



CABINET

DATE:	Friday, 9 September 2016
TIME:	10.30 am
VENUE:	Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor Stock	- Leader of the Council
Councillor CGuglielmi	- Deputy Leader of the Council / Enforcement and Community safety Portfolio Holder
Councillor Ferguson	- Tourism and Culture Portfolio Holder
Councillor Honeywood	- Housing Portfolio Holder
Councillor Howard	- Finance and Revenues and Benefits Portfolio Holder
Councillor Hughes	- Corporate Services Portfolio Holder
Councillor McWilliams	- Leisure, Health and Wellbeing Portfolio Holder
Councillor Talbot	- Environment Portfolio Holder
Councillor Turner	- Commercialisation Portfolio Holder
Councillor Watling	- Planning and Regeneration Portfolio Holder

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Meeting papers can be provided, on request, in large print, in Braille, or on disc, tape, or in other languages.

For further details and general enquiries about this meeting, contact Ian Ford on

DATE OF PUBLICATION: WEDNESDAY, 31 AUGUST 2016

AGENDA

1 Apologies for Absence

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

2 Minutes of the Last Meeting held on Friday 5 August 2016 (Pages 1 - 10)

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 5 August 2016.

3 Declarations of Interests

Members are invited to declare any Disclosable Pecuniary Interests, or other interests, and the nature of them, in relation to any item on the agenda.

4 Announcements by the Leader of the Council

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

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 none.

7 Matters Referred to the Cabinet by a Committee

There are none.

8 Leader of the Council's Items

There are none.

9 Report of the Corporate Services Portfolio Holder - A.1 - Performance Report - Quarter One Report - April 2016 - June 2016 (Pages 11 - 34)

To present the Performance Report for the period April 2016 to June 2016 (Quarter One).

10 Report of the Enforcement and Community Safety Portfolio Holder - A.2 - New Lease for the Former Tourist Information Centre, Walton-on-the-Naze (Pages 35 - 40)

To approve the principle of the granting of a new lease of the former tourist information office in Walton following its relocation.

11 Report of Finance, Revenues & Benefits Portfolio Holder - A.3 - Corporate Budget Monitoring - First Quarter 2016/2017 (Pages 41 - 74)

To consider the Corporate Budget Monitoring report for the first quarter 2016/17.

12 Report of Finance, Revenues & Benefits Portfolio Holder - A.4 - Capital Strategy 2016/17 To 2019/20 (Pages 75 - 84)

To consider and approve a revised Capital Strategy covering the period 2016/17 to 2019/20.

13 Report of Leisure, Well-being and Partnerships Portfolio Holder - A.5 - Update on Community Projects - Education and Health (Pages 85 - 92)

To provide an update on community projects relating to education and health and to request Cabinet to endorse those projects.

14 Joint Report of the Finance, Revenues & Benefits Portfolio Holder and the Enforcement and Community Safety Portfolio Holder - A.6 - Acquisition of Investment Property (Pages 93 - 104)

To seek Cabinet's approval of a Commercial Property Investment Policy to enable the acquisition of Commercial Property within the budgets set out in the Capital Programme and in accordance with the Council's Treasury Management Strategy.

15 Management Team Items

There are none.

16 Exclusion of Press and Public

The Cabinet is asked to consider 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 Items 17 and 18 on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 12A, as amended, of the Act."

17 Exempt Minute of the Last Meeting held on Friday 5 August 2016 (Pages 105 - 106)

To confirm and sign as a correct record the exempt minute of the meeting of the Cabinet held on Friday 5 August 2016.

18 Report of the Enforcement and Community Safety Portfolio Holder - B.1 Lease of the Former Tourist Information Premises, Walton-on-the-Naze: Tender Selection and Terms (Pages 107 - 112)

Subject to Cabinet's decision in Part A of this Agenda, to determine which of the tenders put forward to accept and to approve terms proposed for a new lease of the former tourist information centre in Walton-on-the-Naze.

19 Information for Members of the Public

Date of Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Essex Hall, within the Town Hall here in Clacton-on-Sea at 10.30 a.m. on Friday 7 October 2016.

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 Items No. 17 and No. 18 are likely to be considered in private for the following reason:

The items 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 17

Exempt Minute of the Last Meeting held on Friday 5 August 2016.

Agenda Item 18

B.1 Lease of the former Tourist Information Premises, Walton-on-the-Naze: Tender Selection and Lease Terms

ESSEX HALL **FIRE EVACUATION PROCEDURE**

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

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

The assembly point for the Essex Hall is in the car park to the left of the building as you are facing it.

Your calmness and assistance is greatly appreciated.

Date of the Next Scheduled Meeting

The next scheduled meeting of the Cabinet is to be held in the Essex Hall, Town Hall, Clacton-on-Sea, CO15 1SE at 10.30 am on Friday, 7 October 2016.

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. 12 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)) to Schedule 12A, as amended, to the Local Government Act 1972:

Information for Visitors

ESSEX HALL **FIRE EVACUATION PROCEDURE**

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

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Your calmness and assistance is greatly appreciated.

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**MINUTES OF THE MEETING OF THE CABINET, HELD ON FRIDAY 5 AUGUST 2016 AT
10.30 AM IN THE ESSEX HALL, TOWN HALL, CLACTON-ON-SEA**

PRESENT:

Councillor N R Stock
Councillor G V Guglielmi

Councillor T M Ferguson
Councillor P B Honeywood
Councillor T A Howard
Councillor M J Hughes
Councillor M J Talbot
Councillor N W Turner
Councillor G F Watling

PORTFOLIO:

Leader of the Council (Chairman)
Deputy Leader of the Council, Portfolio Holder for
Enforcement and Community Safety
Portfolio Holder for Tourism and Culture
Portfolio Holder for Housing
Portfolio Holder for Finance and Revenues & Benefits
Portfolio Holder for Corporate Services
Portfolio Holder for Environment
Portfolio Holder for Commercialisation
Portfolio Holder for Planning and Regeneration

Group Leaders Present by Invitation:

Councillors B A Poonian (Deputy Leader of the Tendring Independents Group) and M E Stephenson (Leader of the UKIP Group)

Also Present: Councillors Baker, Bennison, Hones, Parsons and Whitmore (except items 34 – 43)

In Attendance: Corporate Director (Corporate Services) & Deputy Monitoring Officer (Martyn Knappett), Corporate Director (Operational Services) (Paul Price), Head of Governance and Legal Services & Monitoring Officer (Lisa Hastings), Head of Finance, Revenues & Benefits & Section 151 Officer (Richard Barrett), Head of Public Realm (Ian Taylor), Head of Customer and Commercial Services (Mark Westall) (except items 49 and 50), Head of People, Performance and Projects (Anastasia Simpson), Management and Members' Support Manager (Karen Neath), Committee Services Manager (Ian Ford), Executive Projects Manager (Rebecca Morton), Communications and Public Relations Manager (Nigel Brown), Technical Officer (Andy Nepean) and Committee Services Officer (Janey Nice)

34. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors L A McWilliams (Portfolio Holder for Leisure, Health and Well-being), J A Broderick (Leader of the Holland-on-Sea Residents' Group), J Chittock (Leader of the Tendring Independents Group) and I J Henderson (Leader of the Labour Group).

35. MINUTES OF THE LAST MEETING HELD ON FRIDAY 10 JUNE 2016

The minutes of the last meeting of the Cabinet, held on Friday 10 June 2016, were approved as a correct record and signed by the Chairman, subject to it being noted that the meeting had been held in the Princes Theatre and not the Essex Hall as stated.

36. DECLARATIONS OF INTEREST

There were no declarations of interest made at this time though, under Minute 46 below, Councillor G V Guglielmi later declared an interest insofar as he was a local Ward Member and a customer of The Red Lion Public House.

37. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

There were no announcements by the Leader of the Council on this occasion.

38. ANNOUNCEMENTS BY CABINET MEMBERS

The Portfolio Holder for Housing (Councillor Honeywood) made the following announcement:

"Earlier this year Neil [Stock, Leader of the Council] decided that Jaywick Sands should have its own Cabinet Member, a decision that shows this Cabinet's commitment to deliver real improvements for the area, working in tandem with other partners to create a team to champion Jaywick Sands.

I was pleased to be offered that position and grateful for the opportunity to be able to take a leading role in bringing forward change.

Today, I would like to update Cabinet on the progress we have made.

As I'm sure you are aware, Tendring Council has purchased over 28 hectares of land in Jaywick Sands. We have now made an offer to purchase land north of Lotus Way. This will provide alternative access into the former Homes and Communities Agency land. The offer has been accepted and we are now awaiting confirmation from the landowner's solicitors.

As you know, we were awarded a £200,000 grant by the Homes and Communities Agency towards the cost of building 10 brand new high quality flood resilient starter homes. I am pleased to report that the land set aside for this has now been fenced off and an environmental survey undertaken. We now looking at the additional funding needed to complete the project.

We have said from the outset that real change cannot be delivered by local or national government as the money is simply not available in these times of austerity. That's why we need private investors and developers to get involved.

Working with the Coastal Communities Team and in particular the Housing Finance Institute discussions have been ongoing with Cheyne Capitol and Legal and General, potential investors who's Heads of investment have now visited Jaywick Sands and are very positive about investing in the area.

I am pleased to report that the first private sector developer has submitted planning applications for two blocks of flats on the front in Brooklands. They are not currently compliant with the planning rules but our planners are working with the applicant's architects to make them compliant. The developer has confirmed that they are looking to submit a third application.

We have always said that Tendring Council would be the catalyst for change and I believe that is proving to be the case.

But working with the local community and listening to their views is important. That's why we don't have a master plan. It's what local people want that matters. Further funding has been agreed with the National Lottery to continue engagement work with the local community and one of the potential investors is also keen to involve the Princes Trust, part of which specialise in such work – they have also visited Jaywick and undertaken a huge amount of background research. The start date and scope will be agreed with the Jaywick & Tudor Residents Forum.

The Happy Club have a voice too. I'm a regular attendee at their meetings along with Tendring Council's Communications Manager.

We have made a promise of "Local Homes for Local People" and that's a priority for me. We are looking to build Council homes in Jaywick Sands and the introduction of a Local Lettings Policy will help to ensure that local people will have an opportunity to gain access to those homes.

At the beginning of my report I said we, that's because this is truly a team effort. We are working with Essex County Council, The Environment Agency, Homes and Communities Agency, Housing Finance Institute, Department for Communities & Local Government, Jaywick & Tudor Residents Forum and the Jaywick Sands Happy Club.

I believe that by everyone working together Jaywick Sands will see one of the most important initiatives to be delivered in the whole of Essex for many years."

The Leader of the Council (Councillor Stock) informed Cabinet that he would be writing to the new Prime Minister (The Rt. Hon. Theresa May MP) to request her to involve herself in Jaywick as much as her predecessor in office, The Rt. Hon. David Cameron MP, had done.

The Portfolio Holder for Enforcement and Community Safety (Councillor G V Guglielmi) informed the Cabinet that the Tendring Locality Board had met, the previous evening, at the Jaywick Resource Centre. Those attending had gone on a walkabout of Jaywick in order to see the changes that had already taken place. He stated that it was a great example of partnership working with Essex County Council and he paid tribute to Paul Price, Corporate Director for Operational Services, for the work that he had put into the Jaywick projects.

39. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

40. MATTERS REFERRED TO THE CABINET BY A COMMITTEE – REFERENCE FROM THE CORPORATE MANAGEMENT COMMITTEE

Potential Budget Savings (Report A.1)

It was reported that, at its meeting held on 13 June 2016, the Corporate Management Committee commented that it looked forward to receiving the Cabinet's proposals for budget savings. The Committee also requested that Cabinet ensured that it was given sufficient time to consider the potential budget savings, in order to fit in with the Committee's commitment to pro-actively scrutinise the budget.

