to the longer term forecast based on the uncertainty around what this could mean for the Council.

Sensitivity Testing

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

Reserves

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

A.1 APPENDIX A

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

Reserve	Purpose of the Reserve	Estimated Balance	Status
Asset Refurbishment/Replacement Reserve	To meet the cost of the maintenance of the Council's assets, including those associated with the Council's commitment to carbon neutrality. This reserve 'protects' the underlying revenue budget from significant one-off expenditure items with expenditure against this reserve being considered as part of the wider management / response to emerging cost pressures.	£1.019m	To keep under review as part of the on-going development of the forecast / cost pressures.
Benefit Reserve	To meet any potential costs arising from the obligation to pay benefits and to support potential future changes to the welfare regime. The future remains uncertain given the on-going roll-out of universal credit.	£1.000m	Continue to retain this reserve (but keep under review as part of the development of the long term forecast)

A.1 APPENDIX A

Business Rates Resilience Reserve	To support the Council in reacting to potential future changes in Business Rate appeals and income, especially in light of the potential for changes to the business rate reforms and associated 'reset'.	£1.758m	Continue to retain this reserve (use of this reserve will continue to be considered as part of the development of the long term plan and the potential impact from the Government's proposed Business Rates 'reset')
Commuted Sums Reserve	Established from commuted sums paid to the Council to cover such items as maintenance costs of open spaces, in line with the associated agreements.	£0.467m	Continue to retain this reserve to support the commitments established as part of the associated agreements
Election Reserve	To finance future costs associated with holding District Elections on a four yearly cycle.	£0.045m	Continue to retain this reserve to meet the associated cost when due.
Crematorium Reserve	To finance future ongoing maintenance costs to the crematorium plant and equipment at Weeley.	£0.208m	Continue to retain this reserve to meet maintenance costs due under the terms of an associated agreement

A.1 APPENDIX A

Haven Gateway Partnership Reserve	To support the costs associated with the Haven Gateway Partnership e.g. costs that may be incurred on termination / withdrawal from the current arrangements.	£0.075m	<p>To review against associated risk as this reserve is likely to be able to be removed.</p> <p>(Consider as part of the Q3 Financial Performance Report later in the year)</p>
Leisure Capital Projects Reserve	This reserve has been established to fund ongoing investment in Leisure Facilities and will form an important element of supporting the delivery of the Sports and Activity Strategy.	£0.057m	Continue to retain this reserve
Section 106 Agreements Reserve	This reserve holds income received from developers under Section 106 of the Town and Country Planning Act 1990 to be spent on specific projects over a number of years in accordance with the terms of the agreements.	£3.294m	Continue to retain this reserve (this is released as part of separate decisions made during the year)
Forecast Risk Fund	As set out in earlier reports and elsewhere within this report, this reserve continues to be held to support planned annual budget deficits as part of the Long Term Financial Sustainability Plan.	£5.157m (after proposed adjustments in 2025/26)	Continue to retain this reserve (use of this reserve will continue to be considered as part of the development of the long term plan)

A.1 APPENDIX A

Uncommitted Reserve	General Reserve held to respond to key financial risks such as inflation, income loss, additional burdens etc. which is subject to a risk based assessment on a regular basis.	£4.000m	Continue to retain this reserve (Subject to regular review to ensure it is proportionate / prudent in light of the financial risks faced by the Council)
---------------------	--	---------	---

The above total £17.080m - the revenue and capital commitments reserves have not been included above as they broadly reflect the cash flow impact relating to the timing / programming of the delivery of associated projects and initiatives etc.

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

ADDITIONAL INFORMATION

Council Tax 2025/26

As highlighted earlier, the Government have confirmed their commitment to allow District Councils to increase their share of the council tax by up to 2.99% in 2025/26.

Based on a proposed 2.99% increase, the Council Tax for a band D property will be **£199.52** in 2025/26. The updated property base is **53,496.8**, an increase of just over 3% compared to the 2024/25 figure of **51,866**.

As set out in the previous reports, the Council continues to opt-in to the Council Tax Sharing Agreement with ECC whilst it remains financially advantageous to do so. This scheme has continued to provide a financial benefit to the Council over recent years and is expected to continue to do so in 2025/26.

Locally Retained Business Rates

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

This remains a very complex area of local government financing and includes not only the continued transitional arrangements associated with the cyclical national property revaluation exercise from 2023, but also the changes announced in the Government's recent Autumn Budget Statement and associated Local Government Finance Policy Statement.

The impact of the above on the Council's own financial position along with the estimated benefit of the Council's continued membership of the Essex Business Rates Pool will be determined

A.1 APPENDIX A

and reported as part of finalising the detailed budget for 2025/26 that will be presented to Cabinet in January 2025.

Fees and Charges

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

- general inflationary increases where possible or lower where appropriate / justified
- amounts rounded for ease of application, which may result in a slightly above inflation increase.
- on a cost recovery basis as necessary
- reflect statutory requirements.
- increases where market conditions allow
- to meet specific priorities or service delivery aims / objectives

As set out in this report, the Council continues to face a number of significant financial challenges in 2025/26 and beyond. It is therefore important that fees and charges are considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

Any changes to income will be considered alongside the financial forecast and as part of finalising the budget proposals for 2025/26. No changes to the budget are proposed at the present time.

Although agreed separately, a full schedule of fees and charges will be provided to members ahead of the Full Council budget meeting in February 2025.

GENERAL FUND CAPITAL PROGRAMME 2025/26

As has been the case in prior years, only a very limited number of schemes are included 'automatically' in the base budget on a recurring basis and these relate to the on-going cost of replacing the Council's core IT infrastructure along with disabled facilities grants. Estimates of **£0.070m** and **£0.757m** will therefore be included within the 2025/26 Capital Programme respectively, although the latter item is likely to change once confirmation of the actual level of external grant support is received next year.

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

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

SPECIAL EXPENSES 2025/26

Special expenses amounts cannot be finalised until the budget for the year has been completed and the associated technical adjustments reflected in the budget. Therefore, at this stage of the

A.1 APPENDIX A

budget process it is more practical to review the principles against which the special expenses will be calculated rather than the specific amounts themselves, which are subject to change as the budget develops.

Similarly to previous years, it is not proposed to make any changes to the principles behind the calculation of special expenses with the key principles remaining the same as in 2024/25 as set out below:

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

Although subject to the final budget calculations, expenses to be allocated as special expenses are likely to remain as in 2024/25 and apply to open space and recreation area costs.

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

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

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

Information from parish/town councils

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

Consideration of Determining the Contrary Resolution

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

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

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

A.1 APPENDIX A

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

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

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

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

ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT

Where relevant, figures included in the 2025/26 budget are based on the following policy statement that was agreed by Full Council on 26 November 2024.

In accordance with the Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2003 and having due regard to guidance issued under Section 21 (1A) of the Local Government Act 2003, the Council's policy for the calculation of MRP for 2025/26 shall be the Capital Financing Requirement Method for supported borrowing and the Asset Life (equal instalment) Method for prudential borrowing.

PREVIOUS RELEVANT DECISIONS

Executive's Proposals – General Fund Budget and Council Tax 2024/25 – Item A.1 Full Council 13 February 2024.

Financial Performance Report 2024/25 – General Update at the end of July 2024 - Item A.2 Cabinet 21 October 2024.

Financial Performance Report 2024/25 – General Update at the end of September 2024 - Item A.8 Cabinet 15 November 2024.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A	Updated Financial Forecast 2025/26
Appendix B	Savings Plan
Appendix C	Cost Pressure Summary
Appendix D	Forecast Risk Review

A.1 APPENDIX A

REPORT CONTACT OFFICER(S)	
Name	Richard Barrett
Job Title	Director (Finance and IT)
Email/Telephone	rbarrett@tendingdc.gov.uk 686521

UPDATED FINANCIAL FORECAST 2025/26

Line		Prior Year Budget	Last Updated Forecast (15 November 2024)	Updated Forecast (20 December 2024)	Change between November and December Positions
		2024/25	2025/26	2025/26	
		£m	£m	£m	£m
	Underlying Funding Growth in the Budget				
1	Council Tax Increase 1.99%	(0.191)	(0.200)	(0.200)	0.000
2	Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.064)	(0.059)	(0.059)	0.000
2a	Council Tax Increase 2.99%	(0.032)	0.000	(0.041)	(0.041)
3	Growth in Business rates - Inflation	0.000	(0.158)	(0.158)	0.000
4	Growth in Council Tax - general property / tax base growth	(0.158)	(0.190)	(0.325)	(0.135)
5	Growth in Business Rates - general property / tax base growth	(0.636)	0.540	0.540	0.000
6	Collection Fund Surpluses b/fwd - Ctax	(0.159)	(0.100)	(0.213)	(0.113)
7	Collection Fund Surpluses b/fwd - BR	(0.792)	0.000	0.000	0.000
		(2.032)	(0.167)	(0.456)	(0.289)
	Net Cost of Services and Other Adjustments				
8	Change in RSG (including other financial settlement funding)	(0.571)	0.619	0.619	0.000
9	Remove one-off items from prior year	(0.375)	(0.396)	(0.396)	0.000
10	Remove one-off items from prior year - Collection Fund Surplus	0.784	0.951	0.951	0.000
11	LCTS Grant To Parish Council's	0.006	0.000	0.000	0.000
12	Revenue Contrib. to Capital Programme	0.000	0.000	0.000	0.000
13	Specific change in Use of Reserves	(0.216)	(0.056)	(0.056)	0.000
14	Changes to Savings Identified in Prior Years	0.000	0.395	0.395	0.000
15	On-going savings Identified / Achieved	(1.242)	0.000	0.000	0.000
16	Other Adjustments	(0.072)	0.000	0.000	0.000
17	Use of New Homes Bonus	(0.500)	0.000	0.000	0.000
18	Gain from Essex Business Rates Pool Membership	(0.400)	0.000	0.000	0.000
		(2.586)	1.513	1.513	0.000
	Cost Increases				
19	Inflation - Employee / Members Allowance Costs (including annual review adjustments)	1.537	1.540	1.540	0.000
20	Inflation - Other	0.390	0.148	0.148	0.000
21	Unavoidable Cost Pressures	1.716	0.500	1.157	0.657
		3.643	2.188	2.845	0.657
22	Add back Use of Forecast Risk Fund / Reserves in Prior Year	1.236	0.261	0.261	0.000
23	ANNUAL Structural Budget Deficit / (Surplus) BEFORE Required 'Savings'	0.261	3.795	4.163	0.368
24	On-going Savings Required	0.000	(1.319)	(2.655)	(1.336)
25	ANNUAL Structural Budget Deficit / (Surplus) AFTER Required 'Savings'	0.261	2.476	1.508	(0.968)
26	Use of Forecast Risk Fund / Other Reserves to support the Net Budget Position	(0.261)	(2.476)	(1.508)	0.968

