



CABINET

DATE:	Friday, 23 May 2025
TIME:	10.30 am
VENUE:	Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor M Stephenson	- Leader of the Council; Corporate Finance & Governance Portfolio Holder
Councillor I Henderson	- Deputy Leader; Economic Growth, Regeneration & Tourism Portfolio Holder
Councillor A Baker	- Housing & Planning Portfolio Holder
Councillor M Barry	- Leisure & Public Realm Portfolio Holder
Councillor P Kotz	- Assets & Community Safety Portfolio Holder
Councillor G Placey	- Partnerships Portfolio Holder
Councillor G Scott	- Arts, Culture & Heritage Portfolio Holder
Councillor A Smith	- Environment & ICT Portfolio Holder

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DATE OF PUBLICATION: THURSDAY, 15 MAY 2025

AGENDA

1 Apologies for Absence

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

2 Minutes of the Last Meeting (Pages 7 - 20)

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 11 April 2025.

3 Declarations of Interest

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

4 Announcements by the Leader of the Council (Pages 21 - 24)

The Leader of the Council will read out the statement attached to this agenda in relation to an urgent decision that the Leader of the Council recently took on behalf of the Cabinet.

5 Announcements by Cabinet Members

The Cabinet is asked to note any announcements made by Members of the Cabinet.

6 Matters Referred to the Cabinet by the Council

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

7 Matters Referred to the Cabinet by a Committee

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

8 Leader of the Council's Items

There are no Leader of the Council's items on this occasion.

9 Cabinet Members' Items - Report of the Economic Growth, Regeneration & Tourism Portfolio Holder - A.1 - Rural England Prosperity Fund (REPF) transition year 2025/26 (Pages 25 - 48)

To recommend for approval the acceptance of the Rural England Prosperity Fund (REPF) transition year 2025/26 allocation to the Council which totals £197,761.00, and recommends an approach to its spend, building on the successes of the previous REPF programme over the past two financial years, which aligns with Tendring District Council's (TDC) External Funding Framework.

10 Cabinet Members' Items - Report of the Environment & ICT Portfolio Holder - A.2 - Update on the Waste and Recycling Collection and Street Sweeping Contract Procurement (Pages 49 - 70)

To provide an update to Cabinet following receipt of detailed submissions from bidders at the Invitation to Submit Detailed Solutions ("ISDS") stage of the procurement process, to set out options for the way forward and seek agreement to a revised set of Core Specification Principles based upon the following circumstances:

- Greater Essex is now part of the Government's Priority Programme for Devolution which includes responding to Local Government Reorganisation (LGR), which has been announced since the commencement of the procurement process and the risk and uncertainty that this brings; and
- the detailed solutions received from the bidders indicate a contract price that is not affordable to the Council.

11 Management Team Items - Report of the Monitoring Officer - A.3 - Local Government & Social Care Ombudsman Finding (Pages 71 - 74)

The Constitution (Article 12.03(a)) requires the Monitoring Officer to report to Cabinet (or to Council for non-executive functions) if any decision or omission has given rise to maladministration. This report concerns actions that the Local Government & Social Care Ombudsman has determined were maladministration/service failings.

This report is also required under section 5A of the Local Government and Housing Act 1989 in view of the aforementioned decision in this matter by the Local Government & Social Care Ombudsman.

12 Exclusion of Press and Public

Cabinet is asked to consider passing the following resolution:

"That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Item 13 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A, as amended, of the Act."

13 Cabinet Members' Items - Report of the Environment & ICT Portfolio Holder - B.1 - Update on the Waste and Recycling Collection and Street Sweeping Contract Procurement (Pages 75 - 100)

To provide the legal advice referred to in Part A, on the options available for the procurement process, that must be considered in Part B due to maintaining legal professional privilege.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Town Hall, Station Road, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 27 June 2025.

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Notice of Intention to Conduct Business in Private

Notice is hereby given that, in accordance with Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Agenda Item No. 13 is likely to be considered in private for the following reason:

The item detailed below will involve the disclosure of exempt information under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) and Paragraph 5 (Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) to Schedule 12A, as amended, to the Local Government Act 1972:

Agenda Item 13 - Cabinet Members' Items - Report of the Environment & ICT Portfolio Holder - B.1 - Update on the Waste and Recycling Collection and Street Sweeping Contract Procurement

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**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 11TH APRIL, 2025 AT 10.30 AM
IN THE COMMITTEE ROOM AT THE TOWN HALL, STATION ROAD, CLACTON-ON-
SEA, CO15 1SE**

PRESENT:

PORTFOLIO:

Councillor M E Stephenson	Leader of the Council & Portfolio Holder for Corporate Finance and Governance (Chairman)
Councillor I J Henderson	Deputy Leader of the Council & Portfolio Holder for Economic Growth, Regeneration & Tourism
Councillor A P H Baker	Portfolio Holder for Housing & Planning
Councillor M Barry	Portfolio Holder for Leisure & Public Realm
Councillor P Kotz	Portfolio Holder for Assets
Councillor G G I Scott	Portfolio Holder for Arts, Culture & Heritage
Councillor A Smith	Portfolio Holder for the Environment

Group Leaders Present by Standing Invitation: Councillors J B Chapman BEM (Leader of the Independent Group), P B Honeywood (Leader of the Conservative Group) and P J Harris (Deputy Leader of the Reform UK Group)

Also Present: Councillor M Bush

In Attendance: Chief Executive (Ian Davidson), Corporate Director (Law & Governance) & Monitoring Officer (Lisa Hastings), Corporate Director (Finance & IT) & Section 151 Officer (Richard Barrett), Corporate Director (Operations & Delivery) (Damian Williams), Assistant Director (People) (Katie Wilkins), Assistant Director (Corporate Policy & Support) (Keith Simmons), Assistant Director (Housing & Environmental Health) (Tim Clarke), Committee Services Manager (Ian Ford), Property and Projects Manager (Jennie Wilkinson), Committee Services Officer (Bethany Jones) and Communications Officer (James Dwan)

151. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors J D Bray (Leader of the Reform UK Group) and G R Placey (the Portfolio Holder for Partnerships).

152. MINUTES OF THE LAST MEETING

It was moved by Councillor M E Stephenson, seconded by Councillor I J Henderson and:-

RESOLVED that the minutes of the meeting of the Cabinet, held on Monday 17 March 2025, be approved as a correct record and be signed by the Chairman.

153. DECLARATIONS OF INTEREST

There were no declarations of interest made by Members at this time. Later in the meeting, as reported under Minute 160 below, Councillor Harris declared an Interest in report A.2 - Freehold Disposal of Redundant Office Site at Weeley.

154. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

The Leader of the Council announced that he had, the previous day, attended a meeting of Essex Leaders to discuss LGR, which had been held at Southend Council.

155. ANNOUNCEMENTS BY CABINET MEMBERS

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

156. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

157. MATTERS REFERRED TO THE CABINET BY A COMMITTEE

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

158. LEADER OF THE COUNCIL'S ITEMS

There were no Leader of the Council's items on this occasion.

159. CABINET MEMBERS' ITEMS - REPORT OF THE ASSETS AND COMMUNITY SAFETY PORTFOLIO HOLDER - A.1 - CONSIDERATION AND ADOPTION OF A CRIME AND DISORDER REDUCTION STRATEGY 2025 - 2028

Cabinet considered a report of the Assets and Community Safety Portfolio Holder (A.1) which presented to Cabinet the Crime and Disorder Reduction Strategy 2025 - 2028 for approval for recommendation onto Full Council for adoption, as part of the Council's Policy Framework.

Cabinet recalled that, at its meeting held on 21st October 2024 Cabinet had received a report by the Monitoring Officer issued under Section 5A of the Local Government and Housing Act 1989 in respect of the position in relation to this Council's historical omission regarding the formulation and implementation of a Crime and Disorder Strategy for the Council, as required under Sections 5 and 6 of the Crime and Disorder Act 1998.

Following on from that report a strategy was now presented to Cabinet for recommendation onto Full Council for adoption as part of the process to resolve that historical omission to have in place a Crime and Disorder Reduction Strategy for recommendation onto Full Council for adoption.

This Portfolio Holder report therefore presented the Crime and Disorder Reduction Strategy 2025 – 2028 for approval. The strategy set out the overarching framework for the Council and its partners in the Community Safety Partnership (CSP) to reduce crime and disorder by formalising the work that would be undertaken with the CSP and the Council's Community Safety Team over the next three years.

It set out priorities for reducing crime and disorder and Anti-Social Behaviour (ASB), whilst protecting vulnerable people across the District of Tendring over the next three years.

It was reported that through working together, the CSP had achieved many successes in reducing crime and disorder and ASB, protecting those who were vulnerable and making the District safe and secure for residents, businesses and visitors.

As a community leader this Council was proud of those achievements that had been possible only through partnership working. To build upon previous work and to understand the challenges that continued to arise this Council would continue its work with partners to ensure a safer District for its residents.

Members were informed that the strategy was based upon a wide range of data and information, from public consultation to crime and disorder information that was brought together in an annual Strategic Assessment. Through that assessment four key themes within the strategy, as set out below, had been identified that fed into the CSP priorities. It recognised the challenges facing children, young adults and families that had evolved and continued to do so. For example, criminal gangs were targeting children to move drugs in and out of towns and other areas, including in this District. This was a national issue, but all needed to be aware of criminal gangs, and to be able to spot the signs that children might be being targeted.

- 1. Tackling violence against women and girls was at the forefront of the CSP's agenda and reflected the Government's priority in tackling this issue, following the tragic deaths of Sarah Everard, Balvinder Gahir, Bibaa Henry, Nicole Smallman and Julia James, and an increase in reports of domestic abuse.*
- 2. An ambition to increase support for victims and survivors, increase the number of perpetrators brought to justice and reduce the prevalence of violence against women and girls.*
- 3. To work in partnership across the CSP & Health and Wellbeing Board and with partners and communities to achieve progress on our priorities during the lifetime of this strategy and seek to bring about real change for residents and visitors to Tendring.*
- 4. The CSP brings the opportunity for organisations and groups to come together to improve crime and disorder and ASB in Tendring and create an environment where people and communities can flourish, the CSP remains committed to making Tendring safe.*

Cabinet was informed that the Strategy had been considered by the Community Leadership Overview and Scrutiny Committee at its meeting held on 28th January 2025. That Committee had resolved:-

- (a) the Crime and Disorder Strategy presented to the Committee be supported and Cabinet advised of this support for delivery by the appropriate partners including Essex Police;*
- (b) the Committee -*
 - (i) commends the Strategy authors for ensuring that the language and format and use of graphics to create what is an accessible document for most readers;*

- (ii) urges the Cabinet to ensure that all reasonable and appropriate steps are taken to care for the health, safety and wellbeing of all staff involved in enforcement activities and community safety;*
- (iii) recognises the increasing levels of violence against the person, shoplifting, possession of weapons, personal robbery, hate crime and domestic abuse and the need for robust action to address these growing crime problems in the District;*
- (iv) urges the Community Safety Partnership to adopt, as a priority, the need to educate and encourage confidence in the reporting of crime by the public and business managers to reduce significantly the current levels of under reporting by victims; and*
- (v) expresses its concern for delivery of the priorities on the basis of the plans announced on the day of the meeting for all 99 PCSOs in Essex to be made redundant.*

The Portfolio Holder for Assets & Community Safety's formal response to the Comments/Recommendations put forward by the Community Leadership Overview and Scrutiny Committee held on 28 January 2025 was as follows:-

"The Portfolio Holder for Assets and Community Safety agrees the recommendations and comments of the Community Leadership Overview and Scrutiny Committee in relation to (a) and (b) (i – iv). In relation to (b) (v) I note that the Police, Fire and Crime Commissioner has revised the budget and that the PCSO's are set to continue in their roles, subject to the Home Office approving the Neighbourhood Policing Guarantee Funding."

To ensure that the strategy was appropriately adopted, in accordance with the Council's Constitution and to evidence compliance with the Crime and Disorder Act 1998, as amended by section 97 and 98 of the Police Reform Act 2002, that placed a requirement on Community Safety Partnerships (CSP) to develop a Crime and Disorder Reduction Strategy:-

It was moved by Councillor Kotz, seconded by Councillor I J Henderson and:-

RESOLVED that Cabinet –

- (a) notes the success of the Community Safety Partnership to date and the outcome of consultation and engagement with the Partnership and its constituent members in respect of the proposed Crime and Disorder Reduction Strategy 2025-28;
- (b) notes the individual recommendations from the Community Leaderships Overview and Scrutiny Committee meeting held on 28th January 2025, and endorses the Portfolio Holder's responses to those five recommendations;
- (c) notes the findings of the assessment to inform the Crime and Safety Partnership's four priorities for the District of Tendring and agrees that these priorities, as set out below, should form the Council's strategic priorities;

1. Tackling ASB and the root causes of ASB

2. High Harm Violence (with a focus on Violence Against Women and Girls (VAWG) and Domestic Abuse)
3. Drug and knife enabled Serious Violence (Gangs and County Lines)
4. Emerging threats and Trends (i.e. Shoplifting, Vehicle Crime, Arson & Criminal Damage)

(d) approves the Crime and Disorder Reduction Strategy 2025 – 2028, as set out in Appendix A, in accordance with Section 6 of the Crime and Disorder Act 1998, for recommendation onto Full Council for adoption as part of the Council's Policy Framework.

160. CABINET MEMBERS' ITEMS - REPORT OF THE ASSETS AND COMMUNITY SAFETY PORTFOLIO HOLDER - A.2 - FREEHOLD DISPOSAL OF REDUNDANT OFFICE SITE AT WEELEY

Councillor Harris declared an Interest in this matter insofar as he was the Ward Member for Weeley & Tendring.

Cabinet considered a report of the Assets and Community Safety Portfolio Holder (A.2) which would enable Cabinet to evaluate whether, given the extended negotiations, the Council should continue with negotiating an Option Agreement for the disposal of the redundant Council Office at Weeley. This was in line with Cabinet's decision on 17 December 2021 to dispose of the Weeley Office site, based on the Heads of Terms finalised by the then Leader following consultation, with the then Portfolio Holder for Housing along with the Corporate Director (Operations and Delivery), the Section 151 Officer, and the Monitoring Officer on 25 April 2023.