Having considered the request of the Corporate Management Committee:

It was moved by Councillor Stock, seconded by Councillor Talbot and:

RESOLVED that Cabinet notes the comments of the Corporate Management Committee.

41. MATTERS REFERRED TO THE CABINET BY A COMMITTEE – REFERENCE FROM THE COMMUNITY LEADERSHIP AND PARTNERSHIPS COMMITTEE

Review of Highways Issues (Report A.2)

It was reported that, at its meeting held on 11 July 2016, the Community Leadership and Partnerships Committee had received a presentation from Mr Alan Lindsay (Essex County Council's Transport Strategy and Engagement Manager Transportation, Planning and Development) on Highway issues such as the A.120 roundabout, A.133 update (particularly considering recent fatal accidents) and the Manningtree Railway Bridge Bottleneck.

Following that presentation the Committee had agreed to make recommendations to Cabinet as follows:

- “(a) that a letter be sent to Essex County Council urging them to forward fund £150,000 to enable the traffic lights at Manningtree to be installed as soon as possible with the funding to be recovered from S.106 agreements as developments proceeded;*
- (b) that all Members, through engagement with their County Councillor, be encouraged to submit schemes to the Local Highways Panel and to attend the regular meetings; and*
- (c) that the availability of funding to assist householders with flooding be investigated and promoted with home owners in affected areas as appropriate.”*

Having considered the recommendations of the Community Leadership and Partnerships Committee:-

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

RESOLVED that:

- (a) a letter regarding forward funding of the traffic lights at Manningtree be sent from the Leader of the Council and that, at the same time, the opportunity be taken to remind Essex County Council of their obligations in relation to highways maintenance particularly in rural areas; and
- (b) the comments from the Community Leadership and Partnerships Committee in relation to the Local Highways Panel and funding assistance regarding flooding be agreed.

42. MATTERS REFERRED TO THE CABINET BY A COMMITTEE – REFERENCE FROM THE SERVICE DEVELOPMENT AND DELIVERY COMMITTEE

Regularity of Taxi Vehicle Checks (Report A.3)

It was reported that, at its meeting held on 1 June 2016, the Service Development and Delivery Committee had received from the Council's Licencing Manager an overview of the scope of work that his team undertook and some background towards the relationship that they had with the many Licensees and other local authorities, such as Essex Police and Essex Trading Standards. The Chairman of the Service Development and Delivery Committee had invited licensees from both the taxi and alcohol related trades to attend in order to give a balanced view regarding the licensing service that the Council delivered.

During the discussions it was noted by representatives of the taxi trade that currently the Council only offered one day per week (Tuesday) whereby taxi drivers could take their vehicle to the garage services delivered by the Council at Northbourne Depot in order to get the prerequisite vehicle checks. It was also noted that sometimes the garage was very busy and that checks had to spill over until the following day. It was felt to be very important for taxi drivers, many of whom were self-employed, that they

could keep their vehicle on the road. Dependant on timing a vehicle could sometimes not be used for more than a week whilst waiting for a slot to have a vehicle check especially where a vehicle was being changed for a new vehicle. This could have a big impact on the financial security of a taxi driver.

Following those discussions the Committee requested that the Licensing Manager explored the possibility of extending the number of days whereby taxi checks could be undertaken. The Committee also requested that the Cabinet note the following comments of the Committee that:

- “(a) the Licencing General Purposes Sub-Committee is seeing less taxi drivers coming in front of them after being caught using their mobile phones whilst driving;*
- (b) the relationship between the TDC Licencing team and Licensees is very good and that the service is seen as good value for money;*
- (c) the Committee would investigate the possibility of a working party being set up to explore the safety of taxi drivers which would mean liaising with Community Safety; and*
- (d) the presentation had been excellent and very informative on a very complex subject.”*

Having considered the comments of the Service Development and Delivery Committee:-

It was moved by Councillor Stock, seconded by Councillor Ferguson and **RESOLVED** that the contents of the report be noted.

43. LEADER OF THE COUNCIL’S ITEMS

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

Cabinet Members’ Items – Reports of the Portfolio Holder for Finance, Revenues & Benefits

44. TREASURY MANAGEMENT PERFORMANCE 2015/16 (Report A.4)

There was submitted a report by the Portfolio Holder for Finance, Revenues & Benefits (Report A.4), which sought to provide Cabinet with an overview of the Council’s treasury management activities and Prudential Indicators for 2015/16.

Cabinet was informed that:

- Borrowing and investments had been undertaken in accordance with the 2015/16 Annual Treasury Strategy that had been approved by Council on 24 March 2015;
- No external borrowing had been undertaken in 2015/16 for either the General Fund or the Housing Revenue Account; and
- The amount of interest earned from investments remained low because of the continuing low interest rates existing throughout the year. However, due to maximising investment opportunities and cash flow advantages during the year interest returns had been in line with the increased amount budgeted.

The outturn for the Prudential Indicators was before Members as Appendix B to the Report of the Portfolio Holder for Finance, Revenues & Benefits.

Having considered the report:

It was moved by Councillor Howard, seconded by Councillor G V Guglielmi and **RESOLVED** that the treasury management performance position and Prudential and Treasury Indicators for 2015/16 be noted.

45. FINANCIAL STRATEGY – GENERAL FUND BASELINE 2017/18 (Report A.5)

There was submitted a detailed report by the Portfolio Holder for Finance, Revenues & Benefits (A.5) which sought to provide Cabinet with an initial General Fund financial baseline for 2017/18 against which the detailed estimates would be built upon over the course of the year.

Cabinet was informed that:

- The initial financial baseline for 2017/18 set out an initial budget 'gap' of £1.565m. In continuing the move to self-sufficiency, this was based on a 1.99% increase in the level of Council Tax at this stage of the budget cycle. This would, however, be subject to further review over the course of the budget setting process and against the referendum limits for 2017/18 which would be announced by the Government later in the year. If the referendum limit was set at £5.00 for 2017/18, in a repeat of the 2016/17 limit, then this could provide the opportunity to raise additional on-going income of £0.095m.
- The initial budget 'gap' also reflected the provisional revenue support grant (RSG) figure of £1.650m, a reduction of £0.914m (36%) compared to 2016/17.
- As highlighted in last year's budget reports, the Government had announced provisional / minimum RSG figures for 2017/18, 2018/19 and 2019/20 on the basis of each Authority submitting efficiency plans to the Government by Autumn this year. The provisional settlement phased out RSG by the end of 2019/20 with only £0.400m receivable in that year.
- A number of savings strands were already being progressed which would be finalised as part of presenting the revised position to Cabinet in December 2016. Work remained in progress in consultation with Portfolio Holders, the Corporate Management Committee and Members in order to identify the level of savings required to meet the budget 'gap'.
- Given current economic uncertainty following the EU referendum, it was difficult to forecast any knock on impact that could arise, which could include a more front loaded reduction in the RSG than already proposed. However, the Government had recently announced that they would no longer be aiming for a budget surplus by 2019/20, which it was hoped would limit any changes to the provisional RSG figures already announced. Although this would be monitored over the budget setting cycle with updates provided to Members accordingly, the provisional RSG figures announced last year had therefore been included.
- The Council had to continue to seek ways to grow its own funding through regeneration, economic development etc. which would provide a strong position to move into the new era of 100% business rates retention from 2020. There were a number of critical 'core funding' risks around business rates, not only in the future but within the current partial retention regime.
- The initial forecast did not include the final position for items such as cost pressures and potential further changes to budgets although estimates had been included where possible with further details likely to emerge over the course of the year. Therefore it was recognised that the budget 'gap' could increase further.

- A number of Essex Local Authorities continued to remain members of a Business Rates Pool in 2016/17. However, given the uncertainty and risks surrounding business rates, it was not clear whether there would be a benefit in continuing an Essex Pool in 2017/18. Subject to the financial performance of the existing arrangements and future forecasts and risks, a decision whether to continue to remain in the pool would be required in the Autumn.
- In continuing the principle of passing on the reduction in the Council's Government funding to Town and Parish Council's via the Local Council Tax Support Scheme Grant, it was proposed on reducing the grant by 5% in 2017/18.

The Portfolio Holder for Finance, Revenues & Benefits (Councillor Howard) made the following statement:

- *"The report sets out the initial forecast for 2017/18 and therefore reflects the usual items such as inflation, an allowance for cost pressures and adjustments for one-off items.*
- *After making these adjustments the current forecast funding gap is £1.565m.*
- *The forecast reflects the reduction in the Revenue Support Grant from the Government - £1.650m is estimated to be receivable in 2017/18 – a reduction of £0.914m or 36% compared with the figure receivable in 2016/17.*
- *In terms of the current forecast, an increase in council tax of 1.99% is included. This will be subject to review as part of developing the budget over the course of the year.*
- *Last year also saw the Government acknowledge and support a move to self-sufficiency by allowing authorities to increase Council Tax by £5. It is likely that the Government will enable authorities to consider similar increases in 2017/18 and if they do, let's hope that they provide some guidance early in the budget setting process rather than on the day of the Full Council meeting, as none of us found this helpful last year.*
- *In terms of our core funding it is interesting to note that council tax now makes up approximately 50% of our overall funding, with 34% coming from business rates and just 12% from Government via the Revenue Support Grant. You have only got to look back to 2013/14 to see quite a different funding position with 38% of the Council's core funding coming via the Revenue Support Grant.*

Under the stewardship of George Osbourne, this government rapidly eroded the Revenue Support Grant payable to Local Authorities in recent years.

Let's hope that Philip Hammond gives careful consideration to the squeezing of Local Government and considers either a freeze, or at the very least reduces the pace of the total removal of the Revenue Support Grant.

- *Based on early estimates, additional savings of £1.7m and £1.5m will be required in 2018/19 and 2019/20 respectively so there is no respite in the need to identify and secure significant savings year on year.*
- *In terms of 2017/18 we must continue to build a balanced budget and based on the current forecast, this will require £1.565m of savings to be identified by December this year.*

- *Finding further significant savings on top of the £12m plus savings we have already identified is now a significant challenge and presents members with some very tough decisions. Whilst we all want to protect the services we deliver, financial reality means that there is only so much this Council can provide within the limited resources it now has following the significant on-going reductions in Government funding.*

Appendix A of the report sets out a number of initial ideas that we need to review and explore to see if they can deliver the savings required whilst limiting wherever possible reductions in the services provided to our customers. This will require a mix of transforming how we work and identifying options for alternative service delivery.

As I have said before I would like to be able to say that there will be no reduction in services, but I think we all acknowledge that this is highly unlikely given the savings we need to make in 2017/18 to 2019/20.

I am also keen to examine opportunities to increase revenue for the council as opposed to only considering cuts.

Unfortunately, opportunities for Local Authorities to generate additional income through innovative service provision is often prevented by over-regulation by the government. The time has come when we need to lobby this 'rebooted' government to help Local Authorities to be innovative, and to generate additional income to plug the gap being created by the savage and sustained reduction in the Revenue Support Grant that was initiated by the previous Chancellor of the Exchequer.

To successfully face up to this financial challenge, we need the engagement of all members so we all have a voice in how we shape our services going forward. Portfolio lead working groups are proposed as a way of exploring some of the ideas further. Having good debates and discussions as early in the budget cycle as possible is going to be invaluable - we must not underestimate the challenge that lies ahead.

In echoing my words during the budget process last year, I am happy to come along to any committee or any other member group to support the sharing of ideas to enable the necessary savings to be identified - not only to balance the budget in 2017/18 but to support us in moving a step closer to becoming fully self-sufficient by 2020."