Use of Forecast Risk Fund

Outturn b/fwd from prior years	(6.426)	(6.415)	(6.415)	
Applied in year as set out in the forecast above	0.261	2.476	1.508	(0.968)
Additional contributions generated / required in year	(0.250)	(0.250)	(0.250)	0.000
Balance to Carry Forward	(6.415)	(4.189)	(5.157)	(0.968)

Savings Plan - Forecast 2025/26 and Beyond

Description	Totals	On-going / One-off	Planned Delivery / Impact 2025/26	Planned Delivery / Impact 2026/27	Comments
Income Budgets					
Business Rate Income	700,000	On-going	700,000	0	Additional anticipated income from business rates - this is the estimated impact from a mix of regeneration / economic growth, transitional arrangements following revaluation and less pessimistic forecasting
Revenue Support Grant / Financial Settlement	1,039,000	On-going	619,000	420,000	Following the Government's recent Autumn Budget Statement and associated policy statement, which set out a strong commitment to 'protect' the local government sector, no reduction in funding compared to 2024/25 is now expected. This therefore represents additional Government funding over and above original forecasts.
Rent Reviews	30,000	On-going	30,000	0	Additional income will be generated from the usual rent reviews undertaken as part of the underlying existing lease agreements
VAT on Leisure Fees	265,000	On-going	265,000	0	Following further review, the originally anticipated favourable VAT status has been confirmed.
Treasury Investment Income	215,000	On-going	215,000	0	Although a reduction in income was included within original forecasts, based on the current trajectory of future interest rate reductions, it is likely that additional income will be generated in the short to medium term years of the forecast.
NEW - Government's Commitment to Fund Cost of National Insurance Increases	474,300	Potentially On-going (subject to future LG funding settlements)	474,300	0	In addition to the item above relating to the Revenue Support Grant, the Government have committed to reimburse Local Councils for the additional cost of the recently announced changes to employers national insurance rates. Although it is expected that this will be included within the wider Local Government Financial Settlement figures using notional amounts, the figure currently included represent the Council's actual estimated cost. This will therefore be subject to amendment later in the budget setting process once figures are finalised.
NEW - Inter Authority Agreement with ECC relating to Food Waste	21,480	On-going	21,480	0	Additional income is due to the Council as part of the underlying agreement with ECC.
Expenditure Budgets					
Asset review	220,000	On-going	120,000	100,000	This represents estimated savings from reviewing the Council's operational assets and further possible rationalisation opportunities.
IT Savings	200,000	On-going	50,000	150,000	A number of activities are underway to support the delivery of savings and/or the mitigation of increased costs.
Energy Costs - Leisure Centres	50,000	On-going	50,000	0	As previously reported, following the implementation of a number of energy saving initiatives, energy budgets are likely to be reduced - this is subject to the wider / underlying price volatility relating to utility costs.
Wireless Access Point Licences	10,000	On-going	10,000	0	As previously reported, there will be savings from the annual licence fee for the Council's Wireless Access Points across its estate.
Initial PFH Savings 'Allowance'	250,000	On-going	0	250,000	This represents the potential aggregate of savings from reviews undertaken by Portfolio Holders in consultation with Services.
Beach Hut Leases Review	100,000	On-going	100,000	0	Although the necessary re-investment will be undertaken in terms of seafront assets and amenities, there is now greater flexibility in the use of income generated from beach huts across the Council's wider budget.
Total	3,574,780		2,654,780	920,000	

COST PRESSURE SUMMARY

					Proposed Budget Adjustments										
	Adjustments made to the budget to date in 2024/25	On-Going Base Budget Adjustment Included in 2024/25 £	2024/25 One-Off Additional Amount Agreed Earlier in the Year £	Total Adjustments 2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £	2031/32 £	2032/33 £	2033/34 £	Comments	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
On-going Items															
Insurance Premiums Costs	Base Budget 24/25 - £26k Q1 Financial Performance Report 2024/25 - Further £25k	26,000	25,230	51,230	31,730	31,730	31,730	31,730	31,730	31,730	31,730	31,730	31,730	This item reflects the most up to date position following the recent renewal process. Costs may increase further during 2025/26 but this will not be known until the next renewal process is undertaken during the summer / autumn of 2025. This will therefore be kept under on-going review as part of the Financial Performance reports during next year.	
Commercial Investment Property Potential Rental Income Reduction	Base Budget 24/25	0	0	0	0	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	The current lease agreement for the investment property in Clacton comes to an end in 2025/26. The adjustment proposed allows for a potential reduction in the rent payable (from approx. £225k per annum to £100k per annum) from 2026/27. This will be subject to further review / revision over the life of the remaining years of the existing lease agreement, with the adjustment proposed reflecting a pragmatic / prudent view for the purposes of the forecast.	
Homelessness Costs	Base Budget 24/25 - £500k Outturn Report 2023/24 - Further £500k Q2 Financial Performance Report 2024/25 - Further £1.2m	500,000	1,700,000	2,200,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	This area of the budget remains a significant financial challenge, although the Government have committed to providing extra funding to support Local Authorities. Although Spendells House will have a significant positive impact, it is likely that additional costs will be incurred over and above the £500k included in the base budget from 2024/25 onwards. With this in mind, a further sum of £500k has been included from 2025/26, which will be reviewed in light of any additional financial support emerging from the Local Government Finance Settlement.	
Vehicle Hire Costs	Base Budget 24/25	34,100	0	34,100	8,500	62,400	62,400	62,400	62,400	62,400	62,400	62,400	62,400	This reflects the cost associated with the rolling replacement of various existing fleet vehicles used within Services.	
Career Track Net Revenue Position	Q3 Financial Performance Report 2023/24 - £25k Outturn Report 2023/24 - Further £50k	0	75,000	75,000	50,000	40,000	30,000	20,000	10,000	0	0	0	0	As previously reported the Service continues to work towards reducing the overall subsidy where possible. This amount reflects a revised approach where a phased reduction in the required subsidy is proposed from 2025/26 onwards.	
Reduction in recreation grounds income - general hire and bookings	Q1 Financial Performance Report 2024/25	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	This adjustment recognises the on-going reduced income being experienced across the Council's various recreation grounds.	

Page 40

	Adjustments made to the budget to date in 2024/25	On-Going Base Budget Adjustment Included in 2024/25 £	2024/25 One-Off Additional Amount Agreed Earlier in the Year £	Total Adjustments 2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £	2031/32 £	2032/33 £	2033/34 £	Comments
Software Licences	Q1 Financial Performance Report 2024/25	0	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	This reflects the on-going impact from a decision in 2024/25. As part of previous discussions, it was highlighted that the Council is working with other LA partners with the aim of developing viable alternatives to the associated property case management system (IDOX) which is becoming increasingly important due to the increased costs associated with our existing software provider.
Merchant Acquirer Fees	Q1 Financial Performance Report 2024/25	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	With an increase in people paying by credit / debit card, the associated cost to the Council of accepting cards also increases. This however remains a cost effective mechanism to accept payments.
Tendring E-Newsletter	Q2 Financial Performance Report 2024/25	0	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	This cost pressures relates to the purchase of software to support the publication of a regular e-newsletter. This is a priority action as part of the Council's Communication Strategy / Highlight Priority actions.
Car Parks - Additional merchant acquirer costs to facilitate payment by credit / debit cards	Q2 Financial Performance Report 2024/25	0	19,000	19,000	19,000	On-going cost to be funded from Parking Income from 2025/26 onwards								
External Audit Fees	New / Additional Sum	112,000	0	112,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	This cost pressure reflects the continuing increase in costs associated with the work of the External Auditor, from both a statutory perspective and where they are commissioned to undertake the certification of grant claims work required by the Government.
Members Code of Conduct - Responsibilities under Localism Act 2011 e.g. Review of Complaints / Investigations	New	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	This reflects the increased costs expected to continue on an on-going basis from 2025/26.
Independent Remuneration Panel Allowances	New	0	0	0	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	This reflects the decision made by Full Council on 26 November 2024, where allowances for members of the panel were highlighted / agreed.
Electoral Registration	New	0	0	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	This reflects increased postage costs being incurred. The Service are exploring opportunities to reduce this cost where possible.
Clacton Leisure Centre - 'Regular' Repairs & Maintenance Costs	New	0	0	0	17,000	On-going cost to be funded from Leisure Income from 2025/26 onwards								