It was reported that Cabinet had agreed transformation proposals on 16 December 2016 which had included disposing of several Council facilities, the Offices at Weeley being one of them. On 17 December 2021 following an invitation of bids from two special purchasers, Cabinet had agreed to enter into an option agreement with the successful bidder, delegating authority to agree Heads of Terms on the principles set out in the report. Heads of Terms had been subsequently agreed on 25 April 2023.

Members were informed that since the Heads of Terms had been agreed, negotiations in respect of the full text of the Options Agreement, the legally binding document that needed to be completed for planning consent to be submitted, had been ongoing. This had still not been finalised.

It was felt that negotiations between the successful bidder and the Council in respect of the Options Agreement had reached a stalemate with each party's legal advice being on opposing sides of the opinion on a key issue, the extent and effect of highway rights adjoining the site.

This Portfolio Holder report therefore examined whether, based on the ongoing costs and liabilities of a currently vacant site, the Council should continue with negotiations to try and finalise the Option Agreement, or choose to withdraw from further negotiations to consider alternative routes to dispose of the site.

Cabinet was made aware that ongoing costs for the Weeley site were in the region of £65,000.00 p/a. Given the issues highlighted above, the risks of not being able to satisfactorily move beyond the current stalemate / stalled position were now significant.

Planning Consent, which would take a minimum of 12 weeks, possibly longer because of the size and complexity of the development, had not yet been submitted and would not be until the Options Agreement had been resolved.

In making his recommendations to the Cabinet, the Portfolio Holder had taken into account the fact that due to the complex and multilayered considerations of the transaction, it had taken 16 months to agree heads of terms for the Options Agreement and had taken a further two years in negotiations over the legally binding agreement. Those negotiations had not currently been concluded and despite significant time and effort by the legal and property teams on both sides, were at a stalemate. Each party's legal advice sat on opposing sides of the opinion on a key issue: the extent and effect of highway rights adjoining the site. Due to the time and cost that had already been expended and there being no confidence that matters could be resolved quickly, if at all, withdrawing from the agreement in order to consider alternative disposal routes had been recommended in order to mitigate further expense.

If Cabinet agreed to no longer pursue current negotiations, alternative options could be explored and brought forward in a future report for Cabinet's decision. Along with the approach adopted previously, those could also include:

- (a) *To go through an open market tender process – robust parameters would need to be put in place around timeframes for completion, but this would provide other interested parties who have made enquiries over the last three years to put their offers forward. There was however the risk that negotiations with a winning bidder could become lengthy, or the bidder might withdraw prior to the offer becoming legally binding.*
- (b) *To demolish the buildings on site to mitigate the NNDR costs – this would likely cost the Council a minimum of £200,000 (estimated on previous demolition costs) and negate the potential of any future planning consent including vacant buildings credit, or the option that any future purchaser could choose to convert or repurpose any of the buildings on site.*
- (c) *To dispose of the property by auction – this would provide a definitive end date for the completion of the sale of the property, but the guide and reserve prices were likely to be lower than would be achieved in the open market. Whilst it was possible that bidding on the day would achieve the value aspired to, there was a risk it might only achieve the reserve price.*
- (d) *To redevelop the site – this would provide additional social housing to the Council, however, it would be resource heavy and with design, planning and build likely to be a five-year project.*

Although the Portfolio Holder's report responded to the immediacy of the issues arising to date, the further report planned to be presented to Cabinet as mentioned above, would enable a timely opportunity to address or supersede the specific recommendations made by Cabinet on 17 December 2021 as deemed necessary.

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

RESOLVED that Cabinet -

- (a) in the light of the ongoing delays and costs, as well as the significant risk of failing to conclude the disposal Option Agreement for the former Weeley Council Offices site, agrees to no longer pursue further negotiations with the current bidder, based on the existing Heads of Terms agreed in April 2023; and
- (b) requests Officers explore alternative disposal options and report these back to Cabinet for consideration and further decisions.

161. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.3 - ANNUAL CAPITAL AND TREASURY STRATEGY FOR 2025/26 (INCLUDING PRUDENTIAL AND TREASURY INDICATORS)

Cabinet considered a report of the Corporate Finance and Governance Portfolio Holder (A.3) which sought Cabinet's agreement of the Annual Capital and Treasury Strategy for 2025/26 (including Prudential and Treasury Indicators) for submission to Council on 20 May 2025.

Cabinet was reminded that the Local Government Act 2003 and supporting regulations required the Council to set out its treasury strategy for borrowing, and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act) that set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, "having regard" to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice. Revised editions of both documents had come into force in 2023/24.

It was reported that the Capital Strategy continued to be combined with the Treasury Strategy into one document, which was required to be updated / approved annually. The proposed Annual Capital and Treasury Strategy for 2025/26 was set out in Appendix A to the Portfolio Holder's report (A.3) and it continued to reflect the various changes set out in the latest Codes mentioned above.

Members were informed that the Capital Strategy element of the combined document covered the various elements surrounding capital investment decisions and the key criteria that investment decisions should be considered against.

The Treasury Strategy element of the combined document covered the various elements that satisfied the requirements of the various codes that governed the borrowing and investment activities of the Council and had been prepared in the light of advice received from the Council's Treasury advisors and reflected the latest codes and guidance.

Cabinet was made aware that Prudential and Treasury indicators were included as an Annexe to the combined strategy and were therefore included within Appendix A.

Members were advised that, under the Prudential Code, the Council had freedom over capital expenditure if it was prudent, affordable and sustainable. The Prudential Indicators either measured the expected activity or introduced limits upon the activity and reflected the underlying capital appraisal systems and enabled the Council to demonstrate that it was complying with the requirements of the Prudential Code.

Cabinet was reassured that the Council's investments would be undertaken in accordance with its Treasury Management Practices (TMPs). Those included the use of non-specified investment in property to yield both rental income and capital gains. The Codes referred to above required clear separation of commercial investments from treasury investments. As the Council only had one such investment, which was clearly identified within the Strategy and the TMPs, in continuing the approach adopted last year, it was not proposed to produce a separate suite of Investment Management Practices for that purpose.

As is always the case, other 'quality' investment opportunities would always be explored during the year in consultation with the Council's external advisors to maximise returns on investments within a continuing and overall risk-averse approach.

Cabinet was reminded that in terms of the reporting process associated with the attached strategy, this would ordinarily be based on obtaining the agreement of the Portfolio Holder for Corporate Finance and Governance for consultation with the Resources and Services Overview and Scrutiny Committee, following which it would be submitted to Cabinet and then onto Full Council. However, due to the timetable of meetings and the continuing work pressures, including those associated with clearing the backlog of outstanding Statement of Accounts that had been due to external audit delays, a revised timescale was proposed.

It was therefore now proposed to seek Cabinet's agreement to the strategy via this report along with a recommendation for it to be presented to Full Council in May 2025 for approval and adoption. In terms of consulting with the Resources and Overview and Scrutiny Committee, it was proposed to undertake this as early as possible in 2025/26, subject to this being included within the Committee's Work Programme.

It was felt that the above reflected a pragmatic approach to ensure that the strategy could be approved ahead of the financial year it related to or as soon as possible thereafter. However, it also recognised that if the Resources and Overview and Scrutiny Committee had any comments, which could also require further exploration / investigation, then they could be considered and reported to Full Council at a later date, where potential in-year revisions to the Strategy could be considered.

Cabinet was informed that although at a limited level at the current time, the strategy now acknowledged the potential impact from local government reorganisation, which included the requirement to take such matters into consideration as necessary, which also complemented the wider decision making proposals agreed by Full Council at its meeting on 25 March 2025 and the highlight priorities agreed by Cabinet on 17 March 2025.

To support the process of ensuring that a Capital and Treasury Strategy for 2025/26 was approved by Full Council before 1 April 2025 or as soon as possible thereafter:-

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

RESOLVED that the Annual Capital and Treasury Strategy for 2025/26 (including Prudential and Treasury Indicators) be recommended to Full Council for its approval, acknowledging that consultation with the Resources and Services Overview and Scrutiny Committee will be undertaken during 2025/26, subject to inclusion within that Committee's Work Programme.

162. CABINET MEMBERS' ITEMS - REPORT OF THE ECONOMIC GROWTH, REGENERATION & TOURISM PORTFOLIO HOLDER - A.4 - SUNSPOT WORKSPACE, JAYWICK SANDS - POST PROJECT REVIEW

Cabinet considered a detailed report of the Economic Growth, Regeneration & Tourism Portfolio Holder (A.4) which presented the post project review of the Sunspot, Jaywick Sands Workspace, community gardens, meeting rooms and event space on the former Sunspot Arcade site which had opened in September 2023, including a requirement to allocate up to £100,000 to meet additional costs emerging from the final account processes / negotiations with the associated contractor.

The report covered the following matters:-

- (1) The Sunspot – site description and Design Award success;
- (2) The development process;
- (3) Sunspot – Operational;
- (4) Sunspot – Construction (including budgets and final accounts); and
- (5) Learning.

It was reported that the recommendations within the Portfolio Holder's report were made to update Cabinet with regards to the success of a major award-winning capital project which had supported economic development, enhanced community services, raised the profile and ultimately contributing to the long-term regeneration of Jaywick Sands. The funding was required to pay the final account, and offered a value for money approach, given the small proportion of the additional finance required in relation to large overall project sum, and the significant risks of taking the contractor through an arbitration process.

It was therefore moved by Councillor I J Henderson, seconded by Councillor M E Stephenson and:-

RESOLVED that Cabinet –

- a) endorses this post project and operational review of the Sunspot, Jaywick Sands, which highlights the success of the workspace since opening in September 2023, the challenges in construction, and the lessons learnt for future regeneration projects; and
- b) in respect of the additional costs of potentially up to £100,000 that have emerged from the project's final account processes, agrees that this be funded by a transfer within the existing HRA Capital Programme / wider HRA revenue budgets as part of finalising the overall HRA outturn position for 2024/25.

163. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER - A.5 - HOMELESSNESS IN TENDRING

Cabinet considered a detailed report of the Housing and Planning Portfolio Holder (A.5) which set out the current levels of, and causes of, homelessness. In particular, the number of households presenting as homeless, numbers placed in temporary accommodation and data on rough sleeping and how those pressures had continued to grow. It also set out the various actions that were being put in place to address those pressures.

Cabinet was aware that the Council's Housing Solutions Service was experiencing increasing numbers of homelessness cases. This was impacting on the service's ability to discharge the Council's statutory duties effectively and cost efficiently. The Council was committed to ensuring accessible high-quality customer services, but the levels of demand meant that, in some instances, the Council was finding it increasingly challenging to meet the minimum levels of statutory housing duties.

Members were reminded that the Homelessness Act 2002 set out the definition of homelessness and the duties that local housing authorities owed to those who were accepted as being homeless or threatened with homelessness. Part 7 of the Housing Act 1996 provided the primary homelessness legislation setting out the statutory duties on local housing authorities to prevent homelessness and provide assistance to those who were at risk of being homeless or actually homeless.

It was reported that the Homelessness Reduction Act 2017 had placed new duties on local housing authorities to intervene earlier to prevent homelessness and to take reasonable steps to relieve homelessness for all eligible applicants, not just those that had priority need under the Act. This legislation had sought to provide increased protection to people facing homelessness. It had extended the length of time an individual or household could be seen as at risk of homelessness, from 28 to 56 days, which in turn had increased the length of a local housing authority's prevention duty.

More recently, the enactment of the Domestic Abuse Act 2021 had placed a duty on local authorities in England to provide support to survivors of domestic abuse and their children. All eligible homeless survivors of domestic abuse automatically received 'priority need' status for homelessness assistance.

Cabinet was advised that the Council had seen an 87% increase in homelessness approaches between 2018/2019 and 2023/24 and a 26% increase in homelessness applications during the same period.

Members were informed that the top five causes of homelessness had remained static during this time and included the loss of an Assured Shorthold Tenancy in the private rented sector, relationship breakdown, eviction by family, domestic abuse and eviction by friends.

There had been a 77% increase in the number of households being placed in temporary accommodation between 2018/19 and 2023/24.

Expenditure by the Council on temporary accommodation in the first nine months of 2024/25 had been £2.1 million.

Expenditure on rent deposits in the same period had been £164,713.36 and a further £153,617.52 had been spent on rent in advance payments all of which had been paid to assist those faced with homelessness into settled accommodation.

Cabinet was made aware that the cost of providing temporary accommodation and other homelessness services was accounted for within the General Fund and, alongside the money committed from the Council's General Fund budget to fund homelessness services, funding was awarded by the Ministry for Housing, Communities and Local Government to support the prevention and reduction of homelessness and rough sleeping. Confirmation had already been received that the Homelessness Prevention

Grant funding for 2025/26 would be £1,456,782, an increase from just over £1 million in 2024/25.

As set out in previous reports, the cost of responding to homelessness was presenting a significant resource / financial challenge for most Local Authorities nationally and was of such significance that it was now one of the highest risk factors in terms of the wider financial sustainability of Councils. Although financial support from the Government was welcomed, it fell significantly short of the associated costs.

With all of the above points in mind, it was proposed that a Homelessness and Temporary Accommodation Working Group be established, to be chaired by the Portfolio Holder for Housing & Planning, to support the Council in exploring and identifying measures aimed at relieving the pressure and spending on the service. Membership of this group would be predominantly Officers.

Although various options would be explored via the proposed working group, measures initially identified to relieve pressure and reduce spend were focussed on:

- *Potential to increase income streams;*
- *Reducing the use of temporary accommodation through early prevention measures;*
- *Ensuring the quality of the temporary accommodation offered; and*
- *Increasing the availability of accommodation in the private rented sector.*

To ensure that the Council responded to the unprecedented levels of demand in order to not only reduce costs but also ensure that the Council met its statutory homelessness duties and that homeless households and those threatened with homelessness were adequately assisted and supported:-

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

RESOLVED that Cabinet –

- (a) notes the current pressures on the homelessness function provided by the Council and the level of spending on the service including provision of temporary accommodation to comply with its statutory duties;
- (b) endorses the setting up of a Homelessness and Temporary Accommodation Working Group, to be chaired by the Portfolio Holder for Housing & Planning, to explore and identify measures aimed at relieving the pressure and spending on homelessness; and
- (c) requests that a report is presented to Cabinet within six months setting out the initial outcomes from the activities undertaken by the working group to inform future decisions.