Having discussed the report and its implications:-

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

RESOLVED that:

- (a) Cabinet agrees the initial financial baseline for 2017/18 and requests Portfolio Holders, supported by Officers, to continue to facilitate the various savings strands and initiatives to deliver a balanced budget for presenting to Cabinet in December 2016;
- (b) the Corporate Management Committee be consulted on the initial financial baseline for 2017/18;
- (c) the Local Council Tax Support Scheme grant to Town and Parish Councils be reduced by 5% in 2017/18, and

- (d) the decision whether to remain in the Essex-wide pool for non-domestic rates in 2017/18 be delegated to the Finance, Revenues and Benefits Portfolio Holder, in consultation with the Corporate Director (Corporate Services).

Cabinet Members' Items – Portfolio Holder for Well-being and Partnerships Portfolio Holder

46. DETERMINATION OF A NOMINATION TO REGISTER AN ASSET OF COMMUNITY VALUE: THE RED LION, 42 SOUTH STREET, MANNINGTREE, CO11 1BG

There was submitted a report by the Portfolio Holder for Well-being and Partnerships (Report A.6) which sought Cabinet's decision on whether The Red Lion Public House, Manningtree met the criteria set out in the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012, following its valid nomination as an Asset of Community Value by the Tendring CAMRA Branch. No other criteria were pertinent to the decision.

Councillor G V Guglielmi declared an interest insofar as he was a local Ward Member for The Red Lion and also a customer of that premises.

The Cabinet was informed that the Officers, taking the evidence provided into account, were of the opinion that the building nominated did meet the criteria set out in Section 88 of the Localism Act 2011 and, accordingly, were recommending that the building should be listed as an Asset of Community Value.

Having considered the report, the valid nomination and the advice of Officers, it was moved by Councillor G V Guglielmi, seconded by Councillor Watling and:

RESOLVED that Cabinet agrees that the Red Lion Public House, 42 South Street, Manningtree, CO11 1BG meets the definition of an Asset of Community Value, as set out in Section 88 of the Localism Act 2011, and that the building be added to the Council's list of Assets of Community Value.

47. MANAGEMENT TEAM ITEMS

There were no items from the Management Team on this occasion.

48. EXCLUSION OF PRESS AND PUBLIC

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

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Items 12 and 13 on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1 of Schedule 12A, as amended, of the Act.

49. EXEMPT MINUTE OF THE LAST MEETING HELD ON FRIDAY 10 JUNE 2016

The exempt minute of the last meeting of the Cabinet, held on Friday 10 June 2016, was approved as a correct record and signed by the Chairman, subject to it being noted that the meeting had been held in the Princes Theatre and not the Essex Hall as stated.

DATE AND TIME OF NEXT SCHEDULED MEETING

The next scheduled meeting of the Cabinet was due to take place on Friday 9 September 2016 at 10.30 a.m. in the Princes Theatre, Town Hall, Station Road, Clacton-on-Sea.

The meeting was declared closed at 11.15 a.m.

Chairman

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

9 SEPTEMBER 2016

REPORT OF CORPORATE SERVICES PORTFOLIO HOLDER

A.1 PERFORMANCE REPORT – QUARTER ONE REPORT APRIL 2016 – JUNE 2016

(Report prepared by Anastasia Simpson & Katie Wilkins)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present the Performance Report for the period April 2016 – June 2016 (Quarter one).

EXECUTIVE SUMMARY

The Performance Report 2016/17 sets out the detailed actions and targets for the delivery of the Council's priorities for the coming year.

It reports on 11 projects, 5 performance indicator targets, and 3 headline performance indicators, which include complaints and staff absence rates.

- The projects in the Performance Report are: -
 - *Transforming the way we work*
 - *Financial Self Sufficiency*
 - *Improved Broadband*
 - *Jaywick Community Development*
 - *Cliff Stabilisation (Protecting our Coastline)*
 - *Health and Wellbeing*
 - *Local Plan*
 - *Economic Development Delivery*
 - *Maximising Tourism and Leisure Opportunities*
 - *Enhancing Leisure Facilities*
 - *Garden Community*
- The performance indicator targets in the Performance Report are: -
 - *Fly tipping*
 - *Missed Bins*
 - *Recycling Rate*
 - *Handling of Planning Applications*
 - *5 Year Housing Supply Approvals*

The Performance Report for Quarter one, 2016/17, includes the Corporate Plan and Priorities and Projects 2016. The Corporate Plan focusses on our Community Leadership role to address the various key challenges in the District, other key themes include:-

- *Health and Housing*
- *Employment and Enjoyment*
- *Council and Community*

All projects and targets detailed in the performance report for 2016/17 link back to these

headings.

Current Performance

Three of the indicators and projects highlighted in the report are deemed 'non measurable' as Tending's role is that of influence only. Of the 14 indicators and projects where performance is measured, 12 (86%) are on, or above, their expected target and 2 (14%) are not currently in line with the expected performance. Explanations of the performance and the supporting data are included in each topic.

This report will be presented to members of Corporate Management Committee on the 26th September 2016. Any feedback from Corporate Management Committee will be presented to a future meeting of the Cabinet as a separate reference report.

RECOMMENDATION

That Cabinet considers the Performance Report for the period April 2016 – June 2016 (Quarter One).

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The report shows the high-level projects that are being undertaken to deliver key objectives for the Council. Each project shows details of the objective, how it is being delivered and an update on progress. Furthermore, milestones detail the timeframe that is being worked to, along with the added benefit of any slippage being highlighted.

The Performance Indicators show key areas of performance in detail, how each is progressing, along with charts and tables to present the ongoing position.

FINANCE, OTHER RESOURCES AND RISK

Resources

The priorities highlighted within the Performance for the period April 2016 – June 2016 (Quarter one) can be delivered within the Council's existing budgets.

Risk

These priorities are all within the current TDC risk framework.

LEGAL

The actions proposed in this report are within the Council's legal powers.

OTHER IMPLICATIONS

None.

APPENDICES

Appendix A: Performance Report for the period April 2016 – June 2016 (Quarter One).



PERFORMANCE REPORT

Q1 JUNE 2016



INVESTORS
IN PEOPLE

Gold



Corporate Plan 2016-2020

Our Council Our Community

What we will achieve:

- Deliver high quality affordable services
- Balance our budget
- Good governance
- Transform the way we work
- Make the most of our assets
- Engagement with the community
- Support the vulnerable
- Support rural communities
- Effective partnership working

Health and Housing

What we will achieve:

- Promote healthier lifestyles and wellbeing
- Support improved community health
- Deliver a quality living environment
- Local regeneration
- Council house building

Community Leadership

Employment and Enjoyment

What we will achieve:

- Support business growth
- Enable better job prospects
- Facilitate improved qualification and skills attainment
- First rate leisure facilities
- Attractive events programme

Our Vision

To put community leadership at the heart of everything we do through delivery of high quality, affordable services and working positively with others.

Our Values

- Councillors and staff uphold **personal integrity**, **honesty** and **respect** for others
- **Innovative**, **flexible**, **professional** staff **committed** to delivering excellence
- Recognising the **diversity** and **equality** of individuals
- Working **collaboratively**

Our Challenges

- Poor health
- Pockets of high unemployment
- Low economic activity
- Reducing budgets while delivering key services
- Poor infrastructure

Our Opportunities

- Clear vision for economic growth and prosperity
- Our coast
- Tourism, culture and sport
- Sea, road and rail connectivity

Our Priorities and Projects 2016

Chief Executive

- Financial strategy - £3.5m savings by 2019
- Electoral review
- Community Safety Hub
- Improved broadband
- Economic development delivery
 - Harwich incubation units
 - Business support fund
- Coastal regeneration
- Working with other Councils

Head of Planning

- Local Plan completion
- Strategic Planning
- Planning enforcement
- Garden Community - masterplanning

Community Leadership

- Delivery of high quality, affordable services
- Working positively with others

Corporate Director (Corporate Services)

- Transforming the way we work
 - Balanced budget
 - IT improvement programme
 - Workforce planning
 - Efficient use of office accommodation
 - Service reviews
- Elections and referendum
- Garden Community – legal and finance

Corporate Director (Life Opportunities)

- Jaywick new build and community development
- Cliff stabilisation
- Seafront projects
- Waste contract renewal
- Maximising tourist opportunities through events
- Enhanced leisure facilities
- Improving customer access to services

Introduction

The following pages include the Council's Corporate Plan 2016 - 2020 and Our Priorities and Projects for 2016. There is clear linkage between our aspirations detailed in the Corporate Plan and Our Priorities and Projects. This performance report details our performance against these key projects and targets, as well as headline performance in dealing with complaints and our staff's absence rate. Each project has an exceptions area where departments can highlight areas of performance outside of normal boundaries which are monitored within their own departmental arrangements.

Projects and Performance Indicators (PI) targets sit under the following headings:-

PROJECTS

	Council and Community		Health and Housing		Employment and Enjoyment
■ ✓	<u>Project—Transforming the way we work</u> Page 4 and 5	■ ✓	<u>Project—Jaywick Community Development</u> Page 8	■ ✓	<u>Project—Local Plan</u> Page 11
■ ✓	<u>Project—Financial Self Sufficiency</u> Page 6	■ ✓	<u>Project—Cliff Stabilisation (Protecting our Coastline)</u> Page 9	■ ✓	<u>Project—Economic Development Delivery</u> Page 12
■ ✓	<u>Project—Improved Broadband (Influencing)</u> Page 7		<u>Project - Health and Wellbeing (Influencing)</u> Page 10	■ ✓	<u>Project—Maximising Tourism and Leisure Opportunities</u> Page 13 and 14
				■ ✓	<u>Project—Enhancing Leisure Facilities</u> Page 15
				■ ✓	<u>Project—Garden Community</u> Page 16

TARGETS

■ ↑	<u>PI—Fly Tipping</u> Page 17		Miscellaneous Indicators
■ ↑	<u>PI—Missed Bins</u> Page 18	-	<u>PI - Sickness and Authorised Covert Surveillance</u> Page 20
■ !	<u>PI—Recycling Rate</u> Page 18	■ ✓	<u>PI—Complaints</u> Page 21
■ !	<u>PI—Handling of Planning Applications</u> Page 19		
	<u>PI—5 Year Housing Land Supply Approvals (Influencing)</u> Page 19		

Current Position - Within the Index and on each page, for each project and target, a colour icon is placed as a quick visual identifier regards the current position.

- ! for performance below or behind target,
- ✓ for performance on target; and
- ↑ for performance ahead of target.

Transforming the way we work (Council and Community)

“Develop firm costed proposals and project plan/timetable for Members to agree and deliver on time and budget”

Martyn Knappett – **Corporate Director**

Enforcement & Community Safety Portfolio Holder

On
Target

Milestone	Target Date	Progress
Programme of works for delivery of £1.5m IT investment – J Higgins		
Wi-Fi Networks, server upgrades and virtualisation to be completed.	Ongoing	Some ‘instability of service’ issues requiring ongoing attention to resolve.
Mobile hardware issued.	Ongoing	Smartphones deployed throughout the council. Services experimenting with Tablets and mobile working. Currently building/ testing a Members’ tablet standard build.
IDOX Document management implemented	Full deployment proposed November 16	System architecture in place and test database completed. Next training scheduled for August with corporate roll-out to follow.
Citrix software rolled out to all mobile users	Citrix laptops deployed to 280 staff March 16 (original request was for 252)	Completed.
MS Lync rolled out to all users	Managed service by service take-up completion February 17	Currently ‘In test’ with 40 users. Before commencing corporate roll-out awaiting 1) Completion of Barnes House network resilience for Skype failover survivability 2) Allocation of contractor resources (currently August 16).
Customer interface and document handling and postal process changes – M Westall		
Produce a delivery strategy to modernise the customer interface	August 16	Strategy document written. Awaiting feedback from Management Team (MT). Expected at MT August 16.
Recruit temporary staff to address back scanning of archives	December 16	Cannot be addressed until IDOX fully up and running.
Deploy centralised post processes	To be determined	Initial stages completed. Contingent on document management as above. Dependant on IDOX project.