	Adjustments made to the budget in 2024/25	On-Going Base Budget Adjustment Included in 2024/25 £	2024/25 One-Off Additional Amount Agreed Earlier in the Year £	Total Adjustments 2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £	2031/32 £	2032/33 £	2033/34 £	Comments
Clacton Leisure Centre - 3G Pitch - Future Replacement Fund to ensure money is available when necessary in line with the associated external funding agreement.	New	0	0	0	7,000	On-going cost to be funded from Pitch / Leisure Income from 2025/26 onwards								
Total of On-Going Items		672,100	1,881,230	2,553,330	827,830	953,730	943,730	933,730	923,730	913,730	913,730	913,730	913,730	
One-Off Items														
Weeley Council Offices Costs	Q3 2023/24	0	65,000	65,000	65,000									This reflects the continuing cost of ownership, which includes items such as business rates and utility standing charges. Once ownership is transferred in accordance with the associated agreement then these costs will no longer be payable. Work remains in progress to limit the time that the Council retains this liability, with therefore only a potential additional cost in 2025/26 with no further costs expected in future years.
Implement Beach Patrol Recommendations	Q3 2023/24 - £60k Q1 2024/25 - Further £38k	0	98,000	98,000	98,000									This reflects the costs associated with implementing recommendations from a recent review in partnership with the Royal Life Saving Society UK (RLSS). £98k was included in the budget to meet the associated costs for the 2024 season. It is proposed to include the same sum in the 2025/26 budget for the 2025 season with a review to be undertaken as to the longer term position / impact.
Continuation of contribution for the Harwich PCSO	Q3 Financial Performance Report 2023/24	0	24,650	24,650	25,000									It is proposed to set aside the required funding for this post for a further year subject to a separate report during 2025/26.
Fixed Term Family Support Officer	Q3 Financial Performance Report 2023/24	0	48,750	48,750	49,000									It is proposed to set aside the required funding for this post for a further year subject to a separate report during 2025/26.
Fixed Term Housing Early Intervention Officer	Q3 Financial Performance Report 2023/24	0	43,610	43,610	44,000									It is proposed to set aside the required funding for this post for a further year subject to a separate report during 2025/26.
Community Governance Review - Clacton-on-sea, Holland-on-sea and Jaywick Sands	New	0	0	0	48,400									As agreed by Full Council on 26 November 2024
Total of One-Off Items		0	280,010	280,010	329,400	0	0	0	0	0	0	0	0	
Total of Unavoidable Items Included in the Forecast		672,100	2,161,240	2,833,340	1,157,230	953,730	943,730	933,730	923,730	913,730	913,730	913,730	913,730	
Change across years for Inclusion within the forecast			-	-	-	(203,500)	(10,000)	(10,000)	(10,000)	(10,000)	0	0	0	

	Relevant line of the Forecast	RAG Assessment of Risk	Comments
	<i>Underlying Funding Growth in the Budget</i>		
1	Council Tax Increase 1.99%		Although this always remains subject to future Government policy, it is expected that an allowable inflationary uplift will continue to be a feature in the Local Government finance settlement and associated council tax referendum principles.
2	Council Tax increase by £5 (amounts set out are over and above the 1.99% above)		Although similar to the above, there is less certainty around the level of increase that the Government may allow over and above a 'base' inflationary uplift. However it is expected that such increases will be allowable in the short to medium term without invoking the need to hold a referendum. This will remain subject to on-going review.
2a	Council Tax increase by 2.99% (amount set out are over above the 1.99% / £5 increase above)		
3	Growth in business rates - Inflation		Similar to Council Tax above, based on the historic trend of inflationary uplifts in the poundage applied to rateable values, modest inflationary increases are relatively certain over the life of the forecast. However there remains the risk that the Government may 'cap' or 'freeze' future annual increases that may limit additional income available to Local Authorities - although this risk is currently being mitigated via the Government's on-going commitment to 'reimburse' Councils for any 'lost' income.
4 & 5	Growth in business rates / council tax - general property growth		Underlying growth in business rates and council tax are expected to remain relatively stable and robust in the long term, although the longer term impact from the more general economic challenges faced globally / nationally remains unclear at the present time. This is in addition to the potential impact from future Government policy relating to the business rates retention framework and their proposed business rates 'reset'.
6 & 7	Collection Fund Surpluses b/fwd		Although only relatively modest amounts have been included in the forecast, similarly to the above, the longer term impact of the issues identified remain unclear at the present time.

Risk Assessment of Each Line of the Forecast

APPENDIX D

	Relevant line of the Forecast	RAG Assessment of Risk	Comments
	<i>Net Cost of Services and Other Adjustments</i>		
8	Reduction in RSG		Based on recent Government announcements, they have committed to supporting the public sector including Local Authorities. However the uncertainty introduced by the Government's upcoming spending review and the review of Local Government funding from 2026/27 means that this line of the forecast remains one of the primary risks to the Council's long term plan. Updates will be provided during 2025/26 as more information emerges from the Government and the forecast will be updated accordingly.
9	Remove one-off items from prior year		These are known adjustments
10	Remove one-off items from prior year - Collection Fund Surplus		These are known adjustments based on the assumptions set out above concerning the year on year change in the collection fund position
11	LCTS Grant To Parish Councils		Although this in principle remains subject to confirmation of the level of RSG receivable from the Government, to date the Council has remained committed to providing the associated funding to Town and Parish Councils.
12	Revenue contributions to the capital programme		This is based on reoccurring 'base' amounts that support the replacement of IT hardware along with the provision of disabled facilities grants. Any changes to this line of the forecast would be via the management of cost pressures below rather than being a risk in isolation.
13	Specific change in Use of Reserves		Changes in the use of reserves primarily reflect other changes elsewhere in the budget/ forecast so are not a significant risk in isolation.
14	Changes to Savings Identified in Prior Years - E.g. On-going Impact		These are known adjustments based on the preceding year's budget.
15	On-going savings required		This line of the budget fundamentally acts as the 'safety valve' for other changes elsewhere in the forecast and would need to be increased if adverse issues were experienced or estimates were not in line with predictions. Although the long term forecast provides flexibility in the timing of the delivery of such savings, the scale of the estimated savings required remains significant. The Council will continue to undertake the necessary activities to identify opportunities / options within the established Savings Plan framework. This will need to be undertaken alongside the development of corporate objectives / priorities and include wherever possible exploring ways to reduce the Council's costs / liabilities.
16	Other Adjustments		Changes to this line of the forecast primarily reflect other changes elsewhere in the budget/ forecast so are not a significant risk in isolation.

	Relevant line of the Forecast	RAG Assessment of Risk	Comments
17	Use of New Homes Bonus		Unlike earlier years of the long term plan, new homes bonus grant funding along with the benefit of being a member of the Essex Business Rates Pool are included in the forecast on an on-going basis. The risk of building this funding into the base budget is acknowledged, which would undoubtedly require additional savings to be identified in the medium to longer term if they were no longer receivable in future years.
18	Gain from Essex Business Rates Pool Membership		
	Cost Increases		
19, 20, 21	Inflation and Unavoidable Cost Pressures		<p>Alongside the savings target above, it is recognised that this element of the forecast remains as a significant risk, especially given the amount of unavoidable cost pressures that continue to emerge. Identifying opportunities to reduce such liabilities will need to be a key activity going forward. Although on-going revenue items remain the most difficult items to respond to, one-off items, such as those associated with repairing / refurbishing assets could also have a significant impact on the forecast. One-off funding has been made available elsewhere in the budget to support these one-off costs, which therefore contributes to the mitigation of this risk.</p> <p>Another significant risk to the forecast is external income, especially from elsewhere in the public sector where similar financial pressures are being experienced. Such items include the funding from the major preceptors in respect of the Council Tax Sharing Agreement - This will continue to be reflected in the forecast based on ECC's current commitment, but it may need to be reviewed in future years.</p>

This page is intentionally left blank

A.1 APPENDIX B

CABINET

20 DECEMBER 2024

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

A.11 UPDATED HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET PROPOSALS 2025/26

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out and seek approval of an updated HRA Business Plan, which includes proposed changes in 2024/25 along with budget proposals for 2025/26.

EXECUTIVE SUMMARY

- Similarly, to the General Fund's long-term forecast, a 'live' HRA Business Plan is maintained on an on-going basis, with the most up to date position in December each year being 'translated' into the detailed budget for the following year for consultation with the Resources and Services Overview and Scrutiny Committee.
- A number of changes have been made to the business plan for 2025/26 onwards that largely reflect increased costs / inflationary pressures. Some of these pressures are also being experienced in 2024/25, with corresponding adjustments set out accordingly.
- Based on associated guidance from the Regulator for Social Housing, it is proposed to increase rents by CPI+1% in 2025/26. Based on the relevant reference CPI rate of 1.7%, the proposed increase in 2025/26 is 2.7%.
- As the case in previous years, it is acknowledged that although Councils can set lower increases, this would be a very difficult approach to adopt in terms of the future sustainability of the HRA business plan, given the 'telescopic' impact this would have and more of an imbalance it would create, as expenditure would be increasing significantly more than the level of rental income increases. Such an impact was experienced when the Government required Councils to reduce rents by 1% over the 4 year period from 2016/17 to 2019/20 that continues to have an impact over the long-term life of the business plan.
- Based on the above, the average weekly rent proposed for 2025/26 is **£103.49** (£100.89 in 2024/25)
- After taking into account the various adjustments set out in **Appendix A** and discussed in more detail later on in this report, there continues to be an estimated budget surplus of **£0.418m** in 2024/25, albeit this is slightly behind the original estimated position of **£0.493m**. In terms of 2025/26, there is currently an estimated deficit of **£1.170m**.
- The estimated deficit in 2025/26 is broadly due to the increase in costs associated with the repair and maintenance of the Council's stock of social housing, with further details set out later on in this report.

A.1 APPENDIX B

- It is proposed to fund the estimated deficit for 2025/26 by calling money from HRA balances as an alternative to reducing expenditure. This is partly offset by the transfer of the estimated surplus in 2024/25 to the same reserve.
- As has been the case in previous years, the use of reserves forms part of a wider managed approach that strikes the necessary balance of ‘protecting’ the investment in tenants’ homes whilst recognising the need to use reserves to respond to the on-going financial challenges that the Council continues to face. It is however recognised that this is not a sustainable long-term solution, but it enables the Council to meet its key priorities in the immediate term, which can be revisited as part of the HRA Business Plan in future years. It will be important that the Council explores opportunities to balance the various competing issues during 2025/26, to inform the business plan and budget from 2026/27.
- HRA General Balances are currently estimated to total **£2.556m** at the end of 2025/26 (after taking account of the use of balances highlighted above) that remains available to support the 30 year Business Plan and associated risks to the forecast.
- The proposed HRA Capital Programme for 2025/26 reflects the commitment to maintain the necessary investment in the existing homes of tenants.
- HRA debt continues to reduce year on year as principal is repaid with a total debt position at the end of 2025/26 forecast to be **£31.120m**, which also takes into account the refinancing of an historic loan via an internal borrowing approach.
- There will undoubtedly be further changes required to the forecast before the detailed estimates are finalised for reporting to Cabinet in January 2025, which will provide the opportunity to revisit the above proposals accordingly.
- In addition to requesting comments from the Resources and Services Overview and Scrutiny Committee, it is also proposed to consult with the Tenants’ panel during January, with the outcome reported to Cabinet later that month, where the final HRA budget proposals will be considered for recommending onto Full Council in February 2025.