164. CABINET MEMBERS' ITEMS - REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER - A.6 - CONSIDERATION AND ADOPTION OF A REVISED HOUSING UNDER OCCUPATION TRANSFER INCENTIVE POLICY AND A NEW HOUSING COMPENSATION POLICY

Cabinet considered a report of the Housing and Planning Portfolio Holder (A.6) which presented to Cabinet the following Housing Policies for approval and adoption:

- Housing Under Occupation Transfer Incentive Policy; and
- Housing Compensation Policy.

It was reported that this Portfolio Holder report presented two housing policies for approval. Those policies amended and formalised the work that was already undertaken in the Housing and Environmental Health service.

The Council recognised that there was an existing demand for family size properties, as demonstrated by the number of applicants on its housing register. It was essential that the Council did all that it could to support tenants seeking to downsize from family size accommodation and to maximise the use of its housing stock.

Cabinet was informed that the Housing Under Occupation Transfer Incentive Policy set out how the Council would encourage and assist tenant's under-occupying family and adapted accommodation to downsize into other accommodation thereby releasing family or adapted accommodation for others in housing need.

Members were advised that the Housing Compensation Policy set out the approach that the Council would take in response to requests for compensation to ensure it acted in a fair, consistent and transparent matter. Whilst committed to providing excellent housing services for its customers, the Council accepted that there would be occasions when Council services might not meet those high standards and customers were inconvenienced or left out of pocket as a result.

Where a complaint was justified, an acknowledgement and apology might be sufficient. However, where a complainant had suffered some disadvantage, inconvenience or loss because of the service failure experienced, other remedial action might need to be considered including financial compensation.

Cabinet was made aware that these policies complied with the Regulator of Social Housing's revised Consumer Standards that had come into effect from 1 April 2024 as well as the Housing Ombudsman's guidance in relation to compensation.

To ensure that the policies were appropriately adopted, in accordance with the Council's Constitution and to evidence compliance with regulatory standards:-

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

RESOLVED that Cabinet –

- (a) approves and formally adopts the revised Under Occupation Transfer Incentive Policy and the new Housing Compensation Policy;
- (b) approves that the Under Occupation Incentive Policy be funded by refocusing the existing cash incentive scheme budget of £0.060m held within the Housing Revenue Account Capital Programme along with the corresponding change in the revenue contribution to the capital programme in 2025/26; and
- (c) authorises the Corporate Director (Operations and Delivery), in consultation with the Portfolio Holder responsible for Housing, to make future updates or amendments to

these policies and that this will include an annual review of the Housing Under Occupation Transfer Incentive to assess its effectiveness.

165. MANAGEMENT TEAM ITEMS

There were no such Management Team items on this occasion.

The Meeting was declared closed at 11.41 am

Chairman

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Formal Meeting of the Cabinet – Friday 23 May 2025 - Leader of the Council's Public Statement – Clacton Leisure Centre Heating System

"On 22 April 2025 and in accordance with powers delegated to me within the Council's Constitution, as set out within Part 3 Responsibility of Functions (Scheme of Delegated Powers) – Schedule 3 (Responsibility for Executive Functions) – Section 3 (General Principles Regarding Decision Making by the Cabinet – Paragraph 4b [Part 3.29], I made an urgent decision on behalf of the Cabinet upon which I am required by those same provisions to make this public statement.

That urgent decision related to the Clacton Leisure Centre Heating System and was as follows:-

"That following the failure of one of two boilers serving the Clacton Leisure Centre swimming pool and accompanying changing rooms, the following decisions will agree a process to protect continuity of service, install a new boiler and accompanying plant through securing external funding and improve energy/carbon efficiency of a significant Council asset:-

- (a) the Portfolio Holder for Leisure and Public Realm agrees the strategy set out in this report for addressing the boiler failure at Clacton Leisure Centre, following an action set out for delivery in the Council's Sport and Activity Strategy;*
- (b) on behalf of the Cabinet and using the special urgency powers, in accordance with Parts 3.31 and 5.8, the Leader of the Council and Portfolio Holder for Finance and Governance, in consultation with the Portfolio Holder for Leisure and Public Realm agree for the Council to accept Salix Funding to the value of £1,204,481 and enter into the Funding Agreement, as set out in Appendix A, for the purpose of purchasing and installing a new Boiler and associated plant for Clacton Leisure Centre; and*
- (c) subject to (a) and (b), the Portfolio Holder for Economic Growth, Tourism and Regeneration together with the Portfolio Holder for Leisure and Public Realm agree to allocate £164,248 from the Community Regeneration Partnership Funding, as the Council's contribution to the purchase of a new boiler at Clacton Leisure Centre;*
- (d) subject to (a) & (b) above, that the installation of a new boiler system for Clacton Leisure Centre is added to the Capital Programme in 2025/26 with a total budget of £1,368,730;*

- (e) that the Leader of the Council and Portfolio Holder for Finance and Governance agrees to carry forward £45,000 from the former Joint Use Sports Centre budget from the 2024/25 financial year into 2025/26, and allocates this towards a budget which can fund a temporary oil-fired boiler system for Clacton Leisure Centre at short notice, as an interim measure, in the event of a failure of the remaining boiler prior to the project being completed;*
- (f) subject to (d) above, that the Leader of the Council and Portfolio Holder for Finance and Governance agrees an exemption to procurement is agreed to allow the Council to appoint its term contractor, Lindsey Group, to provide the temporary boiler, associated plant and labour;*
- (g) following (f) it is noted that the Assistant Director Sport, Leisure and Health will develop the procurement strategy for the commissioning of the contractors required to deliver the installation of a new boiler system within the milestones, as required by the Funding Agreement.*
- (h) It is understood that the decisions above are made in the context that the Council is bound by the Salix Funding agreement from the grant start date until 3 years after the project is completed.”*

My reasons for taking that urgent decision were as follows:-

“Due to the requirement under the funding agreement to sign the funding agreement within 10 days, this request to you as the Chairman of the Resources and Services Committee, will agree to the ‘special urgency’ procedure being enacted, as listed in Rule 15 of the Access to Information Procedure Rules in Part 5 of the Council’s Constitution.

The response to this application was due in May 2025, so although this item has been listed on the Forward Plan, 28 days will not be passed in time.

Any delay in signing the agreement may result in the Council losing the external funding secured, which totals £1,204,481.”

Following consultation, the Chairman of the Resources and Services Overview and Scrutiny Committee kindly agreed that the Special Urgency Procedure as set out in Overview and Scrutiny Procedure Rule 15 (Part 5.8), could be used, insofar as it only applied to my decision as the Leader of the Council as set out in paragraph (f) above.

Details of my urgent decision were also publicly reported to Members at the meeting of the Full Council that took place on Tuesday 20th May 2025.

That concludes my statement on this matter.”

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CABINET

23 MAY 2025

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC GROWTH, REGENERATION & TOURISM

A.1 RURAL ENGLAND PROSPERITY FUND TRANSITION YEAR 2025/26

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To recommend for approval the acceptance of the Rural England Prosperity Fund (REPF) transition year 2025/26 allocation to the Council which totals £197,761.00, and recommends an approach to its spend, building on the successes of the previous REPF programme over the past two financial years, which aligns with Tendring District Council's (TDC) External Funding Framework.

EXECUTIVE SUMMARY

The REPF programme, established in 2022 by Central Government, is part of a wider programme which has allocated funding nationwide to Councils for locally led delivery. Funding has been delivered via the Multiply, REPF, and Shared Prosperity Fund (UKSPF) Programmes.

The REPF covers the majority of the Tendring District, however Clacton and Holland-on-Sea are not classed as rural and are therefore not eligible to apply for any of this funding.

The 2024/25 REPF has now closed; a transition year has been announced (March 2025) for 2025/26 ahead of the longer term funding arrangement to be announced in the Government's Spending Review 2025.

Via an updated funding formula, the Council has been allocated £197,761.00 (made up of all capital funding) to be allocated to grants/projects across two themes in 2025/26, unchanged from the previous programme and supported by sub-themes as follows:

- Communities and Place
 - Healthy, Safe, and Inclusive Communities
 - Thriving Places
- Supporting Local Business
 - Support for Business

With regard to monitoring, the Department for Environment Food and Rural Affairs (DEFRA) issued the following interventions, objectives, outputs and outcomes:

[Rural England Prosperity Fund interventions objectives outputs and outcomes list.pdf](#)
(Please see Appendix B)

The decisions for the last approval of criteria and process for the REPF grant schemes can be found here [Decision - Approval of Criteria and Process for Rural England Prosperity \(REPF\) Grants Schemes](#) and [Decision - Rural England Prosperity Fund \(REPF\) Years 1 & 2, Shared Prosperity Fund \(SPF\) Years 2 & 3](#)

Monitoring will continue to take place in the same way as previously administered, with six-monthly updates reported to Government via the Delta system. This programme allows for spend, outputs, and outcomes to be reported to Government and signed off by the Council's s151 Officer.

Some of the standard questions from DEFRA for 2023-2025 were as follows:

- Spend to date against the investment priorities and forecast;
- Summary of progress with an overall Red, Amber, Green (RAG) rating of the progress and trend, plus, short narrative progress summary update (250 words maximum); and
- Forecast underspend at the end of the financial year.

Over the past two years of grant funding, the REPF has proven to be highly successful for both businesses and community groups in Tendring. The benefits for businesses include:

- Revitalising pub kitchens, enabling them to serve home-cooked food, which has significantly increased footfall and popularity.
- Facilitating business expansion by providing funding for new websites, a machine tool controlled by a computer (CNC machines), 3D printers, ERP systems, and other essential machinery.

Community groups have also derived substantial benefits, including:

- Provision of special equipment for SEN children, allowing them to participate in activities alongside their peers.
- Upgrading swimming pool equipment, ensuring accessibility for all.
- Restoration of an old swimming pool for community use.
- Replacement of radio equipment for a local community radio station following an arson attack.

In years 2023/24 (year one) and 2024/25 (year two), the REPF has financed the following projects:

- Twenty-eight existing rural businesses, with a total funding of £359,000.
- Twenty-three new and improved community infrastructure projects, with a total funding of £251,000.

Feedback from grant recipients underscores the positive impact of the REPF, with many reporting they have been able to “employ more staff,” “take on more work,” and “have been able to complete jobs more efficiently.”

The REPF grants awarded over the past two years are expected to have a lasting positive impact on both businesses and residents of Tendring.

As a result of this success, the following two grant schemes are recommended to continue and open for applications for a period of two months using the same criteria as established in Appendix A, and in the light of government expectations for the scheme set out in Appendix B.

REPF for Businesses £120,000.00

“The Rural England Prosperity Fund Business Grants Scheme” allows for rural businesses

across Tendring ('rural' as defined by DEFRA's Magic Maps platform) to apply for between £5,000 and £20,000 for capital works to diversify or expand their operations or adopt new technologies to the business.

Grants must be matched with at least 25 percent funding from private sources (so, if the total project cost is £10,000, a REPF grant could fund a maximum of £7,500). Match funding can be either revenue or capital. £20,000 in grant funding is the maximum a business can receive from this Scheme but is not a cap on the total project cost.

REPF for Communities £77,761.00

"The Rural England Prosperity Fund Community Grants Scheme" allows for rural not-for-profit organisations across Tendring ('rural' as defined by DEFRA's Magic Maps platform) to apply for between £1,000 and £20,000 for capital works to improve perceptions of their local area, increase use of existing facilities and support local community programmes.

There is no match funding requirement as standard, however REPF can only support capital works. £20,000 in grant funding is the maximum an organisation can receive from this Scheme but is not a cap on the total project cost.

All projects within both grants must be delivered by 31st March 2026.

Over the past two years, the successful implementation of the REPF has laid a strong foundation for continued progress. The strategic provisions established during this period have been instrumental in ensuring that the grants provided under the REPF will continue to deliver substantial benefits. These grants are designed to maximise their positive impact on both businesses and residents within the designated REPF area. By fostering economic growth and enhancing community well-being, the REPF is poised to create a lasting legacy of prosperity and development for all stakeholders involved.

RECOMMENDATION(S)

It is recommended that Cabinet:

- a) accepts £197,761.00 the Rural England Prosperity Fund for 2025 to 2026;**
- b) subject to a) approves the allocation of: £120,000.00 for the Rural England Prosperity Fund Business Grants Scheme and approves the allocation of £77,761.00 for the Rural England Prosperity Fund Community Grants Scheme;**
- c) approves the criteria for assessment of grants for both Schemes under the Rural England Prosperity Fund (Appendix A);**
- d) delegates to the Portfolio Holder for Economic Growth, Regeneration and Tourism and the Portfolio Holder for Arts, Culture and Heritage to approve the award of grants to organisations under the Rural England Prosperity Fund in line with its sister fund the UK Shared Prosperity Fund criteria;**
- e) subject to a) acknowledges documentation to accept the grant funding from Government will require signing by the Council's Section 151 Officer, which will be undertaken following consultation with the Portfolio Holder for Economic Growth and Tourism.**

REASON(S) FOR THE RECOMMENDATION(S)

The REPF 25/26 funding is allocated to TDC and will therefore definitely be paid to the Council this financial year. By recommending these grants for external projects, Officers are able to

prepare in advance of payment and maximise the time available for grants to be delivered in full by the deadline of 31st March 2026.

Following the successful delivery of the REPF over the last 2 years, and the provisions that have been put in place throughout this time, ensures that the grants will continue to give maximum impact for both businesses and residents in the designated REPF area.

By implementing the recommendations, we will create a valuable opportunity to address the unmet demand from the previous funding round. This approach not only ensures that the needs of those who were previously underserved are met but also enhances the overall effectiveness and reach of our funding initiatives. By strategically targeting these areas of demand, we can maximise the impact of our resources, fostering greater inclusivity and support for all stakeholders involved. This proactive step will pave the way for more comprehensive and equitable distribution of funds, ultimately contributing to the sustained growth and development of our community.

Without approval at this stage, this preparation time will be lost, reducing time available for any grant recipients to deliver.

ALTERNATIVE OPTIONS CONSIDERED

Do not accept/allocate the funding and return it to Central Government.

Not to relaunch the existing successful grants schemes and look at other projects, this reduced time would have an impact on the time available for tangible delivery. Any underspend money cannot be carried forward but rather paid back to Government if unspent by 31st March 2026.