Transforming the way we work (Council and Community)

“Develop firm costed proposals and project plan/timetable for Members to agree and deliver on time and budget”

Martyn Knappett – **Corporate Director**

Enforcement & Community Safety Portfolio Holder

On
Target

Milestone	Target Date	Progress
Office Rationalisation – A White		
Submit preferred option, proposals and funding arrangements to formal Cabinet.	Summer 16	Revised approach agreed by the Corporate Management Committee in June 16. All Member Briefing proposed on 17 August to consult and inform members and outline options available for future Cabinet consideration.
Develop detailed delivery plan and seek additional approvals as required.	Autumn 16	Cabinet determination of preferred option. Detailed planning and budgeting (including commissioning of specialists to assist) to follow in order to generate a full business case).
Dispose of Clay Hall	Autumn 16	Tender process complete. Conditional contract awarded and extended. Planning decision delayed by further wildlife surveys until July 16. Target extended to allow for potential appeal or judicial review.

Financial Self Sufficiency (Council and Community)

“Investigate opportunities to generate a self-sufficiency approach to the funding of the Council’s overall budget.”

All Corporate Directors

Finance and Revenues and Benefits Portfolio Holder

On
Target

Delivery Mechanism: Portfolio Holders /Services to identify and develop potential items as part of the formulation of the budget from 2017/18 and beyond.

Current activities that have been identified / being explored to deliver the necessary savings

To be populated when identified by Cabinet

Current Savings Activity	Estimated / Potential Saving	Savings Identified	Comments
Review of Assets Transformation	£200,000+	£0	-
Agenda	£200,000+	£0	-
Service provision / Alternative service delivery	£1,000,000+	£0	-
Other / Change in internal service provision / working with partners	£200,000+	£0	-
Income / Core Funding	£450,000+	£0	-
Totals	£2,050,000	£0	

Update: The Financial Baseline for 2017/18 was reported to Cabinet on 5 August 16. A number of potential savings have been identified, a number of which will be supported by Portfolio Holder led working parties with outcomes expected in mid-October to feed into the budget setting process.

Savings Target over period 2017/18 to 2019/20	£4.8m
Savings target 2017/18 at Start of Year	£1.9m
Changes included in Financial Strategy (Cabinet 5.8.16)	(£0.3m)
Current Savings target 2017/18	£1.6m

Activities are underway to explore the various options / ideas set out in the Financial Strategy report presented to Cabinet on 5 August 2016.

Milestone	Actual to Date	Progress
Increase in Business Rates Rateable Values	£209,261	Reduction compared to position at end of March 16
Increase in Council Tax Base	(£3,314,642)	Increase compared to position at end of March 16

Improved Broadband (Influencing Role)

(Council and Community)

“To ensure as many properties as possible across Tendring have access to improved broadband services”

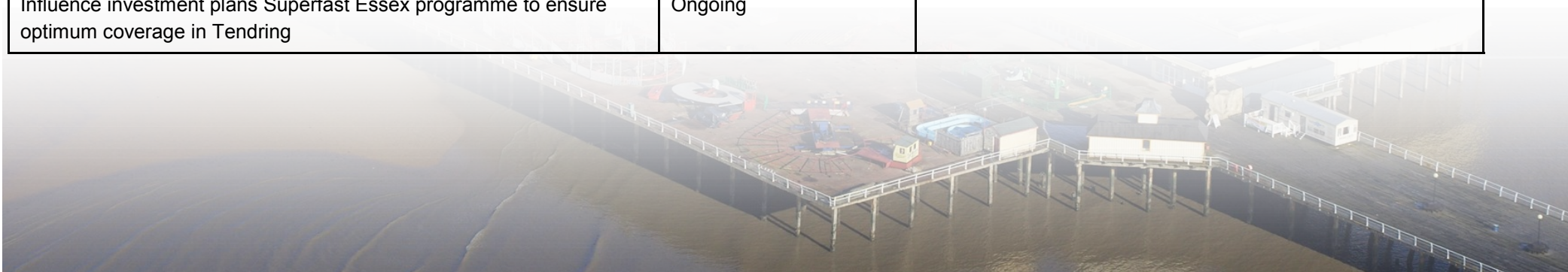
Ian Davidson – **Chief Executive**

Finance and Revenues and Benefits Portfolio Holder

Delivery Mechanism: To work with Superfast Essex and commercial partners to secure additional improvements and upgrades to broadband infrastructure across the District, and to influence developers through the planning process to ensure that new developments are connected to superfast services.

Update: Cabinet approved £164,000 contribution to the Superfast Essex programme on 18 March 16 which will improve services to 1673 properties across the District by 2020. Cabinet on 10th June allocated an additional £500,000 towards broadband improvements.

Milestone	Target Date	Progress
Attend Superfast Essex Board Meetings	Quarterly	Next meeting on 8 September 16.
Prepare report on additional costs required to reach up to 100% coverage for Cabinet	September 16	A requirement to wait on updated information on the programme from Superfast Essex means that the report to Cabinet is likely to be delayed.
Ensure planning condition on broadband connections is attached to planning applications for new housing or commercial developments	Ongoing	
Influence investment plans Superfast Essex programme to ensure optimum coverage in Tendring	Ongoing	



Jaywick Community Development (Health and Housing)

[Back to Top](#)

On
Target

“To increase the stock of new affordable/Council homes.”

Paul Price – Corporate Director

Housing Portfolio Holder

Delivery Mechanism: Bring forward at least one development at Jaywick – work with Essex County Council (ECC) and other potential partners to develop options for residential and other development. Develop options for housing company and lead on set up of company. Work with planning to develop urban design layout utilising Dutch experience for Jaywick.

Update: A funders forum was held 31 May 16, organised by the Housing Finance Institute (HFI) and follow up meetings/visits have been arranged for July. Discussions have continued with ECC regarding the purchase of key site and a further viability discussion will take place in early July. Agreement has been reached to purchase part of the Guinness Trust land to facilitate access into the Homes and Communities Agency (HCA) site.

Milestone	Target Date	Progress
Development vehicle/mechanism agreed—may be linked to garden settlement delivery vehicle	Funding workshop to be held with HFI by August 16 to identify funding mechanisms — delivery vehicle to be determined following funding agreement	Funding workshop held June 16 with 2 possible funding partners — follow up meetings to be arranged.
Acquire further key development sites, both greenfield and brownfield to ensure viable development proposals can be delivered	Deliverability dependant upon vendors but target to complete by August 16	Agreement reached to purchase a further key site and meeting held with ECC to explore purchase of a further site.
Put in place development pipeline based on outputs from funding workshop and collaborative work with ECC and residents	Have development pipeline with key deliverables/timelines in place by Autumn16	Awaiting follow up visits/meetings.
Commence development of one of the three identified preferred development sites	Outline plans in place by December 16 for one of the sites	



Cliff Stabilisation (Protecting our Coastline)

(Health and Housing)

[Back to Top](#)

On
Target

“To protect 5km of coastline and 3,019 properties and businesses from coastal erosion for the next 100 years”

Paul Price– **Corporate Director**

Commercialisation Portfolio Holder

Delivery Mechanism: Appoint consultant via Environment Agencies government led framework to undertake detailed geomorphological assessment of the cliff frontage and prepare detailed design of measures to improve performance and stability of those areas of the coastal slope identified as in the greatest need.

Update: All funding is now in place to enable project to commence and early discussions have commenced to develop the required information for the expressions of interest to be sought.

Page 22

Milestone	Target Date	Progress
Seek expression of interest	June 16	3 expressions of interest received now progressing preparation of tender documents.
Tender documents	August 16	In progress.
Appoint Consultant	October 16	

Exception: Further detail/milestones to be added once tender accepted and project plan agreed.



Health & Wellbeing (Influencing Role)

(Health and Housing)

“To seek to influence and assist partners in the delivery of improved health and wellbeing outcomes for residents and visitors to the area”

Paul Price— **Corporate Director**

Leisure, Health and Wellbeing Portfolio Holder

Delivery Mechanism: By holding meetings to work with partners to identify shared opportunities to help drive improvements.

Update: This month's progress comments are noted next to each individual milestone in the table below.

Milestone	Target Date	Progress
To appoint a joint funded Public Health Improvement Coordinator to help deliver improved health and wellbeing outcomes.	Initial interviews to be held in April 16	Appointment made and officer now in post.
To hold meetings of the Local Health and Wellbeing Board on a four monthly basis.	The next meeting is scheduled to be held on 15 August 16	The last meeting was held on the 8 June 16.
The Public Health Improvement Coordinator will develop projects via working with health partners to improve the health and wellbeing of those in the area.	Projects still being developed	A Park Run route is being developed following support from Sport and Leisure to provide for a running route on the sea-front to encourage physical activity. Liaison is occurring with the mental health trust to improve how the Council can respond when officers encounter those with mental health concerns.



Local Plan (Employment and Enjoyment)

“Ensure a robust Local Plan is adopted within the timeframe stipulated”

Catherine Bicknell – Head of Planning

Planning & Regeneration Portfolio Holder

On
Target

Delivery Mechanism: Elements of the evidence base will be updated to inform the Plan. The timetable will coincide with that of Colchester Borough Council and Braintree District Council as far as possible to support the Councils' duty to co-operate.

Update: The Local Plan Preferred Options Draft will be put to Full Council on 5 July 16 having been considered by Local Plan Committee on 9 June and Cabinet on 10 June 16.

Milestone	Target Date	Progress
Issues and options consultation	Complete	Fulfilling the Duty to Co-operate is a legal requirement and working with Colchester and Braintree also brings financial efficiency and better planned outcomes.
Agree preferred options for consultation	June 16	Evidence update was reported to the Local Plan Committee (LPC) on 12 April 16. Further updates and the Preferred Options Local Plan were reported to the LPC in June 16 for consultation.
Preferred options consultation	July/September 16	Consultation will start on 14 July 16.
Report consultation outcomes to local Plan Committee	November 16	
Submit deposit draft Plan to Secretary of State	January 17	



Economic Development Delivery

(Employment and Enjoyment)

On
Target

“To deliver against the objectives of the Council’s Economic Development Strategy. The Council’s approach focuses on the development and delivery of projects already in the pipeline and on those linked to the opportunities afforded by: Offshore Renewables in Harwich; the A120 Growth Corridor; and links with the University of Essex and it’s Knowledge Gateway.”

Ian Davidson – **Chief Executive**

Planning & Regeneration Portfolio Holder

Delivery Mechanism: Projects and other interventions will be developed and delivered in-house and in partnership with the Council’s key public and private sector partners.

Update: This month’s progress comments are noted next to each individual milestone in the table below.

Milestone	Target Date	Progress
Secure land and buildings to facilitate the delivery of an Innovation Centre in Harwich	16 December 16	Ongoing. Cabinet Report securing 1st stage approval to initiate technical studies and to enter into an MOU with ECC and Trinity House, approved on 15 April 16. Specification for Technical Assessment (Condition Survey), Outline Layout/Design and Cost Plan and Economic Impact Assessment approved and procurement initiated. Closing date for tenders 8 July16. MOU agreed and awaiting signature.
Secure £500,000 external funding in support of the Council’s inward investment and growth agenda	31 March 17	Ongoing. To date £250k in Capital Funding has been secured via ECC in support of the Council's SME Growth Fund. A further £350k in Capital Funding has been earmarked by ECC at Outline Business Case in support of the proposed Harwich Innovation Centre.
Work with the University of Essex and Colchester Institute to identify the growth opportunities in Care & Assisted Living	31 March 17	Ongoing. This work is embryonic and officers are working to establish whether or not there are any tangible growth opportunities associated with this sector.

Maximising Tourism and Leisure Opportunities

[Back to Top](#)

(Employment and Enjoyment)

On
Target

“To deliver our key events to a high standard, working with partners to showcase the District and encourage tourism and inward investment. These high-profile events should contribute towards the Council’s aspiration to stage a year round programme.”