RECOMMENDATION(S)

That Cabinet:

- a) approves the updated HRA 30 year Business Plan, which includes the proposed revised position for 2024/25 along with budget proposals for 2025/26; and**
- b) requests the Resources and Services Overview and Scrutiny Committee’s comments on this latest HRA financial forecast.**

REASON(S) FOR THE RECOMMENDATION(S)

To enable Cabinet to consider the most up to date HRA Business Plan which sets out a revised position for 2024/25 along with the proposed HRA budget for 2025/26 for consultation with the Resources and Services Overview and Scrutiny Committee.

A.1 APPENDIX B

ALTERNATIVE OPTIONS CONSIDERED

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

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

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

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

OUTCOME OF CONSULTATION AND ENGAGEMENT

Internal consultation is carried out via the Council's approach to developing the budget as set out within the Constitution. External consultation also forms part of developing the business plan / budget, and is carried out early in the year with the budget proposals presented to the Tenants' Panel for discussion / feedback.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

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

It is a statutory requirement on a local authority to determine its Housing Revenue Account budget before the upcoming financial year and to ensure that its implementation will not result in an overall debit balance on the Account.

The self-financing regime for the Housing Revenue Account that came into effect from April 2012 was enabled by the Localism Act 2011.

The Regulator of Social Housing and its predecessor bodies have, at the Direction of Government, issued requirements and guidance to registered providers of social housing (which includes Local Authorities) in respect of rents. This has included the maximum levels of rent they can charge and annual increases in rents.

In 2016, Parliament passed the Welfare Reform and Work Act, which, together with Regulations made under it, created a legislation-based regime of rent reduction across the

A.1 APPENDIX B

sector by 1% per year until 2020. Therefore, over this 4-year period, providers were required to reduce rents by 1% per year across its housing stock.

In October 2017, the Government announced that at the end of the 4 year rent reduction period it intended to return to annual rent increases of up to CPI + 1%, implemented through the regulator's Rent Standard rather than through legislation.

The Secretary of State for Housing, Communities and Local Government published on 26 February 2019 a 'Direction to the Regulator' to set a Rent Standard that will apply from 1 April 2020. That Direction was published alongside the Government's Policy Statement on Rents (the Policy Statement) and the regulator was required to have regard to this when setting its Rent Standard.

The regulator may under section 194(2A) of the Housing and Regeneration Act 2008 set standards for registered providers requiring them to comply with specified rules about their levels of rent (and the rules may, in particular, include provision for minimum or maximum levels of rent or levels of increase or decrease of rent).

Under the above direction, the Regulator of Social Housing confirmed rents could increase by up to CPI+1% per year for a period of 5 years starting from 1 April 2020. The Government did intervene in 2023/24, as based on this formula, rents would have increased by amounts in excess of 10% in that year given the high level of CPI at the time. Therefore to 'protect' existing tenants, whilst balancing the financial impact on Local Authorities, the Government set a rent increase 'cap' of 7% for 2023/24. The Government made it clear that this rent 'cap' would be set for only 2023/24 rather than for any longer period.

The Government are consulting on the introduction of a new rent policy from 1 April 2026 and in the interim period have issued a direction to the Regulator for Social Housing applicable to rents in 2025/26 only. Although the potential impact of the emerging rent policy will be considered as part of developing the HRA Business Plan in future years, for 2025/26 the direction issued allows for the continuation of the previous policy of applying CPI+1% to rent increases for existing tenants.

The rent standard does not apply to properties let to high-income social tenants, so rather than this being a mandatory requirement it remains a voluntary decision taken at a local level. In continuing with the approach agreed last year, given the very challenging administrative issues associated with charging higher rents to high-income tenants, it is not proposed to introduce this in 2025. However, it is acknowledged that this flexibility may be subject to review in future years, for example, as part of developing future policy decisions within the HRA and is subject to the Government's development of the proposed new rent policy from April 2026.

The Housing and Planning Act 2016 introduced a number of changes that had an impact on social housing, which via associated regulations, continue to be reflected in the HRA estimates as necessary.

The Social Housing (Regulation) Act 2023 sees the introduction of a new era of regulation for the social housing sector, which the Council has responded to in 2024/25. Work remains ongoing to respond to the ongoing activities associated with the new regulatory regime, which includes reflecting the expected impact within the development of the HRA Business Plan.

A.1 APPENDIX B

The original HRA 30 Year Business Plan was agreed as part of the self-financing reforms and associated borrowing agreed by Full Council in February 2012 and the budget proposed for 2025/26 reflects the latest / updated forecast position set out in **Appendix A**.

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

Although there are no additional comments above those set out in this report, it is important to highlight that further decisions may be necessary to take actions forward that are reflected in the business plan.

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

FINANCE AND OTHER RESOURCE IMPLICATIONS

The financial implications are set out in this report and its appendices.

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

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

The S151 Officer is the author of this report.

USE OF RESOURCES AND VALUE FOR MONEY

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>This is addressed in the body of the report.</p> <p>In terms of an independent view, the Council's previous External Auditor has recently submitted their Annual Report that includes their commentary on the Council's use of resources. The report was considered by the Council's Audit Committee on 9 December with the Auditor's headline statement as follows:</p> <p><i>"Our VFM work for 2020/21 to 2022/23 has not identified any significant weaknesses in the Authority's arrangements".</i></p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	

MILESTONES AND DELIVERY

This reports forms part of the Council's wider budget setting processes and sets out the most up to date HRA Business Plan and proposed budget for 2025/26 for consultation with the Resources and Services Overview and Scrutiny Committee (RSOSC) in January.

A.1 APPENDIX B

Final budget proposals, taking into account the comments of the RSOSC, will be considered by Cabinet at the end of January 2025, which will include their associated recommendations to Full Council.

In February 2025, Full Council will be asked to consider the detailed HRA Budget proposals for 2025/26 as recommended by Cabinet.

ASSOCIATED RISKS AND MITIGATION

There are significant risks associated with forecasting such as cost pressures, inflation and changes to other assumptions that form part of the financial planning process. These have been brought into even sharper relief given the current challenging economic environment and new era of social housing regulation mentioned earlier. The Council's initial / short-term response is set out in the body of this report and will continue to be addressed as part of the future financial update reports.

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

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

In view of the above, it is important that a sufficient level of balances / reserves is available to support the HRA. HRA General Balances are currently forecast to be **£2.556m** at the end of 2025/26. This is after taking account of the proposal to draw down money in 2025/26 that has been partly offset by the additional estimated contribution to balances of **£0.418m** in 2024/25. The remaining balance continues to be available to support the delivery of the HRA business plan in the medium to longer term.

A 30 year HRA Business Plan is maintained on an on-going basis that continues to demonstrate the sustainability and resilience of the HRA within a self-financing environment and the ability to provide opportunities for housing investment and associated housing services in the future, although it is acknowledged that the longer-term view always remains subject to the Government's housing policies and changes to the regulatory regime.

EQUALITY IMPLICATIONS

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

SOCIAL VALUE CONSIDERATIONS

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

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

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

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

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

A.1 APPENDIX B

In carrying out its functions as a social landlord, the Council has regard to the need to reduce the potential for criminal activity by improving the security of dwellings as part of maintenance and repair programmes and for combating anti-social behaviour through effective management procedures.

Although there are no direct equality and diversity issues, the overall HRA and associated financial planning and decision making processes will recognise and include such issues where appropriate and relevant.

Work undertaken within the HRA and associated capital programme will take into account any opportunities to contribute to this key priority where possible. The on-going / cyclical stock condition survey work will also support this approach.

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

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The HRA is the Council's landlord account and it is 'ring fenced' for this purpose. Comprehensive rules and requirements surround the HRA such as specific accounting treatment and what items can or cannot be charged to the account. Authorities are required to set a balanced HRA budget each year and agree the level of rents it wishes to charge.

From April 2012, the Housing Revenue Account has operated under the self-financing approach introduced as part of the Localism Act 2011, which required the Council to 'buy' itself out of the previous subsidy arrangements via a debt settlement process.

As mentioned earlier, an interim direction has been provided to the Regulator of Social Housing that provides for rent increases of up to CPI+1% for 2025/26 for existing tenants. The rate of CPI used is the figure for September of the preceding year that the increase will apply to. For 2025/26, the figure for September 2024 was 1.7%, that therefore results in maximum permitted rent increases of 2.7%.

As highlighted within earlier reports one of the biggest impacts on the overall financial position of the HRA in future years is the current regulatory regime for social housing. This is in addition to the national trend of continuing increases in housing disrepair claims made against local authorities. The Council remains committed to providing good quality housing in terms of both its current stock of housing and in its ambition of building / acquiring new homes for local people. Given the financial issues set out in this report, the balance between the two remains challenging in the short term to medium term.

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

Within the Financial Performance Report that was considered by Cabinet on 21 October

A.1 APPENDIX B

2024, a number of changes relating to the Right to Buy regime were set out, which included the following increased flexibilities in 2024/25 and 2025/26:

- The maximum permitted contribution from RTB receipts to replacement affordable housing has increased from 50% to 100%.
- RTB receipts will be permitted to be used alongside section 106 contributions which was previously prohibited.
- The cap on the percentage of replacements delivered as acquisitions each year (currently 50%) has been lifted.

As part of its recent Autumn Budget Statement, the Government made further announcements on a number of key HRA issues, which included the following:

- The Government will make 100% retention of Right to Buy (RTB) receipts permanent from 1 November 2024.
- RTB discounts will return to their pre-2012 levels from 21 November 2024.
- The Government will consult on a five-year rent settlement of CPI+1% for social landlords, with potential for this to be extended to 10 years.
- Preferential Public Works Loan Board borrowing rates for local authorities to build social housing will be extended to March 2026.

The impact and flexibilities that all of the above may bring to Local Authorities will be reviewed and considered as part of the on-going development of the HRA Business Plan, and Capital Programme.

It is proposed to review the Council's current Housing Strategy in light of the above and information discussed elsewhere in this report to ensure it continues to support the Council in responding to the various challenges that lie ahead.

HOUSING REVENUE ACCOUNT UPDATED BUSINESS PLAN, PROPOSED IN-YEAR BUDGET CHANGES FOR 2024/25 ALONG WITH THE PROPOSED BUDGET FOR 2025/26

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

A number of issues that will have an impact in 2024/25 will also have an impact in 2025/26 and future years. Columns (3) and (6) of **Appendix A** highlight the changes against the previously reported figures for 2024/25 and 2025/26 respectively. **Appendix A** also includes a RAG risk rating against each line of the forecast.