The projects recommended above have been selected from the REPF 2023-2025 based on the success of their work, their impact, and the enthusiasm with which they have been taken up by the community.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The outlined proposal aligns with TDC's Corporate Plan (Our Vision 2024-28) in the following areas:

- Working with partners to improve quality of life – via inviting applications for funding across our District to address true demand and need via partner organisations who may receive the available grants and inviting applications from elsewhere across TDC.
- Financial sustainability and openness – via this opportunity for grant awards being made available to as many local businesses and groups as possible via the application process.
- Acceptance of this funding complies with the External Funding Framework which was approved by Cabinet in September 2024.

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)

For this final year of REPF, it has been recommended to continue with the two grant opportunities model to allow for as much interaction and input from local businesses /

community groups via their applications. Applications will continue to be assessed against value for money considerations, but this direct approach ensures that projects District-wide can be considered and assessed based on demand and need locally.

The recommended grants to be internally led, are recommended based on the success they have already demonstrated in the previous REPF allocation, bolster the success of those previously funded projects, and/or reduce a cost pressure on TDC which also meets the REPF criteria.

When looking at approving both grants, a scoring criteria is used, and this is then double scored by a second Officer. Due diligence on each application is carried out by Officers using the tools available when a grant is being considered to be recommended for approval; this may include Companies House, national non-domestic rates (NNDR), Land Registry, Charities Commission, and other appropriate means depending on the applicant. Then, when a grant is offered, Officers require that the applicant signs to say they understand the allocation of funding is subject to their compliance with the terms and standard conditions that is set out on the offer letter.

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)	Added to forward plan 4th April 2025

Future decisions for the allocation of the grant payments will need to be recorded and published in the required format.

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

The Department for Environment, Food and Rural Affairs (DEFRA) published Guidance and prospectus updates on 4 April 2025 for the Rural England Prosperity Fund for 2025 to 2026, which must be used along with the [original REPF Prospectus](#), to guide delivery of the Rural Fund from April 2025.

The guidance states the Rural England Prosperity Fund is integrated into the UKSPF which supports productivity and prosperity in places that need it most. For eligible local authorities, the Rural England Prosperity Fund is a rural top-up to UKSPF allocations. It supports activities that specifically address the particular challenges rural areas face. It is complementary to funding used to support rural areas under the UKSPF.

As per the updated UKSPF prospectus, lead local authorities are required to comply with the

Subsidy Control Act 2022 and the Procurement Act 2023 in delivering their schemes.

Section 7 of the updated guidance replaces the previous REPF prospectus, in relation to how the local authorities will be paid. *The Rural Fund operates England-wide and will continue to use financial assistance powers in the UK Internal Market Act 2020 for 2025 to 2026 to deliver funding to rural places in England. Local authorities should defer to the updated UKSPF [technical note](#) and [additional guidance](#), their payment schedule, updated memorandum of understanding, and grant determination letter for the 2025 to 2026 financial year.*

In addition, it is expressly stated, the government reserves the right to withhold or delay payment and will ask for any underspends at the end of the financial year to be returned to them.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The REPF is already administered by the Council, and therefore this represents a continuation of business as usual. Other than the income expected in the new financial year, totalling £197,761.00, no further implications are anticipated.

Consideration has been given to how this acceptance of funding and the proposed process would align with TDC's external grants policy. By taking the recommendation to accept the funding to Cabinet the Council is maintaining transparency around the funding available.

x	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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There are no significant comments over and above those set out elsewhere in the report. It is welcomed that the previous approach of applying a strong mechanism to manage public funds will continue to be applied in 2025/26 and the Service will need to continue to take account of the Council's external funding policy as part of the proposed delegations etc.

USE OF RESOURCES AND VALUE FOR MONEY

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	REPF will continue to be administered by the Council as part of business as usual and requires no new allocation of further resource. Up to 4% of the total allocation can be used for administrative costs should that be required, but it is not anticipated that this would be the case and was not required during 2023-25 programme.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Each grant will be subject to value for money considerations. Recommended grants for award are then subject to approval via Executive Decision (with Portfolio Holder for Economic Growth, Regeneration and Tourism, and the Portfolio Holder for Arts, Culture and Heritage. Standard due diligence to any applicant,

	including Companies House checks, Land Registry, Charities Commission etc. where applicable take place as part of the application appraisal process.
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.	REPF will continue to be administered by the Officers as part of business as usual of the Council and requires no new allocation of further resource.
MILESTONES AND DELIVERY	
It is proposed to relaunch the two grant schemes as soon as possible.	
Government also sets six-monthly reporting deadlines across the year which act as delivery milestones, and the final deadline for entire spend and delivery is 31 st March 2026.	
ASSOCIATED RISKS AND MITIGATION	
<p>There is a risk that no applications are received, and the funding will have to be returned to Central Government. There is also a risk that the grants are oversubscribed, and this leads to a shortage in staff time, due to the time needed to process all the applications and responding to queries.</p> <p>By beginning the process early in 25/26 to accept and allocate the funding, the Council is mitigating as far as possible the risk of underspend at the end of the 25/26 programme, which would result in returning money to Government.</p> <p>As standard, Grant Offer Letters across the REPF contain clawback arrangements which would be pursued if necessary – for non-delivery, any misspent funds, etc. However, rigorous monitoring and reporting processes are in place in line with Government's six-monthly reporting requirements and therefore this has not, thus far, presented an issue in the life of the REPF.</p> <p>Due diligence is carried out on each application by Officers using the tools available when a grant is being considered to be recommended for approval; this may include Companies House, NNDR, Land Registry, Charities Commission, and other appropriate means depending on the applicant, to mitigate the risk of fraud.</p>	
EQUALITY IMPLICATIONS	
This paper does not recommend any specific project; individual projects will be subject to EQIA procedures as part of the value for money criteria and individual project owners will be responsible for outlining how they have considered the equality implications of their project.	
SOCIAL VALUE CONSIDERATIONS	
The grant scheme by its very nature will have social value considerations as a central consideration, as successful applications will be those which demonstrate tangible benefit to their communities; either by direct support such as community interventions or indirect support such as improved town centres and visitor economy.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050	
None. It is possible that some projects will work to address climate change given the success of investments under REPF in previous years, for example for solar panels on community buildings; but this is as yet unknown for 2025/6 grants.	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	

Crime and Disorder	None
Health Inequalities	None
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	Grants awarded will be part of an open application process and therefore will not constitute subsidy.
Area or Ward affected	All covered by the Defra Magic Map

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Rural England Prosperity Fund (REPF) is a government initiative which allocates funding as an add-on to the existing UK Shared Prosperity Fund (UKSPF). Tendring has been allocated £197,761.00 for 2025/26

The Rural Fund provides capital funding to:

- Support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy.
- Support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

This funding should not replace funding plans for rural areas under the UKSPF. It is a top-up to help address the extra needs and challenges facing rural areas. This funding must be used on capital projects meaning it must be spent on lasting assets such as a building or equipment.

In order to access Tendring's allocation, the Council must complete a 2025-26 forecast report on Delta. This report will be commissioned on 1 April 2025 and will be due by 1 May 2025.

The Rural Fund can only be used to meet costs relating to activity that takes place between the 1 April 2025 and 31 March 2026.

In years 2023/24 and 2024/25 the Rural England Prosperity Fund had funded the following projects:

- Twenty-eight existing rural businesses, totalling £359,000.00
- Twenty-three new and improved community infrastructure, totalling £251,000.00
- The Districtwide Witch Trail, £49,335.00

A process is already in place to monitor each grant six-monthly and at the completion of the project, to align with MHCLG's reporting requirements. This has been established via previous REPF grants the Council has been responsible for; Officers contact the grant recipient regularly and, on a case-by-case basis:

- examine receipts for eligible spend;
- make site visits to check applied-for work is completed/progressing on time and to cost;
- attend events paid for via the Fund to ensure they take place as agreed, to witness visitor numbers, etc.;

- require written reports to include number of attendees/new members, testimony from beneficiaries, other written evidence relevant to the project e.g. anecdotal/human interest benefits of a project;
- see photographs of new equipment/facilities in situ;
- see evidence of spend recorded formally such as entries onto payroll/invoices for freelancer time: and
- any other reasonable evidence as dictated by the specific project.

As previously, an assessment of the applications received will take place, to include due diligence on the applicant organisation itself as well as the veracity of the claims made about the project applied for, and in cases where match-funding is applied for, to check other funding sources are in place to ensure delivery of the project to meet the March 2026 REPF deadline. Decisions on whether to reject, award, or part-award will be made via the Council's standard governance procedure by Executive Decision with the Portfolio Holder for Economic Growth, Regeneration and Tourism, and the Portfolio Holder for Arts, Culture and Heritage, and subject to call-in by other Members. All successful grant recipients then receive a grant agreement letter which stipulates standard terms and conditions including the requirement to acknowledge the funding received, the requirement to provide evidence of spend in a timely manner, and financial clawback arrangements if money is found to have been misspent.

PREVIOUS RELEVANT DECISIONS

Decisions have been published across the 2-year programme, below are a selection which gives a 'skeleton' timeline of work to date, which also include UK Shared Prosperity Fund decisions:

- Rural England Prosperity Fund (REPF) Years 1 & 2, Shared Prosperity Fund (SPF) Years 2 & 3, 15th August 2024.
<https://tdcdemocracy.tendringdc.gov.uk/ieDecisionDetails.aspx?ID=12711>
- UK Shared Prosperity Fund Transition Year 2025/26
[Decision - Cabinet Members' Items - Report of the Economic Growth, Regeneration & Tourism Portfolio Holder - A.3 - UK Shared Prosperity Fund Transition Year 2025/26](#)
- Submission of UKSPF Investment Plan, 20th July 2022
<https://tdcdemocracy.tendringdc.gov.uk/ieDecisionDetails.aspx?ID=9463>
- Exemption to Call-In to Accept the UKSPF Allocation, 16th December 2022
<https://tdcdemocracy.tendringdc.gov.uk/ieDecisionDetails.aspx?ID=10509>

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

- Cabinet 15th July 2022, Item 39, Original submission of UKSPF Investment Plan
<https://tdcdemocracy.tendringdc.gov.uk/ieListDocuments.aspx?CId=134&MId=1978&Ver=4>
- A diagram of the themes and sub-themes, and how they replace 2023-2025's REPF Interventions, can be accessed at section 1.1 of the REPF 25/26 Technical Note at the following link: [Rural England Prosperity Fund: prospectus updates for 2025 to 2026 - GOV.UK](#)

APPENDICES

Appendix A Criteria

Appendix B REPF Outputs & Outcomes

REPORT CONTACT OFFICER(S)	
Name	Kirstin Foley
Job Title	Economic Growth Officer
Email/Telephone	01255 686149

Business Scoring Criteria:**Stage 1 - Pass or Fail Ts & Cs**

If any of these questions are failed, and not sufficiently amended by the applicant upon request, the rest of the application will not be scored.

1. Is the location within the eligible area as defined by the DEFRA Magic Map?
2. Has proof of match funding been provided in full?
3. Has proof of costs been provided in full?
4. Are the published Terms & Conditions otherwise adhered to?

Stage 2 - Scoring Criteria

As well as the pass/fail questions, there are 2 scored questions as part of the application process, meaning the overall score will be out of a maximum of 6 as per the table below. Two people will score individually, then discuss to agree one overall score out of 6. No grant will be made with an application scoring lower than 4 points overall. Those scoring at the lower end of eligibility, 4, will be subject to a value for money consideration and are therefore unlikely to receive a grant of the full maximum, but may be accepted for a lower amount/offered a lower amount than requested where appropriate.

1. What will you use the REPF Grant for, specifically?
2. How will the investment help your business to grow and/or diversify?

Scored Questions:

0	Wholly Unsatisfactory No response or the whole response is irrelevant to all of the question and evaluation criteria.
1	Unsatisfactory The response only covers a minor element of the question and evaluation criteria and does not provide evidence to all points mentioned in the question

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2	Partially Acceptable The response covers more than one element of the question and evaluation criteria but does not fully evidence all points mentioned in the question
3	Acceptable The response addresses the question provides sufficient evidence for all aspects of the question

Community Scoring Criteria:**Stage 1 - Pass or Fail Ts & Cs**

If any of these questions are failed, and not sufficiently amended by the applicant upon request, the rest of the application will not be scored.

1. Is the location within the eligible area as defined by the DEFRA Magic Map?
2. Has proof of costs been provided in full?
3. Are the published Terms & Conditions otherwise adhered to?

Stage 2 - Scoring Criteria

As well as the pass/fail questions, there are 2 scored questions as part of the application process, meaning the overall score will be out of a maximum of 6 as per the table below. Two people will score individually, then discuss to agree one overall score out of 6. No grant will be made with an application scoring lower than 4 points overall. Those scoring at the lower end of eligibility, 4, will be subject to a value for money consideration and are therefore unlikely to receive a grant of the full maximum, but may be accepted for a lower amount/offered a lower amount than requested where appropriate.

1. Please outline in more detail what your proposed project involves, and what it will achieve.
2. What specific need will your project proposal address in the community?

Scored Questions:

0	Wholly Unsatisfactory No response or the whole response is irrelevant to all of the question and evaluation criteria.
	Unsatisfactory

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1	The response only covers a minor element of the question and evaluation criteria and does not provide evidence to all points mentioned in the question
2	Partially Acceptable The response covers more than one element of the question and evaluation criteria but does not fully evidence all points mentioned in the question
3	Acceptable The response addresses the question provides sufficient evidence for all aspects of the question

Rural England Prosperity Fund: interventions, objectives, outputs and outcomes

To access Rural Fund allocations, you must provide an additional information addendum to your UKSPF investment plan.

The addendum covers 3 areas.

- 1. Local context - referencing the Fund’s investment priorities: supporting rural business and supporting rural communities.
- 2. Interventions - select from a menu of options and explain how they respond to local context.
- 3. Delivery - how and when you’ll deliver the interventions you’ve selected.

Each place has flexibility to invest in activities or ‘interventions’ that support rural businesses and rural communities. These are within the context of the Fund’s aims.

Interventions are split by investment priority. Each investment priority gives details of:

- the interventions and objectives
- indicative outputs and indicative outcomes
- example projects

Review the interventions and identify activities that support Fund objectives in your area.