Paul Price– **Corporate Director**

Tourism and Culture Portfolio Holder

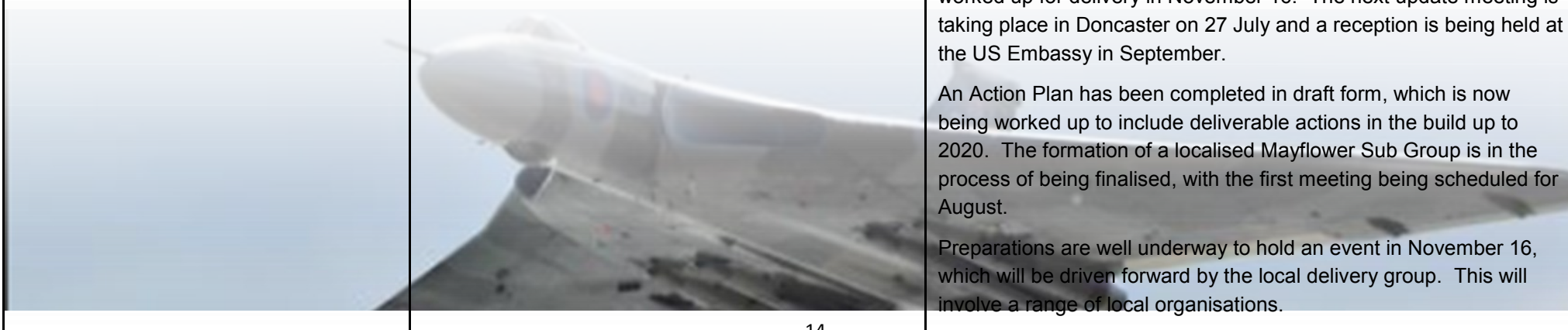
Delivery Mechanism: The Clacton Air Show will be delivered by the Council’s Tourism and Events Team, with support from our partners in the emergency services and private and voluntary sectors. Tendring are the primary organiser of the Tour de Tendring. Beat the Street is a partnership with ECC and Mayflower 400 will involve working with private and voluntary sector partners, together with the other key destinations involved in the Mayflower story.

Update: Significant progress has been made in the delivery of key District events, as outlined in the section below:

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Milestone	Target Date	Progress
Tour de Tendring	May 16	The 2016 Tour de Tendring attracted 1067 riders and was widely considered a successful event. This event is now operated on a cost neutral basis, due to partnership work with 'Bike Events' who manage the cycle ride element.
Clacton Beach Festival	June 16	The second annual Sea and Beach Festival took place on 25th and 26th June. The event was considered a success by the organising team, local businesses and participants. Thousands of visitors attended the festival, which incorporated boat rides by the Viking Saga and a two day programme of entertainment - which was largely through local talent. A debrief meeting is in the process of being arranged, with a view to establishing the way forward for the event.
Beat the Street	July 16	A full time 'Local Engagement Officer' is now in post for Beat the Street, which is being run in partnership with ECC. To date 20 schools have signed up for the event which launched on 8th June and runs for 8 weeks. Participants can walk, cycle, skate. To date over 9,000 people across the district have taken part, travelling 23,049 miles. Together with schools, community groups, such as brownie and scout groups and local businesses are also participating in the District wide scheme.
Clacton Air Show	August 16	The flying display for the 25th year of the event has now been confirmed and press information is being periodically released to promote the event. The Thursday evening will include night flights for the first time, which will incorporate pyrotechnics. Rigorous planning is taking place, which includes provision to comply fully with new CAA regulations, which have been imposed since the tragedy at the 2015 Shoreham Air Show.

Maximising Tourism and Leisure Opportunities Continued... [Back to Top](#)

Princes Theatre	<p>December 16: Delivery of Annual Pantomime</p> <p>March 16: Deliver two events/exhibitions</p>	<p>Planning for the pantomime is well underway and ticket sales are currently similar to the prior year. The lead role will be taken by Stevie Richie, which historically has a significant part to play in financial performance. Ticket sales are currently on a par with last year and promotional events are due to start in August.</p> <p>The first ever wedding fayre at the Princes Theatre was a significant success, also a second event was held in early 2016. As a result of the event, 5 weddings have now been booked for 2017/18.</p>
<p>Mayflower 400: Series of events and projects to build up to the celebrations in 2020</p> <p>Page 27</p> 	<p>Produce Harwich promotional film</p> <p>Harwich Tourism Group events</p> <p>Mayflower replica on Harwich roundabout</p> <p>June 16: Play an active role and influence the National Mayflower Compact group of Destinations</p> <p>August 16: Complete a Mayflower 400 Delivery Plan</p> <p>November 16: Deliver key event to launch</p> <p>Harwich: Mayflower 400</p>	<p>Filming for the Harwich promotional film is currently taking place and production is due to be complete prior to the end of July. A Tourism Group has been set up and includes representatives from the Private, Public and Voluntary Sectors.</p> <p>The Tourism Team have been working with ECC Highways to install a skeletal replica of the Mayflower on the first roundabout after Harwich International Port. This is currently being constructed and is due to be installed in October 16.</p> <p>The Council is working with the Mayflower Compact (including those destinations involved in the Mayflower story) to promote a national heritage trail to Mayflower descendants in 2020. This will include significant external funding bids to support promotion.</p> <p>The Council is representing Tendring at a national level to ensure Harwich involvement in the Mayflower story is recognised. An event to highlight the forthcoming anniversary is in the process of being worked up for delivery in November 16. The next update meeting is taking place in Doncaster on 27 July and a reception is being held at the US Embassy in September.</p> <p>An Action Plan has been completed in draft form, which is now being worked up to include deliverable actions in the build up to 2020. The formation of a localised Mayflower Sub Group is in the process of being finalised, with the first meeting being scheduled for August.</p> <p>Preparations are well underway to hold an event in November 16, which will be driven forward by the local delivery group. This will involve a range of local organisations.</p>

Enhancing Leisure Facilities (Employment and Enjoyment)

On
Target

“To complete the refurbishment of Frinton and Walton Swimming Pool (Walton on the Naze Lifestyles) and deliver increased attendances and lower operating subsidy.”

Paul Price– **Corporate Director**

Leisure, Health and Wellbeing Portfolio Holder

Delivery Mechanism: The refurbishment of Walton on the Naze Lifestyles was project managed by the Council’s Building Services Team and delivered by an external contractor. The business plan targets are delivered by the facility management team and operational management.

Update: The newly refurbished facility at Walton on the Naze has now been complete and the various strands to drive the facility forward are being progressed as set out below:

Milestone	Target Date	Progress
Complete refurbishment	May 16	The newly refurbished building was open to the public in May 16.
Official Opening of the Facility	June 16	The official opening and media launch of the newly refurbished facility took place successfully on 17 June 16. The event received positive local publicity.
Deliver Year 1 Business Plan Targets		
Increase Membership sales by 150%	March 17	Prior to the refurbishment, there was a total of 98 pre paid members at the facility. At the end of the first quarter, that has risen to 244, which is an increase of 149%.
Increase overall attendances by 6%	March 17	Attendances for the first quarter have increased by 15% when compared with the previous year. There have been 32,034 visits to date, which is 4,167 more than in 2015/16.

Garden Community (Employment and Enjoyment)

“Innovative joint work with Colchester Borough Council, Braintree District Council and Essex County Council to develop a number of communities in North Essex based on Garden City principles.”

On
Target

Martyn Knappett – Corporate Director

Leader

Catherine Bicknell – Head of Planning

Delivery Mechanism: Selection of locations to be part of the Local Plan process.

Funding made available (£640k) by Central Government to support the work.

Leader and Chief Executive sit on Shadow Delivery Board which oversees the project.

Corporate Director and Head of Planning Services sit on senior officer Steering Group and Legal, Finance and Planning Officers participating in topic work streams.

Close collaboration on Local Plan process re Garden Communities approach – a shared Chapter 1 of the Plan and specific requirements of any proposed Garden Community proposals across North Essex.

Looking to form Local Delivery Vehicles (potentially Companies) to progress each Garden Community Area allocated in the Local Plan. LDVs to take a key role in bringing forward development quickly and to a high quality.

Update: This month's progress comments are noted next to each individual milestone in the table below.

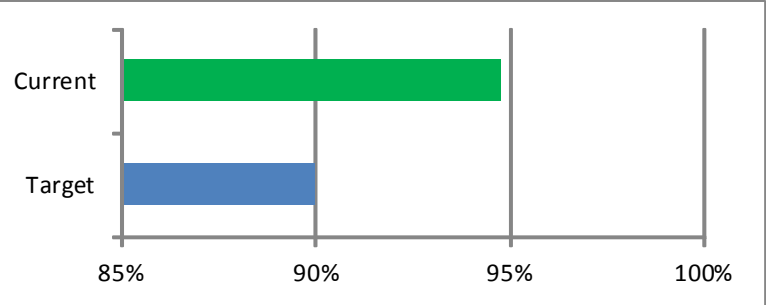
Milestone	Target Date	Progress
Agreement of Preferred Options stage of Local Plans including a common Chapter 1 by TDC, CBC and BDC. Identify preferred areas across the three Council areas for Garden Community developments and a robust planning framework for Garden Communities.	June 16	Tendring District Local Plan Preferred Options for consultation agreed including a common Chapter 1 for strategic issues.
Draft legal agreement with land owners be prepared for consideration by Council	October 16	
Formal establishment of Local Delivery Vehicles for Tendring site(s) included as Preferred Options (formal decision by Leader of Council)	December 16	

Fly Tipping (Health and Housing)

To ensure that 90% of all reported incidents of fly tipping are removed within 72 hours of notification.

Monthly Performance Data

Ahead of Target



Data does not include asbestos fly tipping which is outsourced to a specialist contractor (PHS) and is not subject to 72 hours clearance. May data greater than 72 hours includes fly tipping requiring grab lorry and JCB for removal.

Month	A	M	J	J	A	S	O	N	D
No. of incidents	123	104	97						
No. r'mvd <72hrs	119	98	92						
Performance (%)	96.7 %	94.2 %	94.8 %						

TARGETS

Missed Bin Collection

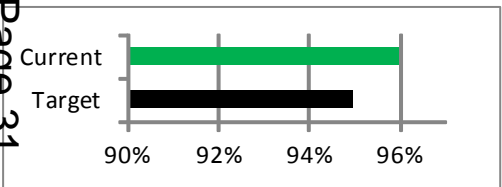
(Health and Housing)

To ensure that 95% of missed bins are collected within 24 hours of being notified.

With approximately 65,000 homes in Tendring, and each property having two bins collected per week, there is over half a million bins collected per month in Tendring.

Monthly Performance Data

Page 31



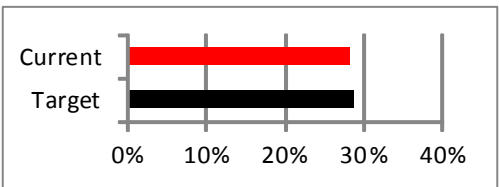
Month	A	M	J	J	A	S	O	N	D	J	F	M
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Performance	97%	93%	96%									

Recycling Rate

(Health and Housing)

Ensure that waste and recycling is disposed of in the most environmental and economically advantageous manner— 29% of household waste sent for reuse, recycling or composting.