The table below sets out the changes proposed in 2024/25 and 2025/26 along with additional commentary (excludes lines of the business plan where there are no proposed changes):

The relevant line of the 30 year Business Plan	Change / Impact in 2024/25	Change / Impact in 2025/26	Comments

A.1 APPENDIX B

Line 1 - Maintenance	Increase of £347,840	Increase of £615,830	The proposed increases are a result of a number of factors including increases in costs being experienced by suppliers / contractors, underlying inflationary pressures, and meeting regulatory and asset management plan requirements.
Lines 2 & 3 - Depreciation and the Revenue Contribution to the Major Repairs Allowance	No Change	Net Increase of £241,720	<p>This adjustment primarily involves an underlying technical accounting adjustment, which in effect notionally reflects the cost of capital investment in the housing stock, via the Major Repairs Reserve.</p> <p>For similar reasons to line 1 above, the increase reflects estimated cost increases to maintain the homes of the Council's tenants. This is supported by the proposed increased revenue contribution to the capital programme set out below.</p>
Line 4 - Management Costs	Increase of £241,590	Increase of £218,720	These primarily reflect the increase in employee costs resulting from the recent Officer pay award along with the addition of a number of general budgetary items (and their on-going impact) including an on-going contribution to the ECC in respect of the corporate approach to securing the necessary procurement capacity

A.1 APPENDIX B

			under the terms of an SLA.
Line 5 - Utilities	No change	Decrease of £184,380	The decrease proposed in 2025/26 reflects the current prices and usage across the relevant estate.
Line 7 – Council Tax on Empty Properties	Increase of £70,000	Increase of £70,690	This reflects the cost of paying council tax during periods where the properties are untenanted during the year e.g. void periods. There is also now an impact where properties may have been empty for more than one year, which attract a council tax premium. It is proposed to review any long term empty properties during 2025, to identify options to reduce this on-going liability.
Line 9 – Revenue Contribution to the Capital Programme	Increase of £850,000	Increase of £936,640	The change in 2024/25 reflects the earlier decision associated with the Spendells House Capital Project where money was called down from reserves to fund the completion of the project. In respect of 2025/26, the proposed change reflects the earlier comments above, where additional costs are expected in terms of the maintenance and investment in tenants' homes.
Line 12 - Recharges	Increase of £75,190	Decrease of £92,400	The figures include underlying estimated

A.1 APPENDIX B

			changes to recharges between the General Fund and HRA. These remain subject to change as the work to finalise these figure remains in progress and will need to reflect the final General fund budget proposals that Cabinet will consider in January 2025.
Total Change / Impact on Expenditure	Increase of £1,584,620	Increase of £1,806,820	
Line 13 - Dwelling Rents	Increase of £300,000	Increase of £348,040,	In terms of 2024/25, the increase reflects the on-going improved position in respect of general void periods. In respect of 2025/26 this reflects the proposed 2.7% rent increase and the current general void periods highlighted above.
Line 16 – Non Dwelling Rents	No Change	Increase of £5,000	This primarily continues to reflect the income for the Sunspot units in Jaywick Sands that are accounted for within the HRA.
Line 18 - Investment Income	Increase of £130,000	Increase of £140,650	Similarly to the General Fund, income from treasury activities is higher than earlier forecasts due to current higher interest rates available.
Total Change / Impact on Income	Increase of £430,000	Increase of £493,690	
Line 20 – Planned Use of Reserves	Increase of £1,079,690	No Change	The adjustments in 2024/25 relate to separate earlier decisions including the

A.1 APPENDIX B

			use of reserves to complete the Spendells House capital project mentioned earlier.
Net Change - Impact	Decreased surplus of £74,930	Change of £1,313,130 that results in a Deficit of £1,170,190 (compared to originally estimated surplus of £142,940)	

* Although the table above reflects the changes for 2024/25 and 2025/26, the 30 year Business Plan set out in **Appendix A** reflects the knock-on impact of the above where appropriate along with inflationary uplifts where necessary from 2026/27 onwards along with known changes such as those relating to the repayment of debt and interest charges as they represent fixed costs over the life of the respective loans.

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

- **Line 1 – Maintenance**
- **Lines 2 and 3 - Depreciation and the Revenue Contribution to the Major Repairs Allowance**
- **Line 9 - Revenue Contribution to the Capital Programme**

Due to the pressures highlighted within the table above, the proposal is to increase these lines of the budget accordingly. The cost of maintaining the housing stock is expected to increase for a mix of reasons over the life of the business plan. These areas of the budget / plan will therefore remain under review during 2025/26 as part of further developing the HRA business plan alongside actions and activities required to balance such costs with the financial sustainability of the HRA in the longer term.

Line 13 - Dwelling Rents

As highlighted earlier, the Government are consulting on the introduction of a new rent policy from 1 April 2026 and in the interim period have issued a direction to the Regulator for Social Housing applicable to rents in 2025/26 only. This direction confirms the expected maximum increase for existing tenants of CPI+1% for 2025/26.

Councils have the ability to set rents at below this level but lower increases in rents will add risk to the future sustainability of the HRA given the ‘telescopic’ impact over the remaining years of the business plan along with the fact that many HRA expenditure lines of the budget

A.1 APPENDIX B

are likely to see increases in-line with CPI or even above.

Based on the resulting 2.7% increase, this results in an average rent of **£103.49** (an increase from £100.89 in 2024/25). After taking account of other adjustments such as estimated void periods and the level of right to buy sales, this will raise additional income of **£0.348m** compared to the figure originally included in year 14 of the business plan (or **£0.740m** over and above the original budget for 2024/25).

In conclusion, the business plan from 2025/26 onwards continues to react to changes in costs / prices, demands on the service, loan refinancing and other timely changes to the forecast.

The following table sets out a summary of the overall HRA position for 2024/25 and 2025/26 after taking into account the adjustments set out above:

	2024/25 £	2025/26 £
Estimated Expenditure	17,964,250	18,719,380
Estimated Income	(17,150,040)	(17,513,330)
Planned Use of Reserves	(1,232,150)	(35,860)
Net (Surplus) / Deficit Position	(417,940)	1,170,190

In terms of 2025/26, it is proposed to meet the above deficit from HRA balances rather than reduce other lines of the budget which could be an alternative approach. Many of the other lines of the forecast are effectively 'fixed' or largely unavoidable, for example the financing of loan repayments, with the only viable option therefore relating to potentially reducing officer capacity or expenditure on tenants' homes etc. These options would be a significant risk given the new era of social housing regulation and it would see a potentially significant reduction in the investment in the housing stock, which would be challenging ahead of the revised decent homes standard that is expected next year.

As has been the case in previous years, the use of reserves strikes a necessary balance of 'protecting' the investment in tenants' homes whilst recognising the need to use reserves to respond to the on-going financial challenges that the Council continues to face. It is however recognised that this is not a sustainable long-term solution, but it enables the Council to meet its key priorities in the immediate term, which can be revisited as part of the HRA Business Plan in future years.

Notwithstanding the above, based on later years of the forecast, the use of reserves expected over the next few years would deplete the general HRA balance. It will therefore be important that the Council explores opportunities to balance the various competing issues during 2025/26, to inform the business plan and budget from 2026/27.

The forecast will undoubtedly change as part of finalising the budget that will be presented to Cabinet in January 2025, so there may be opportunities to revisit various lines of the forecast as necessary before budget proposals are finalised for reporting to Full Council in February.

A.1 APPENDIX B

HRA Capital Programme

Although a more detailed schedule will be included in the report to Cabinet in January as part of finalising the budget for presenting to Full Council in February, as discussed earlier, the necessary increases in the associated budgets will be reflected in the Capital Programme via increased contributions via the major repairs allowance alongside the proposed increase in the revenue contribution.

HRA BALANCES / RESERVES

The forecast position for HRA balances at 31 March 2025 and 31 March 2026 will vary over time depending on the outturn positions for 2024/25 and 2025/26 as well as the emergence of other unexpected or unplanned matters that could occur in or across these years.

Based on the updated Business Plan attached, the total HRA reserves are forecast to total **£7.003m** by the end of 2025/26, with the general balances element within this amount being **£2.556m**.

The above figures reflect the proposed transfers to and from reserves in 2024/25 and 2025/26 that were set out earlier in this report.

HRA DEBT

The total HRA debt at the end of 2024/25 is estimated to be **£32.535m**.

With forecast repayments of principal along with the proposed refinancing of an historic loan highlighted below, the level of HRA debt at the end of 2025/26 is forecast to be **£31.120m** (including the internal borrowing referred to below).

It is possible to use the Major Repairs Reserve that currently supports the capital programme to pay down historic debt where it is financially advantageous to do so. The total of this reserve is estimated to be **£4.442m** at the end of 2025/26, but a balance needs to be struck between investing in capital projects and tenants' homes and reducing / managing debt repayment costs. Although no adjustments are included within the proposed budget for 2025/26, this option can be revisited in future years of the business plan.

HRA Interest Payments on Debt and Principal Repayments on Debt

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

As part of previous business plan reviews it was agreed that more historic debt would be considered in future years, especially as it became repayable. Historic debt was traditionally based on 'interest only' type loans, which were 'replaced' as they matured. With this in mind, an historic loan of **£1.000m** matures in 2025/26. As was the case in 2022/23 and 2024/25, rather than simply refinance the loan with a further external loan, it is instead proposed to be refinanced via internal borrowing that takes advantage of the current positive cash flow position of the Council, whilst avoiding the current high interest rates at the present time. This therefore reduces net interest costs, which will be reflected in the attached business plan. It is

A.1 APPENDIX B

important to highlight that even though the money has been ‘borrowed’ internally, it is still included within the total outstanding HRA debt, which will need to be repaid at some time in the future either directly via revenue contributions / major repairs allowance or via ‘replacement’ external loans.

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

OTHER HRA RELATED MATTERS

Although there are no underlying / significant issues to raise at this stage of the budget setting process, it is always acknowledged that the Government may revisit / consider further housing policy changes that could have an impact on the 30 Year HRA Business Plan. Such issues will be considered as they arise and will be reported to members at the earliest opportunity along with the impact of the business plan where necessary.