Investment priority	Intervention	Example projects	Objectives	Indicative outputs	Indicative outcomes
Supporting rural business	Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural	Creation and expansion of rural leisure and tourism businesses. For example: <ul style="list-style-type: none">• creating event venues or farm tourism facilities	Creating jobs and boosting community cohesion. Increasing private sector investment in growth- enhancing activities, through	<ul style="list-style-type: none">• Number of businesses supported• Number of farm businesses supported• Number of farm diversification	<ul style="list-style-type: none">• Jobs created• Jobs safeguarded• Number of new businesses created• Number of businesses adopting new to the firm technologies or processes

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	<p>businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses.</p>	<p>such as accommodation, wedding venues and leisure facilities</p> <ul style="list-style-type: none"> • provision of facilities for pet and equines such as kennels, livery and pet health venues <p>Purchase of equipment for food processing for non-farmer-owned businesses. For example:</p> <ul style="list-style-type: none"> • purchasing new process and packaging machinery such as brewing equipment and onsite vending machines • equipping development kitchens, or modernising existing kitchen equipment for increased energy efficiency or increased productivity through automation 	<p>targeted support for small and medium-sized businesses to:</p> <ul style="list-style-type: none"> • undertake innovation • adopt productivity enhancing, energy efficient and low carbon technologies and techniques 	<p>projects supported</p> <ul style="list-style-type: none"> • Number of micro businesses supported 	<ul style="list-style-type: none"> • Number of businesses with improved productivity • Number of businesses experiencing growth
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		<p>(Support for farmer-owned businesses is available under the Farming Investment Fund (FIF)).</p> <p>Funding for resilience infrastructure and nature-based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.</p>			
Supporting rural business	<p>Funding (capital grants) for growing the local social economy and supporting innovation. This includes:</p> <ul style="list-style-type: none"> • community businesses • cooperatives and social enterprises • research and development sites 	<p>Creation of multi-functional rural business hubs providing shared workspace and networking opportunities for rural businesses. For example:</p> <ul style="list-style-type: none"> • flexible access to commercial kitchens • co-working spaces • business infrastructure such as broadband and 	<p>Creating jobs and boosting community cohesion. From capital grant support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.</p> <p>Enhancing rural visitor economy and rural leisure opportunities.</p>	<ul style="list-style-type: none"> • Number of businesses supported • Number of farm businesses supported • Number of farm diversification projects supported • Number of micro businesses supported 	<ul style="list-style-type: none"> • Jobs created • Jobs safeguarded • Number of new businesses created • Number of businesses adopting new to the firm technologies or processes • Number of businesses with improved productivity

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	This intervention corresponds to the UK Shared Prosperity Fund (UKSPF) intervention E26.	<p>electric vehicle (EV) charging points</p> <p>Establishment of rural community businesses, for example:</p> <ul style="list-style-type: none"> community-owned shops (for example provision of premises) equipment to support the showcasing of local food and drink products such as regional information display boards 			<ul style="list-style-type: none"> Number of businesses increasing their export capability
Supporting rural business	<p>Funding (capital grants) for the development and promotion (both trade and consumer) of the visitor economy, such as:</p> <ul style="list-style-type: none"> local attractions trails tourism products more generally 	<p>Development of local visitor trails and infrastructure to support this, such as:</p> <ul style="list-style-type: none"> information boards visitor centres <p>Grants to develop local tourist attractions.</p> <p>Development of local visitor experiences</p>	<p>Creating jobs and boosting community cohesion.</p> <p>Enhancing rural visitor economy and rural leisure opportunities.</p>	<ul style="list-style-type: none"> Number of businesses supported Number of visitor experiences supported Number of farm businesses supported Number of micro businesses supported 	<ul style="list-style-type: none"> Jobs created Jobs safeguarded Number of new businesses created Number of businesses increasing their turnover

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	This intervention corresponds to the UKSPF intervention E17.	based on the local offer.			
Supporting rural communities	<p>Funding (capital grants) for investment and support for digital infrastructure for local community facilities.</p> <p>This intervention corresponds to the UKSPF intervention E15.</p>	<p>Capital grants for provision of gigabit capable digital infrastructure at rural hubs for community use, for example:</p> <ul style="list-style-type: none"> • village halls • pubs • post offices <p>(Projects must align with the government's Project Gigabit programme).</p>	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Number of organisations receiving grants • Number of facilities supported, created or installed 	<ul style="list-style-type: none"> • Jobs created • Jobs safeguarded • Increased users of facilities or amenities • Improved perception of facility or infrastructure project • Improved perception of facilities or amenities
Supporting rural communities	Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community groups.	<p>Capital grants for provision of net zero infrastructure for rural communities and to support rural tourism activity, for example:</p> <ul style="list-style-type: none"> • EV charging points 	Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical,	<ul style="list-style-type: none"> • Number of EV charging points • Number of visitors or locals using charging points • Number of community 	<ul style="list-style-type: none"> • Improved perception of facilities or amenities • Increased users of facilities or amenities

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	<p>This intervention corresponds to the UKSPF intervention E11.</p>	<ul style="list-style-type: none"> community energy schemes such as scaled up biomass, heat pumps or solar <p>Capital grants for kitchens in community hubs which are capable of supporting food and drink entrepreneurs to get accreditation for food production.</p> <p>Funding for resilience infrastructure and nature-based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.</p>	<p>cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> community infrastructure local green space community-led projects 	<p>energy projects funded</p>	<ul style="list-style-type: none"> Improved perceived or experienced accessibility Number of new businesses created
Supporting rural communities	<p>Funding (capital grants) for creation of and improvements to local rural green spaces.</p> <p>This intervention corresponds to the UKSPF intervention E3.</p>	<p>Capital grants to establish or enhance rural green and blue infrastructure including:</p> <ul style="list-style-type: none"> community gardens green spaces watercourses and embankments 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties</p>	<ul style="list-style-type: none"> Amount of rehabilitated land or premises Square metres (m²) of land made wheelchair accessible or step free 	<ul style="list-style-type: none"> Increased footfall Increased visitor numbers Increased use of cycleways or paths Jobs created Improved perception of

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		<ul style="list-style-type: none"> • greening of streets and paths • incorporating natural features into wider public spaces 	<p>and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Amount of public realm created or improved • Number of facilities supported or created • Amount of green or blue space created or improved 	<p>facilities or amenities</p> <ul style="list-style-type: none"> • Increased users of facilities or amenities • Improved perceived or experienced accessibility
Supporting rural communities	<p>Funding (capital grants) for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.</p> <p>This intervention corresponds to the UKSPF intervention E4.</p>	<p>Capital grants to develop, restore or refurbish local natural, cultural and heritage assets and sites.</p> <p>Improving visitor experience and accessibility of these assets. For example by:</p> <ul style="list-style-type: none"> • creating wheelchair accessible and step free access that goes beyond statutory requirements • providing all terrain wheelchairs allowing access to new areas of sites 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • heritage assets • local green space 	<ul style="list-style-type: none"> • Number of organisations receiving financial support other than grants • Number of organisations receiving grants • Number of tourism, culture or heritage assets created or improved • Amount of green or blue space created or improved • Amount of land or premises supported 	<ul style="list-style-type: none"> • Increased footfall • Increased visitor numbers • Increased use of cycleways or paths • Jobs created • Improved perception of facilities or amenities • Increased users of facilities or amenities • Improved perceived or experienced accessibility

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				<ul style="list-style-type: none"> • m² of land made wheelchair accessible or step free • Number of facilities supported or created 	
Supporting rural communities	<p>Funding (capital grants) for local arts, cultural, heritage and creative activities.</p> <p>This intervention corresponds to the UKSPF intervention E6.</p>	<p>Funding for provision of maker spaces.</p> <p>Funding for local art galleries, museums and libraries for altering premises or providing spaces for exhibitions to support displays for artists to showcase work.</p> <p>Capital grants to enable cultural, heritage and creative events and provision of venues for locally-led:</p> <ul style="list-style-type: none"> • music and theatre performances • tours • author events • film screenings 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Number of potential entrepreneurs provided assistance to be business ready • Number of organisations receiving grants • Number of local events or activities supported 	<ul style="list-style-type: none"> • Jobs created • Jobs safeguarded • Increased footfall • Increased visitor numbers • Improved engagement numbers • Improved perception of facilities or amenities • Number of community-led arts, cultural, heritage and creative programmes as a result of support • Improved perception of events

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Supporting rural communities	<p>Funding (capital grants) for active travel enhancements in the local area.</p> <p>This intervention corresponds to the UKSPF intervention E7.</p>	<p>Creation of new footpaths and cycle paths, particularly in areas of health need.</p> <p>Upgrading of existing footpaths and cycle paths, particularly in areas of health need.</p>	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Amount of new or improved cycleways or paths • Number of facilities supported or created • Amount of green or blue space created or improved 	<ul style="list-style-type: none"> • Increased use of cycleways or paths • Improved perception of facilities or amenities
Supporting rural communities	Funding (capital grants) for rural circular economy projects.	<p>Capital grants to enable setting up or enhancement of rural community-led repair cafes or mend workshops. This includes:</p> <ul style="list-style-type: none"> • provision of premises • tools or equipment to support 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure 	<ul style="list-style-type: none"> • Number of organisations receiving grants • Number of people reached 	<ul style="list-style-type: none"> • Improved engagement numbers • Improved perception of local facilities or amenities • Number of community-led programmes as a result of support

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			<ul style="list-style-type: none"> • local green space • community-led projects 		
Supporting rural communities	<p>Funding (capital grants) for impactful volunteering and social action projects to develop social and human capital in local places.</p> <p>This intervention corresponds to the UKSPF intervention E9.</p>	<p>Capital grants to enable people to develop volunteering and social action projects locally, such as:</p> <ul style="list-style-type: none"> • purchase of equipment • improvements to premises to enable local volunteering groups such as youth charities, carers groups or refugee support groups 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Number of organisations receiving grants • Number of local events or activities supported • Number of projects supported 	<ul style="list-style-type: none"> • Improved engagement numbers • Volunteering numbers as a result of support

CABINET

23 MAY 2025

REPORT OF THE PORTFOLIO HOLDER FOR ENVIRONMENT & ICT

A.2 UPDATE ON THE WASTE AND RECYCLING COLLECTION AND STREET SWEEPING CONTRACT PROCUREMENT

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide an update to Cabinet following receipt of detailed submissions from bidders at the Invitation to Submit Detailed Solutions (“ISDS”) stage of the procurement process, to set out options for the way forward and seek agreement to a revised set of Core Specification Principles based upon the following circumstances:

- Greater Essex is now part of the Government’s Priority Programme for Devolution which includes responding to Local Government Reorganisation (LGR), which has been announced since the commencement of the procurement process and the risk and uncertainty that this brings; and,
- the detailed solutions received from the bidders indicate a contract price that is not affordable to the Council.

EXECUTIVE SUMMARY

- At its meeting on 26 July 2024, Cabinet agreed to the commencement of a procurement process to appoint a contractor to deliver the Council’s waste and recycling collection and street cleaning service from 2026 onwards, based upon a set of principles, which translated into a specification for detailed solutions to be submitted against.
- The Council’s project team has been supported throughout the procurement process by four external organisations, chosen for their experience in supporting similar procurements elsewhere.
- The procurement process largely adhered to the timeline previously suggested and is now well under way and the first detailed solutions have been submitted by the bidders.
- The price for these detailed solutions is not affordable by the Council, being potentially over £7m per annum above the current associated budgets.
- Now that the detailed solutions have been submitted, officers will be entering into competitive dialogue discussions with each individual bidder, after which the Council’s requirements are finalised, and final detailed solutions (tenders) are invited.
- As part of the process so far, officers have provided feedback to the bidders involved on their submissions to date and held two dialogue sessions with them aimed at reducing the contract price.

- Whilst price reductions are possible, they do not bring the price to a level that is affordable to the Council over the proposed contract term.
- All of the work undertaken on the procurement so far, including the development of the service specification, has worked to a set of Core Specification Principles that were adopted by Cabinet in July 2024.
- Since the commencement of the procurement process central government has announced proposals for Devolution and Local Government Reorganisation (LGR) and the Council, being part of Greater Essex, is now on the Government's Priority Programme. LGR in particular casts a question over whether the Council should now, at this stage, be entering into a minimum eight year contract when the councils it is likely to be merged with operate different delivery models for services for waste including in-house provision. The new unitary authority is also likely to become both a waste collection and a waste disposal authority (as defined in the Environmental Protection Act 1990).
- From an elected member administration view, a shorter contract term allows the new unitary authority scope to determine how services will be aligned much earlier in its life, potentially realising better value for money and greater efficiencies sooner. These were options explored earlier in the process but before Greater Essex was invited to submit LGR proposals.
- The Council has received External Legal Advice on options on the way forward, that is considered in Part B (due to legal professional privilege), and **Cabinet should ensure an assessment of the advice, analysis of the risks and their mitigations is undertaken prior to the recommendations set out in this report being determined.**
- It is recommended that the Core Specification Principles are altered to reflect:
 - a shorter contract term;
 - a reduction in specification aimed at reducing the level of risk and uncertainty whilst increasing affordability;
 - that the Council does not take any risk on the value of the dry mixed recycling (DMR) collected at the kerbside; and,
 - that the Council does not fund the up-front purchase of any vehicle fleet.