Monthly Performance Data



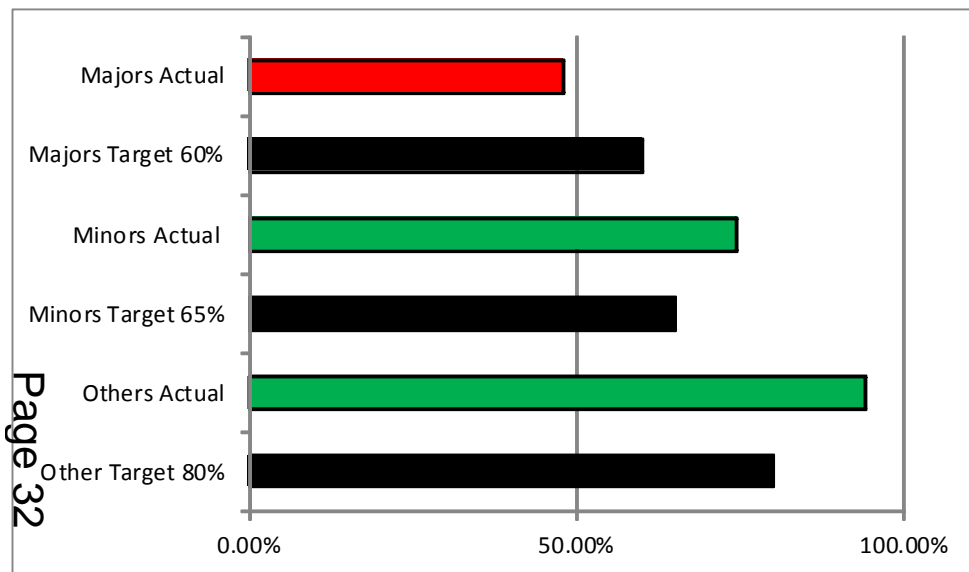
Mon th	M	A	M	J	J	A	S	O	N	D	J	F	M
Tar- get	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Per- form- ance	28.9%	28.9%	28.4%										

Exception: Officer provided further detail at Corporate Management Committee: 27 June 16.

Handling of Planning Applications

(Health and Housing)

Cumulative performance 2016/17



CUMULATIVE % TOTALS : April 16–March 17

Major : 48.0%

Minor : 74.5%

Others : 94.3%

**Behind
Target**

5 YEAR HOUSING SUPPLY (Influencing Role)

As at 30.06.16 there is approximately 3.8 YEARS housing supply in the Tendring District.

Note : This figure is updated monthly but some information that contributes to the calculation is only available periodically and so the figure may not be wholly accurate

PLANNING APPEALS

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
No. Lodged	3	6	3									
No. Decided	5	4	1									
No. Allowed	3	3	1									
% Allowed	60%	75%	100%									
% Cumulative Total	60%	67%	70%									

Exception: Increased number of applications received and level of complexity has resulted in a 'behind target' position for 'Major' applications.

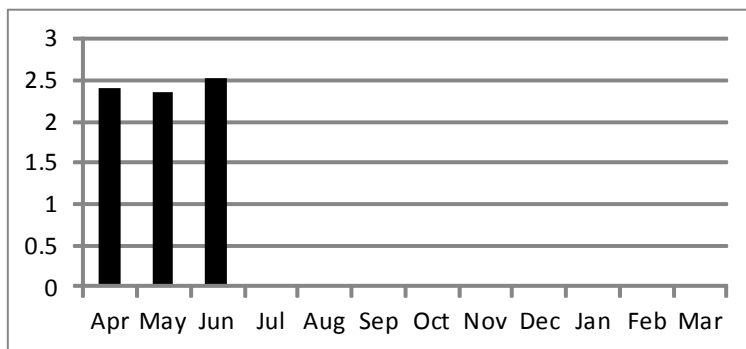
Sickness (Council and Community)

To measure the sickness absence rate of the Council.

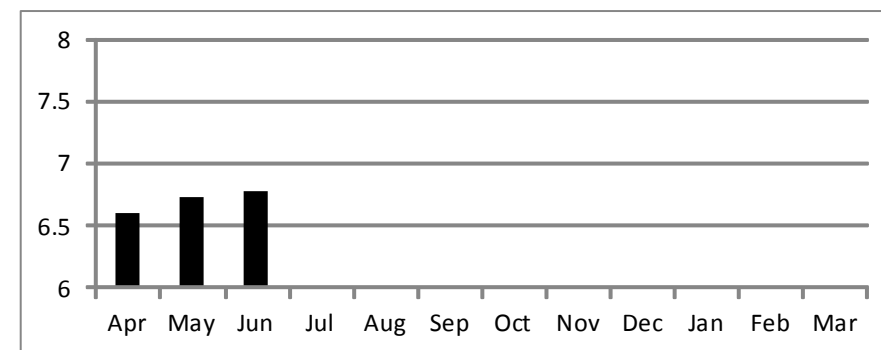
Objective: To measure the rate of sickness absence at TDC.

Mth	S/T	L/T
Apr	2.40	6.59
May	2.35	6.73
Jun	2.50	6.77
Jul		
Aug		
Sep		
Oct		
Nov		
Dec		

Short-term Sickness Absence



Long-term Sickness Absence



NB: Data displayed as both Short-Term (under 28 days) & Long Term (28 days & over).

Notes: - Long term sickness absence is managed efficiently and on a case by case basis; - Short term sickness absence is carefully managed across the Council. Staff sickness absence is monitored by the HR Committee, who undertake a detailed analysis of all reported figures.

The 2015 CIPD (Chartered Institute of Personnel and Development) national report regarding absence management, reported national absence levels in the public sector at 8.7 days per employee.

Sickness absence continues to be actively managed. Absence Management training for managers will take place later in the year and options to reduce viral short term sickness absence are currently being investigated. The Council continues to support employees' mental health using a range of methods to do so, this includes: provision of a counselling service, flexible working options/improved work-life balance, corporate gym membership and access to an occupational health specialist.

Authorised Covert Surveillance (Council and Community)

Record of number of approved surveillances under the Regulation of Investigatory Powers Act 2000 (RIPA).

It is important to note that this does NOT apply to all enforcement activity and therefore, it is likely that nil or low returns will be recorded. Council's officers in the course of investigating frauds and certain regulatory criminal offences within the district may be required to undertake covert monitoring operations to gather evidence to present to a court. In doing so those officers must comply with the relevant legislation i.e., the Regulation of Investigatory Powers Act 2000 (RIPA) and the associated regulations and codes of practice. RIPA provides a strict authorisation mechanism for public authorities to undertake covert surveillance in compliance with the [Human Rights Act 1998](#). Lawful interference with Article 8 (right to respect for private and family life) rights is only permissible, if it is necessary and proportionate to do so, therefore can only be undertaken in accordance with the Council's Policy and Procedures, approved by an Authorising Officer and the Magistrates' Court. The Council is required to report the number of authorisations granted on an annually basis to the Office of Surveillance Commissioners.

OType of Surveillance	Number of Approved Authorisations											
	Monthly											
	A	M	J	J	A	S	O	N	D	J	F	M
Directed Surveillance	0	0	0									
Covert Human Intelligence Source	0	0	0									

Complaints (Council and Community)

To measure the number of complaints received and handling of them within the prescribed time limits.

Objective: To measure the standard of performance in responding to complaints against the TDC standards.

Target: 100% within the specified timeframes for each stage of complaint.

On
Target

Stage 1
Complaints
Performance
Page 34

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
No.	10	8	1						
% Time	80%	100%	100%						

Stage 2
Complaints
Performance

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
No.	1	2	3						
% Time	100%	100%	100%						

Notes: The stage 2 complaints for June include 2 for Planning and 1 for Corporate Services. There were no complaints involving the Ombudsman.

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

9 SEPTEMBER 2016

REPORT OF ENFORCEMENT AND COMMUNITY SAFETY PORTFOLIO HOLDER

A.2 **NEW LEASE FOR THE FORMER TOURIST INFORMATION OFFICE, WALTON ON THE NAZE**

(Report prepared by Jennie Weavers)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To approve the principle of the granting of a new lease of the former tourist information office in Walton following its relocation.

EXECUTIVE SUMMARY

TDC owns the freehold of the former tourist information office in Walton on the Naze, which is situated on the seafront opposite the High Street and close to the town centre. The building is semi detached, with the other side being an established kiosk. The tourist information centre closed in Walton after the 2015 summer season and has been relocated to the new visitor centre at the Naze.

The site has now been fully marketed including notice on site, on our website and details sent out to people who have previously expressed an interest in this kind of property. Two tenders were received and evaluated, resulting in one tenderer being identified as the strongest in terms of the use of the site, jobs creation and regeneration and the other the strongest in terms of financial gain. It is recommended to grant a lease of the site to the first party in terms of use, job creation and regeneration of the site due to the prominent location on the seafront. Further details of the tenders and evaluation process are set out in the report in Part B of this agenda.

RECOMMENDATIONS

That the Cabinet approves the principle of the granting of a new lease of the site.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The new lease will facilitate renovation of the building which will contribute to the following Council priorities:

- To protect our environment, countryside and coast
- To promote sustainable economic growth
- To regenerate the District and improve deprived areas

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Granting of the lease will provide rental income. Details of the terms of the proposed lease are set out in the report in Part B of this agenda.

Risk

If the building is left vacant it will start to deteriorate and become a blot on the seafront.

Officers will monitor the building and ensure that there are conditions within the lease that facilitate the management of any default in terms of performance or financial default.

LEGAL

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the district.

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental economic and social wellbeing of the area.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of Crime and Disorder, Equality and Diversity, Health Inequalities, Consultation/Public Engagement and Wards; and any significant issues are set out below.

None

Ward

Walton

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Walton Tourist Information Centre closed after the 2015 summer season and has moved to the new visitor centre at The Naze. The small part of the building that housed the information centre on the Seafront in Walton is now vacant.

The building is suffering slightly from damp underneath the windows, but is not in a bad condition currently.

The Council has marketed the site and conducted a formal tender process to find a tenant who will regenerate this site and pay a market rent for the trading opportunity.

The site was marketed by way of site signage, website publication and direct mailing to previous enquires received.

CURRENT POSITION

A full formal tender process was carried out including inviting tenderers to submit their plans for the use of the site as well as financial proposals. The tenders were invited on the basis of financial considerations (rent) and non-financial considerations (proposals for

increased services, building improvements and job creation) in the proportions 50% and 50% respectively.

Details of the tenders received and terms are set out in the report in Part B of this agenda.

It is proposed that approval be granted to the principle of the granting of a new lease.

FURTHER HEADINGS RELEVANT TO THE REPORT

Planning

The current use class of the building is B1 and this can be changed to the A1 of the intended use by applying for change of use planning permission. However a temporary change of use for not more than 2 years can be granted by the planning authority and full change of use can then be applied for during this 2 year period.