PREVIOUS RELEVANT DECISIONS

The last iteration of the HRA 30 Year Business Plan was report to Cabinet on 15 December 2023 with further general updates included in subsequent budget reports and regular financial performance reports as follows:

Financial Performance Report 2024/25 – General Update at the end of July 2024 - Item A.2 Cabinet 21 October 2024.

Financial Performance Report 2024/25 – General Update at the end of September 2024 - Item A.8 Cabinet 15 November 2024.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Updated HRA 30 Year Business Plan

REPORT CONTACT OFFICER(S)

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

A.1 APPENDIX B

HRA 30 Year Business Plan (revised Year 13 to Year 30)

Line	RAG Rating								Medium Term			Longer Term			Totals	
		Year 13 Original	Year 13 Revised	Year 13 Change	Year 14 As Last Reported (Dec 23)	Year 14 Revised	Change	Year 15	Year 16	Year 17	Years 18 To 20	Years 21 to 25	Years 26 to 30			
		2024/25 (1) £	2024/25 (2) £	2024/25 (3) £	2025/26 (4) £	2025/26 (5) £	2025/26 (6) £	2026/27 £	2027/28 £	2028/29 £	£	£	£	£		
		Expenditure														
1		3,622,530	3,970,370	347,840	3,731,270	4,347,100	615,830	4,477,580	4,611,970	4,750,330	15,123,290	28,385,520	32,906,600	98,572,760		
2		2,906,670	2,906,670	0	2,906,670	3,555,960	649,290	3,555,960	3,555,960	3,555,960	10,667,880	17,779,800	17,779,800	63,357,990		
3		407,570	407,570	0	407,570	0	(407,570)	0	0	0	0	0	0	407,570		
4		2,777,600	3,019,190	241,590	2,800,910	3,019,630	218,720	3,082,590	3,146,800	3,212,100	10,047,940	18,247,280	20,835,300	64,610,830		
5		537,600	537,600	0	721,980	537,600	(184,380)	564,480	592,700	622,340	2,060,030	4,179,890	5,334,670	14,429,310		
6		55,440	55,440	0	55,440	55,440	0	55,440	55,440	55,440	166,320	277,200	277,200	997,920		
7		77,830	147,830	70,000	78,600	149,290	70,690	150,770	152,260	153,770	470,500	815,720	856,890	2,897,030		
8		75,390	75,390	0	77,650	77,650	0	79,980	82,380	84,850	270,140	507,040	587,760	1,765,190		
9		613,630	1,463,630	850,000	613,630	1,550,270	936,640	1,550,270	1,550,270	1,550,270	4,650,810	7,751,350	7,751,350	27,818,220		
10		1,153,530	1,153,530	0	1,062,330	1,062,330	0	977,610	919,510	889,790	2,491,010	3,660,080	3,252,470	14,406,330		
11		1,414,300	1,414,300	0	1,414,300	1,414,300	0	1,414,300	1,080,970	1,080,970	3,242,910	3,529,850	1,829,850	15,007,450		
12		2,737,540	2,812,730	75,190	3,042,210	2,949,810	(92,400)	3,153,920	3,219,770	3,283,410	10244790	18,470,040	20,369,510	64,503,980		
		16,379,630	17,964,250	1,584,620	16,912,560	18,719,380	1,806,820	19,062,900	18,968,030	19,239,230	59,435,620	103,603,770	111,781,400	368,774,580		
		Income														
13		(15,389,030)	(15,689,030)	(300,000)	(15,781,450)	(16,129,490)	(348,040)	(16,540,790)	(16,962,580)	(17,395,130)	(54,892,400)	(101,224,860)	(114,806,260)	(353,640,540)		
14		(584,260)	(584,260)	0	(600,040)	(600,040)	0	(616,240)	(632,880)	(649,970)	(2,057,110)	(3,815,860)	(4,359,600)	(13,315,960)		
15		(179,250)	(179,250)	0	(184,090)	(184,090)	0	(189,060)	(194,160)	(199,400)	(631,080)	(1,170,640)	(1,337,450)	(4,085,130)		
16		(185,370)	(185,370)	0	(212,580)	(217,580)	(5,000)	(228,870)	(233,270)	(233,270)	(699,810)	(1,166,350)	(407,850)	(3,372,370)		
17		(32,910)	(32,910)	0	(32,910)	(32,910)	0	(32,910)	(32,910)	(32,910)	(98,730)	(164,550)	(164,550)	(592,380)		
18		(329,720)	(459,720)	(130,000)	(189,070)	(329,720)	(140,650)	(329,720)	(329,720)	(329,720)	(989,160)	(1,648,600)	(1,648,600)	(6,064,960)		
19		(19,500)	(19,500)	0	(19,500)	(19,500)	0	(19,500)	(19,500)	(19,500)	(58,500)	(97,500)	(97,500)	(351,000)		
		(16,720,040)	(17,150,040)	(430,000)	(17,019,640)	(17,513,330)	(493,690)	(17,957,090)	(18,405,020)	(18,859,900)	(59,426,790)	(109,288,360)	(122,821,810)	(381,422,340)		
20		(152,460)	(1,232,150)	(1,079,690)	(35,860)	(35,860)	0	(5,920)	0	0	0	0	0	(1,273,930)		
		(492,870)	(417,940)	74,930	(142,940)	1,170,190	1,313,130	1,099,890	563,010	379,330	8,830	(5,684,590)	(11,040,410)	(13,921,690)		

33
 All adjustments is in relation to other decisions

This page is intentionally left blank

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

13 JANUARY 2025

REFERENCE REPORT FROM THE CABINET

A.2 EXECUTIVE'S INITIAL PROPOSALS FOR HIGHLIGHT PRIORITIES FOR 2025/26 (Report prepared by Ian Ford)

PURPOSE OF THE REPORT

To set out the Executive's initial proposals for highlight priorities in 2025/26 for scrutiny by the Committee.

BACKGROUND / CURRENT POSITION

A report relating to the Executive's initial proposals for highlight priorities for 2025/26 were considered by Cabinet on 20 December 2024, with the comments of the Committee now requested as part of developing the Executive's final proposals.

Appendix A – Delivering against the Council's Corporate Plan 2024-28 – Initial Proposals for Highlight Priorities for 2025/26

At its meeting on 20 December 2024 (Minute 96 refers), Cabinet:-

“RESOLVED that -

- (a) the initial highlight priorities for 2025/26, as set out at Appendix B to the report (A.3), be approved for consultation;*
- (b) all Councillors, other partners and the public be invited to consider the initial priorities referred to in (a) above; and*
- (c) the outcome of the consultation referred to in (b) above be reported to Cabinet on 21 February 2025 in order that Cabinet can formally adopt its finalised highlight priority actions for 2025/26 with relevant milestones during that year.”*

RECOMMENDATION

That the Committee considers the report (and its appendices) attached and determines whether it has any comments or recommendations it wishes to make or put forward to the relevant Portfolio Holder or the Cabinet.

This page is intentionally left blank

A.2 APPENDIX

CABINET

20 DECEMBER 2024

REPORT OF THE LEADER OF THE COUNCIL

A.3 DELIVERING AGAINST THE COUNCIL'S CORPORATE PLAN 2024-28 – INITIAL PROPOSALS FOR HIGHLIGHT PRIORITIES FOR 2025/26

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

The Council's strategic direction is set out in its Corporate Plan which is a fundamental element of the Council's Policy Framework. The Corporate Plan ('Our Vision') was adopted unanimously by Council on 28 November 2023 (Minute 76 refers) and covers the period 2024-28 (and the infographic of it is reproduced at Appendix A to this report). A key element of delivering against the adopted Corporate Plan is through annual highlight priority actions approved by the Cabinet. The 2025/26 initial proposals for highlight priorities are set out at Appendix B to this report. Through this report, Cabinet is invited to adopt these for consultation purposes before finalising its highlight priorities for 2025/26; which will involve consideration of the outcome of the consultation undertaken.

EXECUTIVE SUMMARY

The Council's Corporate Plan 2024-28 ('Our Vision') sets out the Council's strategic direction. That strategic direction itself seeks to reflect the issues that matter most to local people, the national requirements from Government and the challenges that face the District over the time period of the Plan. The national requirements from Government are themselves changing following the UK Parliamentary General Election held earlier this year.

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

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

The infographic for the Corporate Plan ('Our Vision') itself is set out at Appendix A to this report. It identifies that across all its Corporate Plan Themes the Council will look to listen to the residents and businesses in the District and undertake Community Leadership to deliver and enable improvements for those residents and businesses.

Cabinet establishes each year its highlight priority actions to deliver against the Corporate Plan and thereby ensure that the ambition of that Plan is central to its work. The highlight priority actions do not cover every separate element of the ambition of the four year Corporate Plan; nor are they intended to indicate that other projects, schemes or activities are not being pursued. They are though intended to reflect imperatives across the Council and for the District and actions that it is right to focus on in 2025/26.

A.2 APPENDIX

At Appendix B are the initial thoughts for the highlight priorities for 2025/26 and through this report it is hoped that they can be adopted to support an engagement with residents, businesses and partners on those priorities. The outcome of that consultation will be reported to a future meeting of Cabinet when finalised proposals will be considered having regard for the outcome of the consultation.

In developing highlight proposals, reviewing the outcome of consultation and, finally approving the highlight priorities for 2025/26, there will need to be a robust challenge to all proposals to ensure that the capacity to deliver the priority is in place or will be in place and that the highlight priorities do not undermine the key commitment of the Council to deliver sustainable budgets.

RECOMMENDATION(S)

It is recommended that:

- (a) Cabinet approves the initial highlight priorities for 2025/26, as set out at Appendix B to this report, for consultation;**
- (b) all Councillors, other partners and the public be invited to consider the initial priorities referred to in (a) above; and**
- (c) the outcome of the consultation referred to in (b) above be reported to Cabinet on 21 February 2025 in order that Cabinet can formally adopt its finalised highlight priority actions for 2025/26 with relevant milestones during that year.**

REASON(S) FOR THE RECOMMENDATION(S)

The rationale for the recommendations above is to set out openly for all concerned the initial proposals for highlight priorities for 2025/26. This supports the openness agenda of the Council and provides an opportunity for engagement with the public, businesses and partners on those initial proposals. Through consultation it is hoped that the views received can help shape the priorities that will finally be adopted (within the reality of the Council's budgetary position).