RECOMMENDATION(S)

It is recommended that following consideration of the legal advice and options available (in Part B) and following its assessment and analysis of the risks and their mitigations, and the contents of that report, Cabinet:

- notes the extensive work undertaken on the procurement process so far, both by officers and external consultants following the Core Principles adopted in July 2024 and subsequent decisions;**
- acknowledges the impact of Greater Essex being part of the Government's Priority Programme and responding to Local Government Reorganisation, the Council must reassess its position with regards to the duration of the contract term;**

- (c) acknowledges that in addition to (b) above, the information received through the current procurement exercise to date would place the Council in the position of not being able to reasonably afford the cost should it decide to continue with the service as currently specified;**
- (d) agrees that in addition to (b) and (c) above, to balance associated risks, uncertainty and value for money alongside affordability, the option to purchase the vehicle fleet and the risk sharing option in respect of DMR will no longer be considered;**
- (e) is committed to ensuring it continues to fulfil its statutory duties and provide a Waste Collection service beyond the ending of the current contract in March 2026 and complying with the additional requirements of the Environment Act 2021 from April 2026;**
- (f) subject to (b) to (e) above and having considered the legal advice and options available (in Part B) and following its assessment of the advice, analysis of the risks and their mitigations, and the contents of this report, agrees to continue with the existing procurement process but with amendments to the contract length and specification (Option 1) based on the following key principles:**
- (i) the contract term will be reduced to 3 years with an option for an extension period of 2 years based upon responding to the risk and uncertainties of LGR;**
 - (ii) a reduction in the service specification to ensure affordability and comply with our statutory duty to provide a waste collection service and street cleaning service;**
 - (iii) the Council will not take any financial risk on the value of DMR material collected (Service Delivery Option A); and**
 - (iv) the Council will not fund the up-front purchase of any vehicle fleet (Vehicle Funding Option B).**
- (g) in addition to (e) and (f) a revised set of Core Specification Principles, as set out in Table 3, will form the basis of the revised detailed contract specification;**
- (h) authorises the Corporate Director for Operations & Delivery, in consultation with the Leader of the Council, the Portfolio Holder for Environment & ICT, the Portfolio Holder for Assets and Community Safety, the Section 151 Officer and the Monitoring Officer, following the dialogue stage, to determine the detailed revised service specification for the Invitation to Submit Final Tenders stage, ensuring the principles set out in (f) above are adhered to;**
- (i) approves an additional budget of £100k be made available for consultancy support funded via the Corporate Investment Fund, taking the total budget to date to £0.400m; and**
- (j) acknowledges that a further report will be presented to Cabinet following the evaluation of final tenders, which will include proposed financial / budget adjustments as necessary.**

REASON(S) FOR THE RECOMMENDATION(S)

The Council's contracts with Veolia Environmental Services for household waste and recycling collection and street sweeping both expire on 1st April 2026. As such, a contractor needs to be found to deliver these services on expiry of the current arrangements.

The recommendations will ensure that the Council continues to progress the future of this important statutory service, meeting its affordability envelope whilst complying with the Environment Act 2021 requirements due to be introduced during 2026.

Under the Environmental Protection Act 1990 the Council is designated as a Waste Collection Authority (WCA) and as such has a statutory duty to collect household waste and recycling from homes in the district. From 2026, the Council will be required under provisions in the Environment Act 2021 to collect a wider range of recyclable material and as such any new service commencing in 2026 must be compliant with this requirement.

The procurement exercise for the new contract for 2026 and beyond commenced before the announcement of LGR. The Council is part of an early stage of the LGR process and is anticipated to be merging with other local authorities in Essex to form a new Unitary Authority (subject to Government's decision). The new Unitary Authority is expected to be vested in May 2028 and as such it is anticipated that when the new Unitary Authority is set up, it will seek to rationalise the contracts that will automatically novate (through the Structural Boundary Change Orders) across from their sovereign Councils. With neighbouring councils that the Council could be merged with (as a minimum Braintree and Colchester) both providing waste services through an "in house" service it has become prudent that the next contract procured for the district of Tendring should be of a suitable duration so that the Unitary Authority does not have to delay any ambitions to harmonise services across the new, larger council.

The Government has indicated in feedback on LGR Interim Plans that further detail would be helpful on potential service transformation opportunities and invest-to-save projects from unitarisation across a range of services e.g. for front line services, and whether different options provide different opportunities for back-office efficiency savings. It is clear from this statement that continuing with an eight year contract term would not align with Government's expectations.

At the ISDS stage of this procurement bidders were asked to price three options for the handling of dry mixed recycling and two options for vehicle purchasing with the view that the Council would select one of each option for final tender stage. The recommendations have reflected upon these previous options, which are now being amended due to the uncertainties and risks of responding to LGR and the affordability position.

ALTERNATIVE OPTIONS CONSIDERED

The table below provides clarity for readers on the different options discussed in the report.

Table 1 - Procurement process i.e. the options that are being considering now

Option 1	Amend the procurement – reduced specification and contract length.
Option 2	Abandon the procurement and launch a new procurement under the Procurement Act 2023 for a short term contract based on the specification and contract length as proposed for Option 1.

For options 1 and 2 above a decision is required in relation to the purchase of the vehicles and the risk share for dry mixed recycling (see Cabinet Paper July 2024 for initial considerations)	
Funding of Vehicles	
Vehicle Funding Option A (VFOA)	Council funds vehicle purchase up front
Vehicle Funding Option B (VFOB)	Contractor funds vehicles
Dry recycling value risk share	
Service Delivery Option A (SDOA)	100% risk to the contractor
Service Delivery Option B (SDOB)	50/50% split on risk
Service Delivery Option C (SDOC)	Bidders proposed % split
<p>Wider considerations and options are set out elsewhere in this report.</p> <p>Options associated with either ending or continuing with an amended procurement process are considered in detail in Part B.</p>	

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES			
<p>This decision will contribute to the Corporate Plan 2024 – 28 (Our Vision) themes of:</p> <ul style="list-style-type: none"> • Pride in our area and services to residents • Championing our local environment • Financial sustainability and openness <p>Additionally, Cabinet agreed at its meeting in March 2025 to a set of Highlight Priorities for 2025/26. One of those priorities is to complete the procurement of the waste contract.</p>			
OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)			
<p>The Leader of the Council and the Portfolio Holders for Environment & ICT and Assets & Community Safety have all been involved in the development of the service specification that bidders received at the ISDS stage of the procurement.</p> <p>Those portfolio holders along with other members of Cabinet have been consulted as part of the development of this report.</p>			
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	11 March 2025

		Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	
<p>Local Government Reorganisation (LGR)</p> <p>The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'), invited any principal authority in the area of the county of Essex, to submit a proposal for a single tier of local government. An interim plan was submitted in March 2024, as endorsed by Council and approved by the Leader.</p> <p>Statutory Requirements</p> <p>The household waste and recycling collection and street sweeping services are a statutory function of the Council under the Environmental Protection Act 1990 with the Council designated as a Waste Collection Authority (WCA). Essex County Council (ECC) is the Waste Disposal Authority (WDA).</p> <p>As has been highlighted recently elsewhere in the country, the collection of household waste is a critical service for the Council with significant public health, reputational and financial consequences if a service is not provided consistently. It is therefore important that the Council procures the right level of service and one that is affordable.</p> <p>The Council has an existing Inter Authority Agreement (IAA) in place with ECC who in addition to handling the disposal of the residual waste collected, also fund the food waste collection service provided in the district and undertake the disposal of the food waste. ECC also receive and arrange the composting of the garden waste collected. It is not anticipated that this tender process will affect the IAA and the funding and waste disposal arrangements provided under it.</p> <p>The Environment Act 2021 amended some sections of the Environmental Protection Act 1990 (EPA 90) and introduces some additional responsibilities in respect of the collection of household recycling. Section 45 of the EPA 90 covers the collection of household waste. As set out in the EPA 90 and the Separation of Waste (England) Regulations 2024 from 31 March 2026, Councils will be expected to collect a wider range of recyclable materials from the kerbside including glass. Unlike the original Environment Act proposals, there will not be a requirement that these materials are collected separately and a comingled collection will be permitted. From 31 March 2027 Council will be required to undertake a kerbside collection of flexible plastic films for recycling. The service specification used at ISDS stage was designed to account for these new, additional requirements.</p> <p>The Government policy statement published on 29 November 2024 states that the new default requirement for most households and workplaces will be 4 containers for:</p> <ul style="list-style-type: none"> • residual (non-recyclable) waste • food waste (mixed with garden waste if appropriate) • paper and card • all other dry recyclable materials (plastic, metal and glass) 			

This is what the bidders have proposed at ISDS stage along with a separate garden waste collection as specified.

The current position and proposed amendments to the service specification and contract length

The External Legal Advice attached to Part B (due to legal professional privilege) sets out the legal implications. Particular attention to the advice concerning the recommended way forward is required and Cabinet should ensure an assessment of the advice, analysis of the risks and their mitigations is undertaken prior to the recommendations set out in this report being determined.

Under the Public Contract Regulations 2015, the Council is under an obligation to set out its requirements and needs in the 'Find a Tender Service (FTS) Notice' and the descriptive document (Reg 30(6)) in a transparent way such that economic operators considering the opportunity have enough information for them to make an informed decision on whether they tender or not. Such requirements and needs should remain the same through the procurement, subject to dialogue, such that the Contract awarded is in line with the contract advertised.

YES	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:
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The proposed recommendations are responding to the situation the Council finds itself in, as set out in detail throughout the report, and allowing the current procurement exercise continuing within a revised set of Core Specification Principles but allowing some flexibility between Cabinet's decision and the detailed specification being finalised following an Officer's decision, which will be recorded in the normal manner. The expectation is that the procurement process will continue until final tenders are received and a report back to Cabinet at that stage, prior to awards of contract being made.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The current procurement process brings a number of individual elements relating to the collection of waste and street cleaning together, with existing budgets therefore held cross various lines of the forecast. In aggregate these budgets total **£6.831m** in 2025/26 and this is therefore the comparable figure against which the outcome of the tender process needs to be compared. It is important to highlight that additional / separate budgets are held within Parking Services and the HRA to meet their individual costs associated with cleaning of car parks and the estate.

In terms of early considerations of affordability ahead of the tender process commencing, the risk had been recognised within various financial performance / budget reports, including the acknowledgement of an underlying general cost pressure 'allowance' of **£0.500m**, alongside the recognition that on-going revenue 'headroom' may have to be identified within the budget via efficiencies and savings over and above this general 'allowance' if required. Subject to the scale of the additional on-going revenue funding required to meet the cost of the new contract, it was also acknowledged that this may have to be complemented by the use of existing one-off funding over the life of the contract or as part of a transitional / hybrid approach.

Based on the most up to date position emerging from the current tender process, and notwithstanding the significant change / impact from local government reorganisation, the scale of additional funding required to meet the cost of an eight year contract is significant and is deemed to be unaffordable as discussed below.

The current procurement process is inherently complex with various options included such as risk sharing around dry recyclable material prices and the Council funding the vehicles associated with the delivery of the contract up-front, being a potential alternative approach to the contractor funding the vehicles with the potential that the council can borrow funding at a lower rate than the contractor.

The evaluation of tenders is therefore equally as complex and comprehensive, with a brief summary of the process so far being as follows:

- Upon receipt of the Bidders Detailed Solutions, evaluation was undertaken in accordance with the Evaluation Framework and Model published in the Invitation to Submit Detailed Solutions, and the Bidders were provided with the scores and feedback for guidance only.
- The feedback was not exhaustive, and not all areas were listed. The purpose of the feedback was to provide Bidders with general guidance on development of their response for final tender stage and not to correct the responses or to reduce the number of Bidders.
- The Bidders were informed to further develop their method statements and to identify and address weaknesses and areas of concern as applicable and to note that any amendments they proposed to their Solutions at Final Tender stage may result in increases or decreases to the scores allocated at Detailed Solutions stage.
- Evaluation and feedback on behalf of the Authority did not provide any scores for the price submissions. However, all Bidders were notified that their financial submissions were currently in excess of the Authority's budget for the services.
- With the above in mind and following informal consultation with Cabinet, the Authority invited the bidders an opportunity to discuss possible changes to the Specification at the first dialogue session. In addition, the Authority sought to understand ways in which the Bidders considered the costs could be reduced.
- Two dialogue sessions have since been held with the bidders. The first session was used to explain the challenge associated with affordability and to discuss aspects of the specification where officers felt that could be amended in order to reduce the price. The bidders were invited to consider these possible areas for price reduction along with others where they felt that either their bids could be adjusted or the service specification amended.
- Bidders followed up by submitting affordability papers that officers and the council's consultants were able to consider in advance of the second dialogue meeting.
- Bidders were able to propose sizeable potential price reductions that facilitated good discussions during the second dialogue meeting. In terms of affordability, potentially the most cost effective option emerging from the current procurement process to date is set out in Part B.

Taking the indicative figures set out in Part B into account, the additional on-going revenue funding required over and above existing annual budgets would potentially be in excess of **£7.000m** per year, over double the existing budget. It is very difficult to isolate the elements that have contributed to the increases in costs compared to the existing contract, but it will include a significant element relating to the requirements emerging from the Environment Act 2021 that specifies the provision of a kerbside glass collection service, food waste collections and from 2027 flexible plastics from all properties over and above the services already provided. It is also accepted that the underlying costs of contractors within the market would have also significantly increased over recent years as well as their view of the risk of further adverse factors over the

contract term, which they would have priced into the submissions. It is also acknowledged that taking various such factors into account has led to not being able to identify through the current procurement process an option that remains within the existing budgetary 'envelope' as originally highlighted within earlier reports.

There is a real risk that the annual net cost set out within Part B could be even higher in practice as estimates of items such as the income from recyclable material and changes in legislation are difficult to forecast, along with prevailing interest rates. These amounts are therefore effectively 'provisions' for risks that the Council could be exposed to over the life of the contract.

Conversely, costs could also be higher if any risks are transferred back to the contractor as included within options set out within the current tender, as their prices would undoubtedly reflect risk premiums. The current tender process and proposed approach therefore continues to seek to balance the level / elements of risk transfer between the contractor and the Council across the various permutations to deliver affordability and value for money.

Notwithstanding the impact of LGR, especially around the length of the contract, the options emerging from the current procurement process to date are unaffordable. This applies to both:

- the use of one-off funding to meet the shortfall across the current initial eight year contract term, and;
- the identification of corresponding revenue savings elsewhere within the General Fund budget to meet the on-going annual short fall of over **£7.000m** per annum.

In terms of the first point, this would require in excess of **£56.000m** (over the initial term) being identified and set aside ahead of any contractual commitments being made. The Council does not have access to this scale of one-off funding within its current financial position.

In terms of the second point, the current annual shortfall equates to approximately 40% of the Council's current net budget. The identification of offsetting / on-going revenue savings over the life of an eight year contract would undoubtedly present the risk of the Council not being able to deliver its statutory / core functions and at serious financial risk of not having enough money to meet its annual forecast expenditure.

It is also worth highlighting the timing of the expiration of the current contract has coincided with a number of events emerging during the tender process which include:

- the new Environment Act 2021 requirements
- LGR
- Changes in the wider market
- Potential upcoming changes in legislation
- The Local Government spending review

Along with the affordability issues emerging from the current tender process highlighted above, the Council is faced with a number of difficult challenges and a high degree of uncertainty.