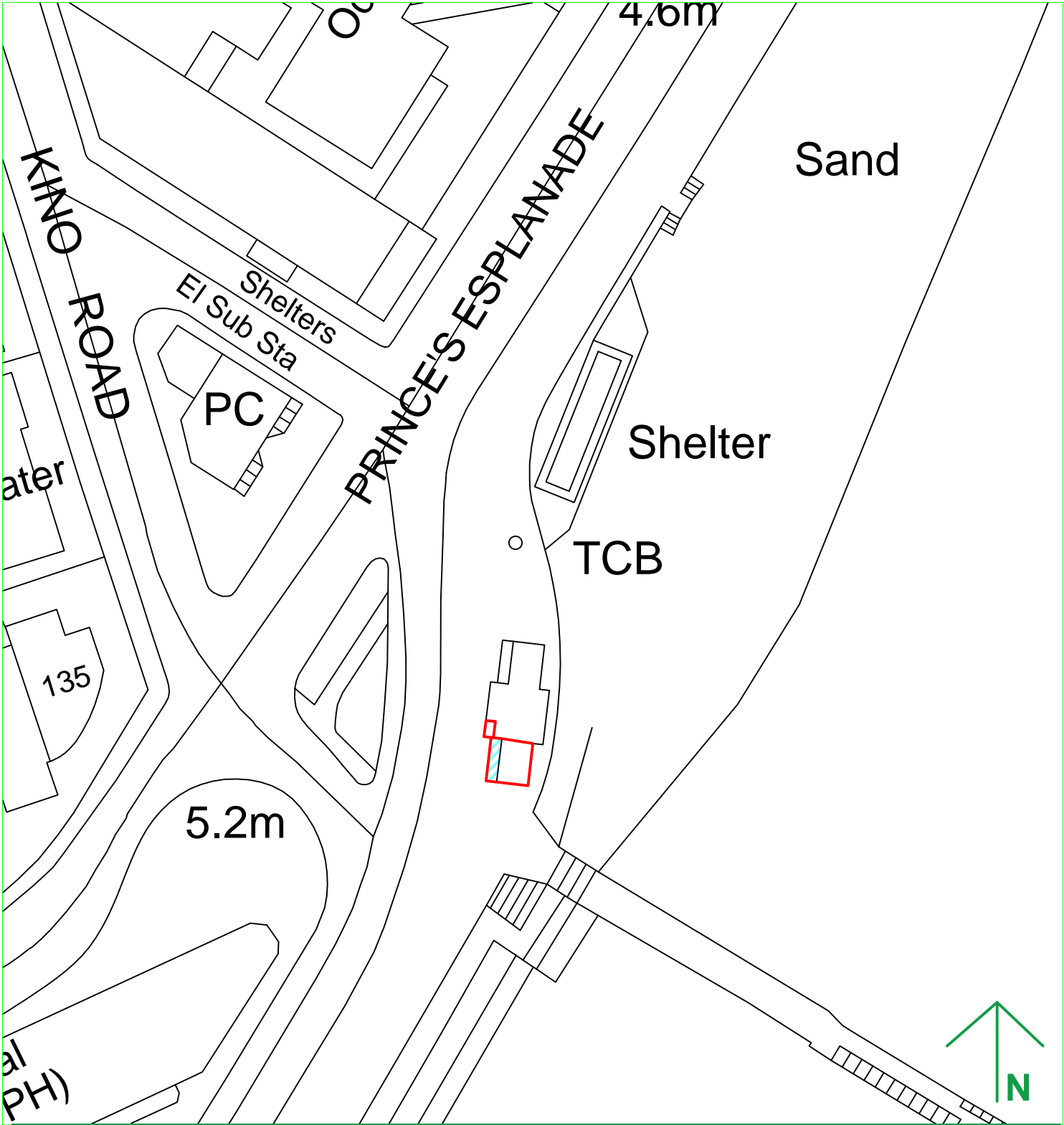
BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A: Location Plan

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TENDRING DISTRICT COUNCIL M. KNAPPETT BA(hons). DMS. MCIH. HEAD OF CORPORATE PERFORMANCE	Title Old Tourist Information Centre, Walton on the Naze Date: 9 March 2016	Scale: 1:500 Drawn By: J. Weavers Drawing No. & Revision 1 A
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Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

9 SEPTEMBER 2016

REPORT OF FINANCE, REVENUES AND BENEFITS PORTFOLIO HOLDER

A.3 CORPORATE BUDGET MONITORING REPORT FOR THE FIRST QUARTER OF 2016/17

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide an overview of the Council's actual financial position against the budget as at the end of June 2016 and to set out budget adjustments required in 2016/17.

EXECUTIVE SUMMARY

- The Council's financial position against the approved budget has been prepared for the period to the end of June 2016 and is the first such report for 2016/17.
- It is relatively early in the financial year and therefore some expenditure or income trends may still be emerging. However any significant issues arising to date have been highlighted and comments provided as necessary.
- The position to the end of June 2016, as set out in more detail in the Executive Summary attached, shows that overall the actual General Fund Revenue position is behind the profiled budget by **£3.025m**. After allowing for significant one-off budgets such as the Fit for Purpose Budget where commitments or decisions are still to be made, the position is revised to **£0.931m** behind the profiled budget. At this stage in the year, the variance to the end of June primarily reflects the timing of expenditure and income although as previously mentioned, underlying trends may emerge over the next quarter.
- In respect of other areas of the budget such as the Housing Revenue Account, Capital Programme, debt recovery, treasury activity and LCTSS / council tax there are no significant issues that have been identified to date. At the end of June there is an unfavourable position emerging against business rate income although it is expected that this should reverse to a large extent over the remainder of the year once new developments are reflected in the rating list.
- Any emerging issues will be monitored and updates provided in future budget monitoring reports along with their consideration as part of the Financial Strategy and budget setting framework for 2017/18 where a longer term response may be required.
- The budget monitoring process continues to form a fundamental element of supporting the forecast for future years through the identification of savings that can be 'banked' as the year progresses rather than just as part of the annual budget setting cycle. This enables the medium term forecast to be updated on an on-going

basis with the savings identified being available to support the future year's budget. The approach established in previous years therefore continues, although given a cost pressure arising in respect of planning inquiry costs, a favourable variance at the end of June 2016 is proposed on being used to support this issue rather than be transferred to the Building for the Future Reserve.

- Other emerging issues have also arisen that require budget adjustments and/or specific recommendations with further details highlighted below.
- The appendices reflect both the revised organisational restructure and portfolio structure. Although budgets have been reallocated to a revised department / portfolio, there are a limited number of budgets that will need to be split out with the timeliest opportunity to do this being the revised budget process over the autumn. This does not have a direct impact on the budget monitoring process as emerging issues will be highlighted where necessary regardless of where they may appear in the structure.

RECOMMENDATION(S)

It is recommended that:

- (a) the financial position as at the end of June 2016 is noted;**
- (b) the 2016/17 budget is amended via the transfer of up to £0.150m from employee budgets to a planning inquiry budget to meet this cost pressure which has emerged during the first quarter of 2016/17;**
- (c) delegation be given to the Head of Finance, Revenues and Benefits to amend the 2016/17 budgets to reflect the IT service being brought in-house from April 2016 with no net impact on the Council's overall budget and;**
- (d) delegation be given to the Head of Finance Revenues and Benefits in consultation with the Finance, Revenues and Benefits Portfolio Holder, to accept the Government's 4 year revenue support grant offer, via the submission of an efficiency plan, if favourable to the Council.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

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

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are considered in the body of the report.

Risk

A number of variances will be subject to change as the year progresses although at this stage it is expected that any adverse position can be managed within the overall budgets. The budget position will be monitored and reviewed as part of both the future budget monitoring arrangements and Financial Strategy Processes.

LEGAL

The Local Government Act 2003 makes it a statutory duty that Local Authorities monitor income and expenditure against budget and take appropriate action if variances emerge.

OTHER IMPLICATIONS

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

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications arising from this report.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council's financial position against the approved budget has been prepared for the period ending 30 June 2016.

As this is the first such report on the Council's financial position against the budget for 2016/17, some expenditure or income trends may still be emerging as it is still relatively early in the financial cycle. However comments are provided below where necessary.

GENERAL FUND REVENUE

The position to the end of June 2016, as set out in more detail in the Executive Summary attached, shows that overall the actual position is behind the profiled budget by **£3.025m**.

After allowing for significant / one-off budgets such as the Fit for Purpose Budget where commitments or decisions are yet to be made, this position is revised to **£0.931m** behind the profiled budget with further details as follows:

Variance As Set out In Executive Summary	(£3.025m)
<i>Less Variances to date for Significant / One-off Budgets</i>	
Fit For Purpose	£0.416m
Contingency	£0.088m
New Homes Bonus	£1.264m
Local Plan	£0.326m
Variance Excluding Significant / One-off Budgets	(£0.931m)

After further excluding the variance for employee costs of **£0.319m**, which is covered separately below, the remaining net variance is **£0.612m**

As set out in the appendices, a considerable element of this remaining variance is due to the timing of expenditure and income or where commitments / decisions have yet to be made.

Appendix B provides further narrative around variances with the following providing highlights worth noting at the end of June 2016:

EXPENDITURE BUDGETS

Salaries / Employee Costs

Overall employee expenses are behind profile by **£0.319m**.

As discussed during last year, services continue to challenge how they deliver their services so opportunities are taken to further review staffing levels, such as when vacancies exist, rather than automatically recruit on a like for like basis. Although the above variance will not directly translate into on-going budget reductions, it does include one-off savings from vacancies over the first quarter of the year.

To support an emerging cost pressure relating to the cost of an on-going planning inquiry, it is proposed to use up to **£0.150m** of this favourable position to support this emerging cost pressure with details set out further on in this report.

INCOME BUDGETS

Additional details around the Council's most significant areas of income are set out in **Appendix H**, which reflects an overall favourable position after taking into account a few areas where income remains behind profile to date.

Income from parking is broadly in line with the budget at the end of June although income for the important months of July and August has yet to be reflected in the financial position. Income for these two months will be included in the next quarter's monitoring report which will then give a very good indication of the performance of the revised residents parking scheme in 2016/17 which at this stage look encouraging.

OTHER BUDGETS

LCTSS, Council Tax and Business Rates

Additional Information relating to the Local Council Tax Support Scheme (LCTSS), council tax and business rates is included in **Appendix I**.

There are no significant issues to highlight at the present time in terms of the position at the end of June 2016 for both the LCTSS and council tax income. However in respect of business rates, the level of income received to date is lower than expected which is due to a number of factors such as the on-going impact from appeals and where there is an interim phase between properties being removed from the rating list whilst sites are redevelopment. This is a key element of the Council's core funding and will be kept under review with updates provided later in the year as part of the financial strategy process.

2016/17 BUDGET ADJUSTMENTS/ ISSUES

Following events and activities that have occurred in the first quarter of the year it is necessary to adjust a number of budgets and / or set out specific recommendations for the items set out below:

- **IT Budgets** – following the decision to bring the IT service back in-house, the 2016/17 budget reflected the expected savings at a summary level rather than across detailed budget lines such as employee and supplies and services costs. Therefore it is now necessary to make the required changes to reflect the more detailed position. A delegation is therefore included in the recommendations above to enable the Head of Finance, Revenues and Benefits to make the necessary changes with no net overall impact on the budget.
- **Planning Inquiry Costs** – Costs are now being incurred in respect of a planning inquiry. Although the process remains on-going, early forecasts indicate that the costs of the inquiry could be in the region of **£0.150m**. As mentioned earlier on in this report, it

is proposed to use the favourable position against employee costs to support this emerging cost pressure with a recommendation set out above.

- As part of the Government's financial settlement announcements last year, they provided 4 year revenue support grant amounts. Although there were no guarantees, they indicated that these would be minimum amounts that would be paid to Local Authorities if they formally accepted the 4 year funding offer and submitted their efficiency plans by October 2016. There does not seem to be any obvious disadvantage to accepting the Government's minimum funding offer and at this stage it is proposed to respond to them on this basis. Discussions remain on-going in terms of what the Government expect efficiency plans to include but this will be reviewed before formally accepting the offer or not. To ensure that the Council retains the flexible to react to any emerging guidance, a recommendation is included above that seeks a delegation to the Head of Finance, Revenues and Benefits in consultation with the Finance, Revenues and Benefits Portfolio Holder to formally accept the Government's offer if favourable to the Council, via the submission of an efficiency plan.

HOUSING REVENUE ACCOUNT – REVENUE

An overall position is set out in the Executive Summary with further details included in **Appendix C**.

As at the end of June 2016, the HRA is **£0.476m** behind the profiled budget with no significant issues to highlight to date as this largely reflects the timing of expenditure such as the maintenance and repairs to the tenant's properties.

CAPITAL PROGRAMME – GENERAL FUND

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

As at the end of June 2016 the programme is behind profile by **£0.038m**.

Where schemes are currently being delivered, additional information is provided within the appendix. Given the lead in time to some schemes, some capital projects are subject to development and detailed procurement processes for example, with additional information planned on being provided in future budget monitoring reports as they progress. There are no significant issues to highlight at the present time with additional comments set out in **Appendix D**.

CAPITAL PROGRAMME – HOUSING REVENUE ACCOUNT

As at the end of June 2016 the programme is behind profile by **£0.014m**.