ALTERNATIVE OPTIONS CONSIDERED

As these are initial proposed highlight priorities the Cabinet has not discounted any alternatives replacing those identified in Appendix B. Likewise, publication of the initial proposed highlight priorities does not automatically mean each item in those priorities will be included with finalised priorities for 2025/26. The option of not publishing initial proposed highlight priorities was assessed and discounted as it did not support the Council's openness agenda and good decision making (through taking account of the views of the residents, businesses and partners).

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The initial highlight priorities set out at Appendix B seeks to deliver in the year 2025/26 on the ambitions of the four year Corporate Plan 2024-28. Other actions in 2025/26 will also be undertaken as the Council applies the strategic direction of the Corporate Plan to its work overall.

A.2 APPENDIX

The Council's Annual Governance Statement (a statutory document which sits alongside the Statement of Accounts, inspected by External Audit and follows the CIPFA format) covers the seven principles of Local Code of Governance (for Local Government) and expects adherence with Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits.

Each Principle has Sub-Principles, and for Principle C these are:

- (a) Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions
- (b) Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer
- (c) Delivering defined outcomes on a sustainable basis within the resources that will be available
- (d) Identifying and managing risks to the achievement of outcomes
- (e) Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.

The Council can choose to have its longer term Plan/Vision at a high level with annual priorities set, with intended outcomes, milestones and performance recorded. Adoption of the Plan is the core of the Council's Policy Framework.

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

Consultation is intended with all Councillors, other partners and the public to consider the initial priorities and is intended to take place following adoption of initial proposals and, consequently, the outcome of that consultation will be the subject of a subsequent report to Cabinet.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

<p>Is the recommendation a Key Decision (see the criteria stated here)</p>	<p>YES/NO</p>	<p>If Yes, indicate which by which criteria it is a Key Decision</p>	<p><input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget</p>
		<p>And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)</p>	<p>The highlight priorities are not themselves considered a key decision as each individual highlight priority will be the subject of individual decisions and these may be key decisions by virtue of one or more of the above criteria.</p>

Through highlight priorities, that will be adopted following the intended consultation, it is intended to support delivery against the Council's adopted Corporate Plan 2024-28. That Corporate Plan decision was a key decision for the Council. While this report (and its recommendations) are not of themselves a Key Decision, particular schemes and actions

A.2 APPENDIX

referenced in the highlight priorities will be such decisions and require the relevant prior notification. The legal implications of individual actions will be assessed when they are brought forward for formal decisions to be made.

The Best Value Duty relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in [Part 1 of the Local Government Act 1999](#) (“the 1999 Act”) to “*make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness*”.

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

Leadership being one of the seven Best Value themes, is described as “*Effective political and administrative leaders who have a clear vision and set of priorities for their area, are key to building local economic growth, social cohesion and a healthy local democracy.*”

Characteristics of a well-functioning authority, includes “*The authority’s corporate plan is evidence based, current, realistic and enables the whole organisation’s performance to be measured and held to account. The authority’s financial strategy and delivery arrangements are aligned with priorities in the corporate plan, and respond appropriately to local need, including the plans of partners and stakeholders.*”

Indicators of potential failure include “A lack of corporate capacity or capability, resulting in a lack of strategic direction, oversight and sense of accountability. Corporate plan is out of date, unrealistic and unaffordable and/or has too many priorities.”

Through an annual review of its priorities Cabinet is ensuring that it demonstrates the expected standards of a well-function authority for the purposes of achieving its Best Value Duty.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The initial highlight priorities set out at Appendix B includes the delivery of the financial savings target within the Medium Term Financial Strategy. In considering all matters, it is vital that the balance of resources can be accommodated by this Council and that it does not put further strain on the Council being able to balance its budget each year.

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

It is important to highlight the importance of financial sustainability that underpins the delivery of the various priorities and projects across the Council and recognising that financial management and sustainability is a reoccurring expectation throughout the themes and indicators set out in the revised Best Value guidance issued by the Government earlier in the year.

Corporate priorities and objectives should be reflected in the financial plans of the Council, which is achieved via the budget process that runs alongside the development of the highlight priorities set out within this report and should be seen as an on-going process throughout the year rather than just an annual exercise. In practice, this joined

A.2 APPENDIX

up approach needs to be demonstrated via the various financial reports presented during the year, such as the quarterly financial performance reports and any associated use of the Corporate Investment Fund.

USE OF RESOURCES AND VALUE FOR MONEY

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

<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>The Corporate Plan 2024-28 includes the critical theme of “Financial Sustainability and Openness”, and Cabinet intends to pursue this theme in order to secure services and functions for the residents the Council serves. To this end, the initial highlight priorities outline actions that at this stage appear appropriate to support good resources management.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	<p>The development of highlight priorities each year seeks to keep the organisation focussed on measure aimed at securing the intentions of the Council Corporate Plan. These highlight priorities sit between the Council’s Corporate Plan and Individual decisions that will relate to the actions and activities necessary to achieve the intentions for the highlight priorities at Appendix B. As such, this process seeks to add to the governance reassurance of the Council around good decision making and awareness of cross cutting risks.</p>
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<p>Performance against the annual highlight priorities is measured during the year concerned (and beyond) and the experience obtained from that monitoring assists the Council on its continuous improvement journey.</p>

MILESTONES AND DELIVERY

The Council has worked at a pace to reach this point with initial highlight priorities for 2025/26 being considered by Cabinet at this meeting. The proposed highlight priorities for 2025/26 will be made available for comment and suggestions for changes by residents, businesses and partners from 2 January 2025 to 13 February 2025 The outcome of this consultation will then be submitted to Cabinet for consideration of the finalised highlight priorities. This is scheduled for the Cabinet meeting on 21 February 2025.

It is an important part of this process that, for each highlight priority action/activity, specific, measurable, achievable, realistic, and timely milestones are identified, approved and resources allocated to achieve those milestones. These milestones will be reported to the 21 February 2025 meeting of Cabinet as part of its consideration of the highlight priorities to be adopted for 2025/26.

ASSOCIATED RISKS AND MITIGATION

The most significant risk associated with this process is that overall package of highlight priorities for 2025/26 do not match with the issues that matter most to local people the national

A.2 APPENDIX

requirements from Government, the challenges that face the District and the capacity of the organisation to deliver those activities and actions in 2025/26. Through the process of consultation and evaluation of the resource needs associated with each activity and action, prior to the adoption of the finalised highlight priorities, the Councils seeks to address that risk and ensure that the finally adopted priorities do not match the various tests referenced.

EQUALITY IMPLICATIONS

In developing the initial highlight priorities for 2025/26 consideration has been given to the general equality duty set out in S149 of the Equality Act 2010. This requires that the Council (as a public authority), in the exercise of its functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

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

SOCIAL VALUE CONSIDERATIONS

The actions and activities that will, finally, be adopted by the Cabinet as its highlight priorities for 2025/26 will seek (collectively) to secure social, economic and environmental benefits for the District and its residents. More generally, the Council will continue to encourage the creation of job opportunities for local people, support young people into apprenticeships and provide opportunities for local suppliers (and in particular SME businesses) to be presented in the Council's supply chain.

Within the proposed highlight priorities, reference is made to the newly adopted Social Value Policy and how its awareness will be raised and embedded within the organisation and monitor delivery of the expected Themes, Outcomes and Measures.

The Policy sets out how social value can be achieved through procurement ensuring that delivering against Council priorities, through Themes, Outcomes and Measures are relevant and proportionate to the subject matter of the contract and non-discriminatory. Achieving Social Value also requires suppliers to understand and commit to delivering the objectives.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

The consideration of measures to support the Council's net zero by 2050 aim will be a feature of consideration of each of the required decisions involving Cabinet that will be associated with the activities and actions that will form the highlight priorities for 2025/26.

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

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

A.2 APPENDIX

Crime and Disorder	Individual highlight priorities set out in Appendix B seek to specifically support anti-crime and disorder measures and, more widely, each action and activities that will form part of the finalised highlight priorities for 2025/26 will, in due course, be considered against the duty under S17 of the Crime and Disorder Act 1998 to (within the limits set out in that section) do all that it reasonably can to prevent crime and disorder, misuse of drugs etc., re-offending and serious violence.
Health Inequalities	Individual highlight priorities set out in Appendix B seek to specifically support measures to address and respond to health inequalities.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	While this is not a matter for this report, subsidy control considerations will be undertaken in respect of any relevant actions/activities finally adopted as Highlight Priorities for 2025/26 (and more generally where relevant)
Area or Ward affected	All Wards

PART 3 – SUPPORTING INFORMATION

BACKGROUND

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

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

A.2 APPENDIX

start of the process to set key actions for the following financial year.

- The half-yearly report will be available for Overview and Scrutiny Committees to include in their work programmes so as they can consider the likely achievement of the envisaged outcomes envisaged.

The Outturn position on performance against the Cabinet's Annual Highlight Priority for the previous financial year will be timed to be reported to the Cabinet Meeting at which Budget Outturn for that year will be reported.

In considering the annual highlight priorities for 2025/26, Cabinet has been made aware of the following deliverables across the remaining lifetime of the Corporate Plan 2024-28. These deliverables are in addition to the multi-million pound investment schemes the Council is responsible for that are referenced in Appendix B that will span several of those years:

2025/26:

- Review the Council's arrangements against the Government's Best Value Duty Guidance.
- Undertake a Community Governance Review.
- Look at opportunities for a Beach Festival
- Take forward the implementation of Bio Diversity Net Gain in the District

2026/27:

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

PREVIOUS RELEVANT DECISIONS

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

Cabinet on 15 December 2023 (Minute 62) – Adoption of the Draft Highlight Priorities

Cabinet on 12 March 2024 (Minute 101) – Adoption of the Final Highlight Priorities

Record of Executive Decision 14 June 2024 – Adoption of the milestones for the 2024/25 Highlight Priorities

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None.