The Council therefore has no realistic alternative but to explore alternative approaches to enable it to meet its statutory obligations without jeopardising the Council's financial standing, including exploring ways to reduce risks and uncertainty in the most pragmatic and reasonable way possible. With the emergence of LGR during the current tender process, this along with affordability issues now frame the potential options going forward. This includes acknowledging

the potential opportunities that LGR may provide and highlights the pragmatic advantages of a potentially shorter term / interim solution through to 2029/2030, which could effectively 'bridge' the time between now and the establishment of unitary authorities from 2028, when a longer term view can be taken.

Other Potential Issue - Extended Producer Responsibility (EPR) funding

The Authority has received notification from DEFRA that our estimated total pEPR payment for 2025/26 will be £892,000, which in theory covers the estimated costs associated with collection of household packaging waste from kerbside and communal collections, and waste brought to bring sites only. The payment may also cover the cost of handling, sorting and sale of dry recyclable material where appropriate.

Given the significant reduction in other elements within the Government's wider funding announced within and alongside the recent Local Government Finance Settlement for 2025/26, this funding has effectively been included already within the base budget to offset reduced funding elsewhere – it can therefore not be treated as additional grant income to support the cost of the current tender.

In future years, it is expected that this will again form part of the wider / overall funding settlement rather than as net additional funding available to Local Authorities. This is therefore not a relevant consideration at this stage of the tender process.

Other Potential Issue - Food waste funding

The authority is already in receipt of £270,000 new burdens funding to provide a kerbside food waste collection service to approximately 11000 properties that currently do not receive the service. This initial funding is for the procurement of the food waste containers and additional collection vehicle(s). Discussions with other Councils in Essex has highlighted that the level of funding is of concern and may not be reflective of the actual costs to provide these additional capital projects. An additional £78,000 grant funding has also been allocated to the Authority with the grant intended to cover the costs associated with Officer time for the purchase of containers, vehicles, re-routing of collection rounds, communications and I.T burdens.

There may therefore be potential additional capital costs over and above those set out in Part B. Other potential capital costs have also been excluded at this stage (i.e. if there was a change in containers used), but this will form part of the next stage of the process as set out elsewhere in this report.

Support funding

A current budget allocation of **£0.300m** has been set aside to support the preparation and procurement of the new contract. This budget has so far been spent in the following areas:

Table 2 – Budget allocation / spend to date		
Activity	Delivered by	Spend / Commitment
Preparation of an Options Appraisal and Outline business case and	The East of England Local Government Association	£34,853 to date
Procurement support	Essex County Council	£19,851 to date
Specification writing	WRM Sustainability Ltd	£18,561 to date
Legal advice	Sharpe Pritchard LLP	£85,472 to date
Financial consultancy advice	Eunomia	£27,895 to date

Communications	TDC Communications Team	£15,000 estimated requirement at service rollout stage
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A total of £186,632 has so far been spent on consultancy services leaving a budget of £113,368 remaining. The budget of **£0.300m** was considered to be sufficient for consultancy costs although the additional support that has been drawn upon in relation to the challenges set out within this report has increased the anticipated spend. It is proposed that a further £100k be made available, funded by a transfer from the Corporate Investment Fund which currently totals **£4.457m**.

Vehicle procurement

At ISDS stage of the procurement program bidders were required to provide two funding options for vehicle procurement. Vehicle Funding Option B (VFOB) was where the bidder financed and purchased the vehicles and Vehicle Funding Option A (VFOA) where the Authority financed the vehicles. The rationale being that the Authority can access prudential borrowing at cheaper interest rates compared to commercial rates available to bidders. The difference in cost between VFOA (Authority financing) and VFOB could be in the region **of £2.000m** over the duration of the eight year contract with VFOA potentially being the lowest cost option.

Although it is acknowledged that the option of the Council purchasing the required vehicles provides in principle the lower cost option, the emergence of LGR during the current tender process along with the affordability issues highlighted above, raises significant value for money questions when taken over the originally anticipated eight year contract. This Council accessing borrowing ahead of LGR and the ability to defray costs over a potentially shorter period of time reduces the potential associated advantages of VFOA.

Dry mixed recycling risk share

As part of the detailed solutions stage of the procurement, bidders were requested to provide costings for three options to manage, process and sell the Dry Mixed Recycling (DMR) collected at the kerbside on the materials markets. These three options consisted of the bidder taking 100% risk of the material (Service Delivery Option A (SDOA)) and presented as the Council's preferred option at ISDS), 50% shared risk with 50% laying with the Authority (Service Delivery Option B (SDOB)) and a bid back option where bidders could propose an alternative risk share (Service Delivery Option C (SDOC)).

As part of the market research with potential bidders, SDOB and SDOC were preferred as commodity markets can fluctuate and sharing the risk with the Authority provided a buffer to bidders and reduced the contract cost associated with risk pricing.

For context, the reference to risk share of the DMR is based upon the quantity and quality of the material collected at the kerbside, how this material is processed and sorted into their constituent materials and then ultimately sold on the commodity market as a valuable recyclable resource. Each type of material collected at the kerbside will have its own market value, be that as revenue or cost and it is these values that can increase or decrease from month to month and is what constitutes part of the risk share mechanism. Other factors included within the risk share are costs associated with the disposal of contamination and non-target materials collected and the processing/sorting costs of sending these materials to a Materials Recovery Facility (MRF).

With the implementation of the Environment Act 2021 increased materials will have to be collected at the kerbside, including glass, plastic pots, tubs trays, cartons and flexible plastics (2027) by all collection authorities which could have the impact of flooding the materials commodity market and pushing down prices. Additionally Deposit Return Scheme (DRS) is set to be implemented in October 2027. The scheme will cover single-use drink containers made from plastic, steel, and aluminium, ranging in size from 150ml to 3 Litres plastic bottles. Removing these materials from the kerbside collection will reduce the overall value of materials sent for processing and subsequent revenue.

Similarly to the vehicle funding options, the emergence of LGR means that the Council needs to maintain a focus on balancing risk, uncertainty and value for money. In light of the relatively short contract period proposed, SDOA remains the preferred approach. It is however acknowledged that the potential annual cost of this approach could be approximately £0.250m higher per annum than the alternative options, but removes the potential volatility risk within future commodity markets.

Yes	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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There are no major additional comments, as the points set out elsewhere in the report adequately reflect the significant financial challenges associated with the current procurement process. The Council's response to meeting the final contract costs that emerge from the proposals set out within this report will be included within the associated report to Cabinet later in the year and will be based on the approach set out elsewhere i.e. the use of one-off funding / potential identification of offsetting savings and efficiencies as necessary.

USE OF RESOURCES AND VALUE FOR MONEY

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

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Following submission of detailed solutions by bidders the bids are unaffordable and outside of the Authority's budget for the service.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	These are important long term decisions for the Council and as such will be undertaken in accordance with the constitution, making use of delegated powers where appropriate.
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.	Waste and recycling services are significant budget areas for the Council and also ones where we have good levels of information both in respect of operational delivery and cost. This data will be used as part of the decision making processes going forwards.

The Council is under a broad 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 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 also demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management.

To provide greater clarity to the sector on how to fulfil the Best Value Duty, recent 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 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. How the Council responds to new or developing issues, such as those set out within this report, therefore remains an important element of demonstrating these key requirements.

MILESTONES AND DELIVERY

The project has largely adhered to the key procurement target dates as set out in the July 2024 Cabinet report. There was some slippage on key dates and those actual dates achieved along with revised future dates are shown in Table 2 below. A more detailed project management document is being used by officers. This document is being overseen by the Waste Contract Board. It should be noted that the target dates may be further adjusted as the process develops.

Key	
SSQ	Standard Selection Questionnaire
FTS	Find a Tender Service (Notice)
ITPD	Invitation To Participate in Dialogue
ISFT	Invitation to Submit Final Tender

Table 2 – Key procurement target dates *(subject to adjustment as the project develops)*

EVENT	DATES
Cabinet Meeting (Decision to Procure)	26-Jul-24
FTS Notice published	16 Oct 24
SSQ and Draft Docs issued	16 Oct 24 to 15 Nov 24
SSQ Evaluation	18-21 Nov 24
SSQ Outcome Letters	29 Nov 24
ITPD Docs Issued (final)	29 Nov 24 to 17 Jan 25
Depot Tour/Visits	
Dialogue Intro Session (aka Bidder Day)	09-Dec 24
Detailed Solutions Submitted	17-Jan-25

Detailed Solutions Evaluation	20-Jan 25 to 07-Feb 25
Detailed Solutions Moderation	11 Feb 25 to 14 Feb 25
Detailed Solutions Feedback	03 March 25 to 06 March 25
Detailed Dialogue Session(s)	09/06/2025 – 27/06/2025
Issue ISFT (Invite to Submit Final Tenders)	30/06/2025 – 30/07/2025
ISFT Evaluation	30/07/2025 – 15/08/2025
ISFT Moderation	18/08/2025 – 21/08/2025
ISFT Outcome Letters	30/09/2025
Standstill Period	30/09/2025 – 09/10/2025
Cabinet Paper on Forward Plan	21 July 25
Cabinet Meeting (Decision to Award) + 5 Day Call-In	22/9/2025
Award Letters	13/10/2025
Preferred Bidder Stage	30/09/2025 - 27/10/2025
Contract Collation	30/09/2025 - 27/10/2025
Contract signature	28/10/2025- 11/11/2025
Mobilisation	12/11/2025 - 31/03/2026
Contract Start Date	01 April 26

ASSOCIATED RISKS AND MITIGATION

Detailed risks in respect of the recommended approach, and in respect of which external legal advice has been received, are covered in Part B. More general risks are set out below.

Compliance with the Environment Act 2021

Compliance with “Simpler Recycling” / Environment Act 2021 requirements for collection of recyclable materials – the service will be designed to comply with what we know about the future requirements from 2026 and therefore it will be possible to comply with the new requirements. There is a risk that full compliance with the Environment Act requirements will not be possible from 1 April 2026 and that is an increasing possibility the longer that this

procurement process is delayed. Once the likelihood of compliance on 1 April 2026 is fully known officers will make contact with DEFRA to explain the position. Currently it is understood that the Council will not be penalised for non-compliance.

Readiness for current contract expiry

The broad procurement timeframes set out elsewhere in this report must be adhered to such that a contract award can be made leaving sufficient lead in time for the successful contractor to prepare for the commencement of the new service and if required, procure necessary vehicles and any additional containers that are required to meet the demands of the Environment Act 2021. With the likelihood that service changes will be taking place across the country at the same time there will be increased lead times for vehicles, bins, drivers and workforce.

As already mentioned above, the timeframe for the procurement process, contractor mobilisation combined with implementing a new collection service is of considerable risk. Whilst contractors may have access to spare vehicles the current lead time for refuse collection vehicles is nine months from point of placing order and with demand on vehicle manufacturers and bin manufacturers expected to increase as a consequence of the Environment Act requirements it is anticipated that lead times will extend and as such this will place a risk on the deliverability of the new service in the required timeline.

This risk has already been mitigated by way of an extension to the existing contractual arrangements with the current contractor, to the end of March 2026. However, the current timeline from contract award to contract start date is under six months, the successful bidder will have minimal time to effectively mobilise resources to meet the contract deadline of 1st April 2026. These are ultimately circumstances which the Council has to respond to, as a result of the position it finds itself in to ensure to can deliver a statutory service and comply with the requirements of the Environment Act 2021 within the context of its financial position and the Greater Essex LGR programme.

Procurement risks

A new legal regime under the Public Procurement Act 2023 came into full force and effect on 24 February 2025. If the procurement is abandoned and started again the new procurement will be under the new legislation and the Council will be under pressure to complete the new process in time for making a contract award and allowing sufficient mobilisation time before commencement of the new contract in April 2026.

There are a large number of waste contracts set to be renewed in the coming year(s) and waste collection contractors have limited resources within their bid teams. As such and with the proposed changes to the specification and contract duration one or more of the bidders may choose to withdraw from the procurement exercise.

Key financial risks are set out elsewhere in this report.

EQUALITY IMPLICATIONS

A further equality impact assessment will be undertaken as part of the service mobilisation plan.

SOCIAL VALUE CONSIDERATIONS

The Public Services (Social Value) Act 2012 requires public authorities to “have regard to economic, social and environmental well-being in connection with public service contracts; and

for connected purposes.” The Council wishes to work collaboratively on social value with suppliers, partners, and the community to benefit Tendring.

As part of this procurement exercise, TDC having adopted the national Themes, Outcomes and Measure (‘TOMs’) method of classifying and evaluating Social Value. The measures selected have been adapted to compliment the District’s context and priorities as outlined within TDC’s Corporate Plan 2024-2028 (Our Vision) and in-line with the Council’s recently adopted Social Value Policy, with a focus on areas such as protecting the local environment and creating opportunities within Tendring.

Social Value commitments will form part of the resultant Contract following this procurement exercise and therefore, there is a requirement for the fulfilment of Social Value commitments and reporting of progress throughout the contract term by the successful Bidder.

No changes are proposed to the social value aspects of this procurement.

IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

Local Government Reorganisation will change the local government landscape significantly.

Essex is in the priority programme and as such the vesting date for a new Unitary Authority could be as soon as May 2028. Whilst a large amount of detail is yet to be determined and finalised it is known that existing contracts will novate across to the new authority and there is a requirement through the government’s criteria to achieve efficiencies in service delivery. Currently, although numbers of unitary authorities in Greater Essex are uncertain, due to their proximity and geography (which is a key criteria in the Government’s invitation to submit proposals) it seems likely that Tendring will merge with Colchester City Council and Braintree District Council (possibly with others) to form a unitary authority.

Waste and recycling collection and street cleaning services are undertaken by in house services at both these authorities currently. Naturally, the new authority will want to consider how these services are delivered across the new larger district. Having one area serviced by a contracted out service and two areas by different in-house services will require an analysis as to what the best solution for the new district as a whole is.

Entering into an eight year contract commencing in 2026 will commit the new unitary council to that arrangement until 2034 – an arrangement that they will not have been involved in the decision making for.

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

The waste services are the largest contributor to the Councils carbon emissions from fleet vehicles that are included as Scope 3 emissions in the Councils emissions reporting. Consequently, the Council will continue to explore with potential contractors the options available to reduce those emissions within an affordable financial envelope. The rural nature of the district and the current purchase cost and mileage range mean that a full electric fleet is unlikely to be possible.

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

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

Crime and Disorder	None
Health Inequalities	None
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	None
Area or Ward affected	All wards within the district will be affected

PART 3 – SUPPORTING INFORMATION

BACKGROUND
<p>Readers are referred to the report presented to Cabinet on 26 July 2024. That report set out a comprehensive background to the procurement exercise that is now being undertaken.</p> <p>More detailed information relating to the procurement process is presented in Part B.</p> <p>Working through the procurement process, detailed solutions were invited from the bidders who were taken through to that stage following the Selection Questionnaire stage of the process.</p> <p>The detailed solutions submitted by bidders were evaluated in terms of quality and scores compiled before their prices were evaluated. All bidders submitted solutions demonstrating that they can deliver the services as specified.</p> <p>Affordability</p> <p>The Detailed Solutions received indicate a likely annual cost to the Council that is substantially more than the current budget for the service. These solutions are therefore unaffordable.</p> <p>As the procurement is being run through the competitive dialogue process the Council has worked with the Bidders through dialogue meetings to explain the affordability position and to try and reduce this gap by suggesting areas of the service specification that can be reduced and inviting Bidders to make their own proposals for price reduction. The Bidders have engaged in this process, provided valuable input and suggested some other areas for savings.</p> <p>Whilst the budget gap could potentially reduce, the Bidders have not been able to reduce the cost gap to a level that the Council can afford. With possible reductions, the contract, as currently specified, remains unaffordable, especially for an initial eight year contract duration (for reasons set out in the report).</p> <p>Officers believe further reductions are possible by reverting to the current street cleaning specification introduced in 2012 and updated in 2019 that is frequency based rather than the output based specification issued at ISDS stage. This will provide a reduced level of service than Members aspired to at the commencement of this process. Litter picking of the beaches at Holland on Sea will need to be added as was proposed at ISDS stage as that has been done on an ad hoc basis since they were created and other adjustments to seafront cleaning frequency will be made.</p>

Additionally, and as was included at ISDS, it is proposed to add in a requirement for new garden waste wheeled bins to be delivered within a specified timeframe as currently that is an area of weakness for the service.

Additional performance management indicators and live monitoring of contractor vehicles and operatives is something that was included in the ISDS specification. It is proposed that this is included as an option in the specification at Final Tender stage as a further cost reduction may be possible if the option is not taken up. Quarterly performance reviews via a Waste Contract Board will remain.

Local Government Reorganisation

In addition to the issue of affordability, during the procurement period the Government has announced devolution plans and Local Government Reorganisation (“LGR”). The Council is part of an early stage of the Greater Essex Priority Programme for Devolution and LGR and is likely to be merging with other local authorities in Essex to form a new Unitary Authority, who be responsible for the collection of waste and street cleaning services and possibly also waste disposal.

The new Unitary Authority is expected to be vested in May 2028 and as such it is anticipated that when the new Unitary Authority is set up, it will seek to rationalise the contracts that will automatically novate (through the Structural Boundary Change Orders) across from their sovereign Councils. In previous LGR in other parts of the country, major contracts, such as waste collection are highlighted as those which require more attention in seeking harmonisation, due to their scale and nature. With LGR pending, the current position being uncertain and the decision of Full Council that Tending should be placed in the best possible position at transfer to the Unitary authority, the Council is under an obligation to review all its procurements of which the waste collection and street cleaning procurement is one.

Options considered and associated risks

In light of the budgetary constraints and LGR, the Council must now consider the legal risks associated with the following options that are available at this point as alternatives to continuing with procuring the service and contract, as currently specified based upon the principles as previously set out:

Option 1: Continue with the existing procurement process but reducing the service specification significantly and reducing the Contract Period to 3 years with an option to extend; or,

Option 2: Abandon the current procurement process and commence a new procurement exercise under the Procurement Act 2023 for a short term contract based around a specification similar to the current service being delivered with additions to ensure compliance with the Environment Act 2021 Simpler Recycling requirements.

External Legal Advice has been received by the Council (which remains confidentially sensitive and subject to legal professional privilege, which is waived if disclosed) has provided a thorough assessment of these options. The Legal Advice is presented and discussed in Part B. Prior to determining its position on the way forward, it is essential that Cabinet consider the advice and the content of Part B to ensure it is making an informed a decision.

The recommendation to Cabinet is to proceed with Option 1 for the reasons set out in the report and seek approval to continue dialogue with bidders based on alterations to the Core Specification Principles that, subject to the dialogue discussions, will be translated into a revised service specification and contract duration with delegations to enable this alternative policy position to be progressed.

The alterations to the Core Specification Principles will be more closely aligned with the service that is currently provided in the district with the addition of a wider range of recycling collection in order to be compliant with the Environment Act 2021 requirements. The alterations will also reduce the level of risk and uncertainty whilst increasing affordability.

Dry Recyclable Materials Risk

The recommended approach to dry mixed recycling is that the delivery option SDOA (100% contractor risk, which was the Council's indicated preferred option at ISDS stage), continues as the option for consideration as part of the final tender stages.

This option exposes the Council to least amount of risk and uncertainty associated with potential price fluctuation over the revised contract term.

The Deposit Return Scheme (DRS) is anticipated to commence in October 2027 and will take a proportion, perhaps as much as 80%, of the plastic container mix out of the recycling collected at kerbside as residents take advantage of the scheme. The DRS is expected to impact the value of recyclable materials and the processing fees. Risk pricing by the bidders may be reduced if the Council agrees that the impact of the DRS is not foreseeable and remains a risk to the Council.

Vehicle Fleet Funding

The recommended approach to vehicle fleet funding is that the Council does not fund the fleet up front, with additional details set out earlier within this report.

Core Specification Principles

With the above in mind, it is recommended that Cabinet approve the revised Core Specification Principles in Table 3 below:

Table 3 – Revised Core specification principles
<p>General principles applicable to both aspects of the service</p> <ul style="list-style-type: none">• One single contract for both street cleaning and waste & recycling collection services• Performance standards / performance management framework built-in with ability to hold contractor to account• Council to provide customer contact centre and handle all queries / complaints• Option for TDC to be provided with access to live vehicle data in order to facilitate more effective performance monitoring• Three year initial contract term with an optional two year extension period• Annual formal review mechanism built in to more readily facilitate changes / efficiency improvements. Quarterly performance review meetings via a Waste Contract Board• Contractor to fund the up-front purchase of the vehicle fleet.

- Chargeable bulky item collection service to be included, administered by the contractor
- Fowler Road depot made available to the contractor on a lease at no charge, as currently
- Inclusion of container delivery teams specific to garden waste service and container delivery

Waste & Recycling Collection service

- Fortnightly residual waste collection from wheeled bins (weekly for those on black sack service)
- Recycling collection to be compliant with Environment Act 2021 requirements – twin stream alternate weekly with containers including glass one week and fibres (paper and cardboard) the other. Boxes to be used for presentation of the material.
- Weekly food waste collection for all residents including flats and rural/restricted properties
- Chargeable garden waste collection service available to all residents as part of the core contract with no change to collection frequency or subscription costs.
- Contractor to take 100% of the risk on the dry recyclable material value

Street cleaning service

- Frequency based service with set cleaning and bin emptying schedules.
- Option for provision of a mobile response team
- Inclusion of “new beaches” at Holland on sea into the contract
- Additional seafront blue bins above current numbers to support frequency based service during summer period
- Summer period for cleaning and bin service to be expanded to March to end September in each year of the contract

The revisions are aimed at reducing risk and uncertainty for the Council whilst increasing affordability.

It is recommended that within the core principles above, officers be given the flexibility to enter into dialogue with the bidders in order that a final contract specification can be prepared for ISFT stage. A delegation is therefore recommended to the Corporate Director for Operations & Delivery to approve the service specification to be used at ISFT stage, providing he has consulted with the Leader of the Council and the Portfolio Holders for Environment & ICT and Assets & Community Safety along with the Council's S151 Officer and Monitoring Officer.

PREVIOUS RELEVANT DECISIONS

Cabinet, 26 July 2024 – decision to commence procurement exercise with various delegations to portfolio holders and Corporate Director for Operations & Delivery

Waste and recycling collection and street sweeping procurement - decision on short extension to existing contracts

8 October 2024 - Assets & Community Safety Portfolio Holder, Environment & ICT Portfolio Holder, Leader of the Council and Corporate Finance & Governance Portfolio Holder –

That the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets, having consulted with the Corporate Director (Operations & Delivery), the Section 151 officer and the Monitoring Officer:-

- 1. Authorises the extension of the current contracts with Veolia Environmental Services (UK) Ltd for Street Cleaning and Waste and Recycling Collection on the same terms as existing and such that they both expire on 31 March 2026; and*
- 2. Authorises the Corporate Director for Operations & Delivery in consultation with the Head of Legal Services to make the contract extensions.*

Waste and recycling collection and street sweeping procurement – decision on specification, topics or dialogue and tender evaluation criteria.

8 October 2024 - Assets & Community Safety Portfolio Holder, Environment & ICT Portfolio Holder, Leader of the Council and Corporate Finance & Governance Portfolio Holder-

That the Leader of the Council, the Portfolio Holder for Environment and the Portfolio Holder for Assets having consulted with, and taken on board feedback from, the Member Working Group and the Waste Contract Project Board:-

- 1. approve the high level contract specification, as presented to the Member Working Group and Waste Contract Board at their respective meetings held on 1st October 2024 and set out in the slides in Appendix A to the report;*
- 2. approve the aspects of the specification about which dialogue will be held with bidders, as set out in the report; and*
- 3. approve the tender evaluation criteria, as set out in Appendix B to the report.*

Approval of the Social value Themes, Outcomes and Measures to be used for the waste contract procurement

8 October 2024 - Assets & Community Safety Portfolio Holder, Leader of the Council and Corporate Finance & Governance Portfolio Holder -

The Leader of the Council, acting on behalf of the Portfolio Holder for Assets who was unavailable due to a family bereavement, agrees the Social Value Themes, Outcomes and Measures (TOMs) appended to this decision against which the social value aspects of the waste contract tender submissions will be considered.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

None

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CABINET

9 MAY 2025

REPORT OF THE MONITORING OFFICER

A.3 LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN FINDING

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

The Constitution (Article 12.03(a)) requires the Monitoring Officer to report to Cabinet (or to Council for non-executive functions) if any decision or omission has given rise to maladministration. This report concerns actions that the Local Government & Social Care Ombudsman has determined were maladministration/service failings. A summary of the matter is set out below.

This report is also required under section 5A of the Local Government and Housing Act 1989 in view of the aforementioned decision in this matter by the Local Government & Social Care Ombudsman.

EXECUTIVE SUMMARY

The Local Government & Social Care Ombudsman has recently determined a complaint received by it and has found that there was maladministration in that case. A summary of the case is set out elsewhere in this report. Through this report, the Monitoring Officer is bringing the matter to the attention of the Cabinet as the matter concerns executive functions of the Council. Cabinet is particularly requested to note the findings/orders/recommendations from the Local Government & Social Care Ombudsman, the compliance with those matters by the Council and the wider learning points set out.

RECOMMENDATION(S)

It is recommended that Cabinet receives and notes this report and, in particular the findings/orders/recommendations from the Local Government & Social Care Ombudsman in the case covered by this report, the compliance with those matters by the Council and the wider learning points set out.

REASON(S) FOR THE RECOMMENDATION(S)

The Constitution requires that maladministration findings are reported to Cabinet for executive functions. In receiving the report, the particulars of the case are relevant, as is the Council's compliance with the decision of this Ombudsman and wider learning points.

ALTERNATIVE OPTIONS CONSIDERED

To not submit a report on the case concerned would have been contrary to the provisions of the Constitution (and section 5A of Local Government and Housing Act 1989). As such, not reporting these matters was discounted.

PART 2 – SUPPORTING INFORMATION

BACKGROUND

The case considered by the Housing Ombudsman is set out here.

The complaint concerned a parent with two children who the Council was able to house in temporary accommodation in the spring of 2024. At the time, and in view of the difficulty in finding suitable private rented or social housing to meet the family's needs, the parent and children were placed in bed and breakfast accommodation. The bed and breakfast accommodation sourced by the Council provided them with an ensuite bedroom and a shared communal kitchen. The stay in this accommodation continued for 10 weeks and 3 days.

Bed and breakfast accommodation can only be used for households which include dependent child when no other accommodation is available and then for no more than six weeks. Bed and breakfast accommodation covers accommodation which is not self-contained, not owned by the council or a registered provider of social housing and where the toilet, washing, or cooking facilities are shared with other households (Homelessness (Suitability of Accommodation) (England) Order 2003 and Homelessness Code of Guidance paragraph 17.35).

The Ombudsman recognised the difficulty the Council had in finding suitable accommodation for the family and that it had taken steps to increase its supply of temporary accommodation, the law and guidance is clear that bed and breakfast accommodation should only be used for a maximum of 6 weeks for families.

On the basis of the above, the Ombudsman found maladministration by the Council in respect of the 4 weeks and 3 days the family were in bed and breakfast beyond the permitted 6 weeks.

The Ombudsman then considered the extent of the injustice in this particular case in respect of those 4 weeks and 3 days and determined the payment that should be made to the parent.

The Council made representations to the Ombudsman concerning the draft decision and the Ombudsman did make changes from the draft to the final decision. However, notwithstanding the changes, the Ombudsman did not adjust the level of payment it recommended in this case. In recognition of the stated maladministration and the distress that the complainant will have experienced, the Ombudsman recommended an apology be sent to the complainant and a payment of £1,000 be made to them.

The final decision notice from the Ombudsman was dated 19 March 2025.

Both the apology and the payment to the complainant have been actioned. The decision to authorise the payment was made on 8 April 2025 and the individual has received the necessary payment.

The Council has, since the opening of the Spendells House Temporary Accommodation facility in late 2024, been able to reduce the number of families

being housed temporarily in bed and breakfast where the stay in that accommodation is over 6 weeks. However, demand for temporary accommodation, the supply of suitable accommodation and the financial position of the Council may well mean that situations do occur whereby families may have to be housed in bed and breakfast for more than the 6 weeks permitted.

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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