APPENDICES

A – Corporate Plan 2024-28 Infographic
B – Initial Highlight Priorities for 2025/26

REPORT CONTACT OFFICER(S)

Name

Keith Simmons

Hattie Dawson-Dragisic

A.2 APPENDIX

Job Title	Head of Democratic Service & Elections Performance and Leadership Support Officer
Email	ksimmons@tendringdc.gov.uk hdawson-dragisic@tendringdc.gov.uk

CHAMPIONING OUR LOCAL ENVIRONMENT

PRIDE IN OUR AREA AND SERVICES TO RESIDENTS

WORKING WITH PARTNERS TO IMPROVE QUALITY OF LIFE

Page 76

RAISING ASPIRATIONS AND CREATING OPPORTUNITIES

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

FINANCIAL SUSTAINABILITY AND OPENNESS



TENDRING DISTRICT COUNCIL CORPORATE PLAN THEMES 2024-28

Delivering ‘Our Vision’ 2025/26

**Community Leadership runs through all the priorities
“Listening to and delivering for our residents and businesses”**

Corporate Plan theme	Highlight 2025/26 Year Priorities (and tangible actions to be undertaken in that year)
<p>Financial Sustainability and openness (Theme F)</p> <p><i>To continue to deliver effective services and get things done we must look after the public purse; that means carefully planning what we do, managing capacity, and prioritising what we focus our time, money and assets on. Tough decisions will not be shied away from, but will be taken transparently, be well-informed, and based upon engagement with our residents. We will give clarity on where the Council spends the money it is provided with.</i></p>	<p><u>Deliver Savings Plan for 2025/26</u></p> <p>To take the necessary steps to implement outstanding items included within the adopted Savings Plan for 2025/26.</p> <p>To review the Saving Plan set against the long term financial forecast and the impact of the Local Government Finance settlement (as it relates to the District), including the Government’s longer term funding review, to develop a ‘pipeline’ of options for consideration.</p> <p><u>Develop Savings Plan for 2026/27</u></p> <p>Complete the implementation of the items in the 2025/26 Savings Plan and develop the requirement for Savings in 2026/27 and beyond.</p> <p><u>To develop proposals to secure the long-term sustainability of Housing Revenue Account (HRA)</u></p> <p>In respect to the Council’s own housing stock, drive improvement with expanded estate management.</p> <p>To develop the long term HRA 30 Year Business Plan proposals to secure sustainability of the HRA to include:</p> <ul style="list-style-type: none"> • Management of long term empty properties • Responding to the new Government’s drive to increase the stock of social housing e.g. additional flexibilities relating to retained “Right-to-Buy” (RTB) receipts

	<p><u>Implement the Beach Huts Strategy</u></p> <p>Deploy a phased approach to the implementation of the adopted Beach Hut Strategy</p>

Corporate Plan theme	Highlight 2025/26 Year Priorities (and tangible actions to be undertaken in that year)
<p>Pride in our area and services to residents (Theme A)</p> <p><i>We want to put residents first, by promoting clean and tidy communities, providing decent housing that everyone deserves, and tackling the things that make a big difference to you. This means getting the basics right on our services. The Council will look to harness the power of digital delivery of services while ensuring that no resident is left behind. We also want to promote pride in our communities by encouraging everyone to take responsibility for keeping their area a pleasant place in which to live and work.</i></p>	<p><u>Waste and Street Cleaning Strategy – re-tendering and preparation for commencement of new waste collection etc. contract.</u></p> <p>During 2025/26 a contract will be awarded for the provision of a waste and recycling collection and street cleaning service in the District from April 2026 onwards. Preparations will then take place to ensure the smooth commencement of the new contract.</p> <p>The proposals for the new contract include:</p> <ul style="list-style-type: none"> • Continuation of fortnightly residual waste collections. • A more data focussed approach with a full suite of performance management measures and data monitoring capabilities. The facility for better contract monitoring and reporting of problems. • Compliance with the Environment Act 2021 and the Simpler Recycling regime. • An output-based approach, especially the street cleaning element, with the contractor given flexibility to determine cleaning frequencies. This approach is underpinned by the requirement that when cleaned, areas meet a specified standard of cleanliness and that no litter bin should become more than 90% full. Where cleanliness of an area falls below a specified standard it is to be cleaned within a specified timescale. • Provision of best value for money – providing an effective service for residents that meets aspirations whilst remaining affordable. <p><u>Housing Strategy – submission for approval and actions from it.</u></p> <p>Develop a revised Housing Strategy to address the needs of the District and its residents. This will then shape the delivery of relevant services going forward.</p>

Homelessness – addressing the provision and steps to make the service sustainable going forward.

Positively review and take appropriate actions to review the Council's use of temporary accommodation, working with the sector to drive improvement and efficiencies and to develop interventions ahead of homelessness occurring and thereby improve the sustainability of this service for the Council over the longer term.

Develop a High Level Transformation Strategy and a Targeted Plan for 2025

Develop a Transformation Strategy/Plan to include the active management of the Council's costs and liabilities and addressing both supply side and demand side challenges faced by the Council. Possible areas to address in the Strategy/Plan would be:

Supply Side -

- Investment in AI and channel shift / move to new technologies / in-house development of new applications / processes to improve efficiency and business operations
- Service reviews including service standards reviews – including gap analysis etc.
- Data lake infrastructure and science / informed decision making / data dashboards / realtime performance reporting
- Developing the Project Delivery Unit approach to respond to evolving projects and priorities

Demand Side -

- Developing self-service / customer portals initiatives
- Development of chat bot / AI technology on the Council's website
- Continue to develop the Council's website
- Develop communication activities / use of media channels and interaction with customers and partners

Continue to review of the Local Plan

To proceed with the review of the Tendring Local Plan – extending its timeframe to 2041 and to ensuring it is up to date and in alignment with latest national planning policy and mandatory housebuilding targets. The Local Plan review will also take into account the progress on the Tendring-Colchester Borders Garden Community project.

Complete the Service Review for Open Spaces and Implement the Actions that arise from the Review

Examine the trends and demands facing the service area and provide options for consideration aimed at addressing the service gap

Determine final position in relation to the Careline Service

Following the exploration of third-party proposals for taking on all or part of the Careline Service, the Cabinet will determine its position for the future of service – and for that decision to be implemented by the end of June 2025.

In the event that the Careline Service is discontinued, the Council will assist those who currently use the Careline service to find alternative arrangements.

Corporate Plan theme	Highlight 2025/26 Year Priorities (and tangible actions to be undertaken in that year)
<p>Raising aspirations and creating opportunities (Theme B)</p> <p><i>Tendring is ambitious and our residents will be supported to reach their potential and realise their opportunities. To do this, working with businesses and partners, we want to improve access to skills learning and training so that residents can find employment and enable businesses to thrive; particularly taking the opportunities afforded by Freeport East and the Garden Community. We want to maximise the opportunities for young people and see them enthused with purpose. To inspire those dreams we will celebrate business success, encourage cultural, tourism and economic growth.</i></p>	<p><u>Develop plans and implement actions from the following programmes:</u></p> <ol style="list-style-type: none"> 1. Levelling Up Fund 2. Community Regeneration Partnership (Former Levelling Up Partnership) 3. Capital Regeneration Project 4. UK Shared Prosperity Fund 5. Tendring Colchester Borders Garden Community <p>To support economic growth in the District to enable the development of the Garden Community and drive forward town centre regeneration - by developing social housing, public realm, new civic space, and cultural venues through tens of millions of capital investment from Government.</p> <p><u>Embed recently adopted Social Value Policy within the organisation and monitor delivery of the expected Themes, Outcomes and Measures</u></p> <p>The Policy sets out how social value can be achieved through procurement ensuring that delivering against Council priorities, through Themes, Outcomes and Measures are relevant and proportionate to the subject matter of the contract and non-discriminatory.</p> <p>These Policy requirements should be assessed during the development of the strategic business case, procurement category strategy, specification, tendering process and contract management activities. To achieve this, it is important that social value is not only a responsibility of the procurement team, but also budget-owners and commissioners who have responsibility for the contracts being let.</p> <p>Achieving Social Value also requires suppliers to understand and commit to delivering the objectives.</p>

Corporate Plan theme	Highlight 2025/26 Year Priorities (and tangible actions to be undertaken in that year)
<p>Championing our Local Environment (Theme C)</p> <p><i>We believe our environment is special, it is the space where we live and work, and therefore deserves protection. We will be tough on those who do not respect our environment. We want to create and maintain spaces for leisure, wellbeing and healthy lifestyles, and deliver access to open spaces and community resources.</i></p>	<p><u>Develop a new Coastal Protection Strategy to secure financial sustainability for interventions by this Council</u></p> <p>Develop a Coastal Protection Strategy aimed at addressing long term needs to protect against erosion and ground movement along the coastline the interventions that may be required and the position of this Council.</p>
	<p><u>To implement the actions from the Sport and Activity Strategy</u></p> <p>To make strides to develop with partners community-led sporting activity, improve our leisure provision and put them on a sustainable footing.</p>
	<p><u>To implement the actions from the Council’s Climate Change Action Plan</u></p> <p>To take forward key actions to reduce the Council’s carbon emissions and improve nature in the district.</p>

Corporate Plan theme	Highlight 2025/26 Year Priorities (and tangible actions to be undertaken in that year)
----------------------	--

Working with partners to improve quality of life (Theme D)

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

Develop a Health and Wellbeing Strategy

To develop and implement a health and wellbeing strategy that recognises the role of the Council in improving the wider determinants of health, including mental health.

To implement the new Crime and Disorder Strategy

Following the adoption of the Crime and Disorder Reduction Strategy, and the identification of the key themes to delivered, a delivery plan will be prepared with the appropriate partner/partners and progress on the delivery will be reported on through 2025/26.

To develop a renewed Community Engagement Strategy

To review the adopted Community Engagement Strategy, then develop a set of principles for community engagement in early 2025/26 and to reflect on these during the year based on the experience across the Council.

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

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

Implement actions in support of the Heritage Strategy

To continue to protect the District's heritage, taking forward fundraising for the Harwich Leading Lights and improvements to the Martello Tower E in Clacton-on-Sea.

Update and Implement the Creative and Culture Strategy

To invest in culture in the District including taking forward cultural projects through the Levelling Up Partnership and running the biggest event in Essex (the Clacton Airshow).

This page is intentionally left blank