This budget relates primarily to the on-going major repairs and improvements to the Council's own dwellings. There are no specific issues to highlight at this stage and the expectation is that expenditure / commitments will be broadly in line with the budget over the course of the year as work is progressed and procurement processes completed.

CORPORATE DEBT

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

There are no significant issues to highlight at the present time. Income will continue to be

collected over the remainder of the year with recovery arrangements and action taken as necessary.

TREASURY ACTIVITY

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

There are no significant matters to highlight at the June with investment and borrowing activity on-going in line with the Treasury Strategy and associated practices / requirements.

However given the recent reduction in the bank base rate, the full annual budget for income from investments is unlikely to be achieved in 2016/17. With no likely significant increases expected in the immediate future, this issue will need to be reviewed as part of the Financial Strategy process for 2017/18 along with exploring alternative investment opportunities where possible.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Front Cover and Executive Summary

Appendix A – Summary by Portfolio / Committee
Appendix B – General Fund Budget Position by Department
Appendix C – Housing Revenue Account Budget Position
Appendix D – Capital Programme
Appendix E – Corporate Debt
Appendix F – Treasury Activity
Appendix G – Income from S106 Agreements
Appendix H – Significant Fees and Charges
Appendix I – LCTSS, Council Tax and Business Rates



Appendices Included:

Executive Summary	A summary of the overall position.
Appendix A	A summary of the overall position by Portfolio/Committee
Appendix B	An analysis by Department of all General Fund Revenue budgets.
Appendix C	An analysis of Housing Revenue Account Revenue budgets.
Appendix D	The position to date for General Fund and HRA capital projects.
Appendix E	Position on corporate debt and housing rents
Appendix F	Treasury activity.
Appendix G	Section 106 monies.
Appendix H	Position against significant fees and charges budgets
Appendix I	LCTSS, Council Tax and Business Rates

Corporate Budget Monitoring

June 2016

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

Corporate Budget Monitoring - Executive Summary as at the end of June 2016

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

General Fund - Summary by Department Excluding Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Office of the Chief Executive	4,127,140	413,144	376,114	(37,031)
Corporate Services	(18,437,120)	1,587,829	(312,486)	(1,900,315)
Operational Services	11,683,480	2,010,505	1,390,383	(620,122)
Planning	2,626,500	486,827	18,946	(467,882)
Total General Fund	(0)	4,498,306	1,472,957	(3,025,350)

Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Total HRA	(0)	(2,553,537)	(3,029,042)	(475,505)

Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	11,526,800	639,538	601,120	(38,418)
Housing Revenue Account	7,024,010	581,912	567,925	(13,987)
Total Capital	18,550,810	1,221,449	1,169,045	(52,404)

Debt

	Arrears this month as % of Amount Collectable to date	Collected to Date (Against Budgeted Collection)
General Debt	13.84%	
Housing Rents	1.91%	
Council Tax		31.00%
Business Rates		30.75%

Treasury

	£'000
Total External Borrowing	47,578
Total Investments	58,614

Revenue Budget Position at the end of June 2016

Portfolio / Committee Summary

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £
Leader	250,000	0	0	0
Enforcement and Community Safety	241,520	480,583	319,707	(160,876)
Corporate Services	1,581,690	618,853	598,043	(20,811)
Commercialisation	2,053,760	(305,290)	(546,122)	(240,832)
Environment	5,688,400	863,762	712,868	(150,893)
Finance, Revenues and Benefits	(7,418,110)	(1,591,301)	(3,483,560)	(1,892,259)
Housing	14,767,140	1,457,864	904,158	(553,706)
Leisure, Health and Wellbeing	2,137,890	623,884	501,634	(122,249)
Planning and Regeneration	5,544,340	571,047	96,020	(475,027)
Tourism and Culture	488,280	(56,335)	(32,596)	23,739
Budgets Relating to Non Executive Functions	480,730	52,591	144,456	91,864
Net Cost of Services	25,815,640	2,715,660	(785,391)	(3,501,050)
Revenue support for Capital Investment	2,014,180	0	0	0
Financing Items	(779,750)	1,491,566	1,491,756	190
Budget Before use of Reserves	27,050,070	4,207,226	706,365	(3,500,860)
Contribution to / (from) earmarked reserves	(13,052,330)	0	0	0
Total Net Budget	13,997,740	4,207,226	706,365	(3,500,860)
Funding:				
Revenue Support Grant	(2,563,840)	(692,238)	(692,238)	0
Business Rates Income	(4,599,140)	(635,045)	(635,049)	(4)
Collection Fund Surplus	20,040	4,008	4,012	4
Parish Precepts	1,439,263	719,632	719,637	6
Income from Council Tax Payers (including Parish Precepts)	(8,294,063)	(1,658,813)	(1,658,813)	0
Total	(0)	1,944,769	(1,556,085)	(3,500,854)

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2016

Department - Office of Chief Executive

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	754,020	187,977	174,563	(13,415)	187,977	
Premises Related Expenditure	25,880	16,498	15,811	(686)	3,128	
Transport Related Expenditure	27,090	6,670	6,646	(24)	6,870	
Supplies & Services	3,452,900	270,951	252,085	(18,866)	302,993	
Third Party Payments	870	0	0	0	0	
Total Direct Expenditure	4,260,760	482,096	449,105	(32,992)	500,968	
Direct Income						
Government Grants	(47,360)	(47,360)	(47,365)	(5)	0	
Other Grants, Reimbursements and Contributions	(4,950)	(2,025)	(7,398)	(5,373)	(975)	
Sales, Fees and Charges	(2,310)	(2,167)	(3,568)	(1,400)	(47)	
Rents Receivable	(70,200)	(17,400)	(14,660)	2,739	(18,000)	
Total Direct Income	(124,820)	(68,952)	(72,991)	(4,039)	(19,022)	
Net Direct Costs	4,135,940	413,144	376,114	(37,031)	481,946	
Net Indirect Costs	(8,800)	0	0	0	0	
Total for Office of Chief Executive	4,127,140	413,144	376,114	(37,031)	481,946	

Department - Office of Chief Executive

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Chief Executive and Member and Management Support	921,280	228,721	209,504	(19,218)	
Total for Regeneration	3,205,860	184,423	166,610	(17,813)	
Total for Office of Chief Executive	4,127,140	413,144	376,114	(37,031)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2016

Department - Corporate Services

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	7,728,730	2,724,205	2,606,317	(117,888)	1,325,625	
Premises Related Expenditure	149,440	1,980	433	(1,547)	137,560	
Transport Related Expenditure	50,310	8,245	6,728	(1,517)	25,615	
Supplies & Services	9,717,760	2,284,740	726,724	(1,558,016)	2,455,038	
Third Party Payments	628,210	157,052	30,514	(126,539)	157,052	
Transfer Payments	55,291,550	12,029,000	13,054,588	1,025,588	12,029,000	
Interest Payments	89,860	0	(1,404)	(1,404)	43,440	
Total Direct Expenditure	73,655,860	17,205,222	16,423,901	(781,322)	16,173,330	
Direct Income						
Government Grants	(59,810,930)	(12,971,425)	(14,095,743)	(1,124,318)	(12,757,275)	
Other Grants, Reimbursements and Contributions	(1,400,990)	(303,925)	(290,991)	12,935	(421,331)	
Sales, Fees and Charges	(16,370)	(857)	(87)	770	(11,797)	
Rents Receivable	(42,520)	(10,630)	(5,243)	5,387	(10,630)	
Interest Receivable	(218,870)	(68,099)	(81,872)	(13,773)	(77,178)	
RSG, Business Rates and Council Tax	(13,997,740)	(2,262,456)	(2,262,450)	6	(4,727,560)	
Total Direct Income	(75,487,420)	(15,617,393)	(16,736,386)	(1,118,993)	(18,005,772)	
Net Direct Costs	(1,831,560)	1,587,829	(312,486)	(1,900,315)	(1,832,441)	
Net Indirect Costs	(3,553,230)	0	0	0	0	
Net Contribution to/(from) Reserves	(13,052,330)	0	0	0	0	
Total for Corporate Services	(18,437,120)	1,587,829	(312,486)	(1,900,315)	(1,832,441)	

Department - Corporate Services

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director, PR and Electrol Services	380,310	105,028	215,680	110,652	This reflects the cost of the PCC Election and EU Referendum that will be reimbursed during the remainder of the year.
Total for Governance and Legal Services	108,020	131,910	96,930	(34,980)	
Total for Finance, Revenues and Benefits	1,329,760	588,091	311,736	(276,355)	The current position primarily relates to the timing of housing benefits payments and the subsequent receipt of the associated subsidy from the Government.
Total for Finance - Other Corporate Costs	6,572,650	777,410	(771,021)	(1,548,431)	The current variance primarily reflects the position against the Fit for Purpose, Contingency and New Homes Bonus budgets which remain subject to commitments and decisions.
Total for Finance - Financing Items	(13,417,590)	1,566,240	1,575,032	8,792	
Total for Finance - RSG, Business Rates and Council Tax	(13,997,740)	(2,262,456)	(2,262,450)	6	
Total for Property Services	38,290	52,850	59,007	6,157	
Total for People, Performance and Projects	436,640	203,771	189,804	(13,967)	

Department - Corporate Services

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Total for IT and Corporate Resilience	112,540	424,986	272,798	(152,188)	This reflects the timing and lead in time for a number of IT initiatives and projects. In addition the service is now being delivered in-house with a recommendation set out in the main body of the report to enable the various budget changes to be made within the overall net position.
Total for Corporate Services	(18,437,120)	1,587,829	(312,486)	(1,900,315)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2016

Department - Operational Services

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	8,088,200	2,030,154	1,886,848	(143,306)	2,097,254	
Premises Related Expenditure	3,095,010	1,286,032	990,236	(295,796)	525,706	
Transport Related Expenditure	577,120	99,778	94,364	(5,414)	202,780	
Supplies & Services	3,255,100	741,512	705,039	(36,473)	883,809	
Third Party Payments	4,751,690	828,853	754,878	(73,975)	1,221,157	
Transfer Payments	48,710	0	0	0	0	
Total Direct Expenditure	19,815,830	4,986,329	4,431,364	(554,965)	4,930,705	
Direct Income						
Government Grants	(103,250)	(57,200)	(57,201)	(1)	(35,650)	
Other Grants, Reimbursements and Contributions	(1,327,310)	(165,136)	(45,653)	119,483	(381,270)	
Sales, Fees and Charges	(7,483,860)	(2,648,845)	(2,814,390)	(165,546)	(1,814,111)	
Rents Receivable	(203,840)	(77,155)	(103,794)	(26,638)	(53,300)	
Total Direct Income	(9,118,260)	(2,948,337)	(3,021,038)	(72,702)	(2,284,332)	
Net Direct Costs	10,697,570	2,037,993	1,410,326	(627,666)	2,646,374	
Net Indirect Costs	985,910	(27,488)	(19,943)	7,544	(67,008)	
Total for Operational Services	11,683,480	2,010,505	1,390,383	(620,122)	2,579,366	

Department - Operational Services

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director and Administration Operational Services	22,950	35,435	34,828	(607)	
Total for Public Realm	1,646,250	433,812	251,341	(182,470)	Income from the crematorium is higher than budgeted to date along with expenditure for the facility being slightly behind profile, which accounts for a significant element of the variance to the end of June.
Total for Environmental Services	5,131,370	746,827	701,778	(45,049)	
Total for Coastal Protection	1,317,310	61,680	53,719	(7,961)	
Total for Customer and Commercial Services	217,680	156,047	153,463	(2,584)	
Total for Sports and Leisure	2,065,840	(322,996)	(545,281)	(222,286)	This variance reflects a number of smaller variances across both expenditure and income budgets with one of the most significant items being beach hut income which is ahead of the profile. In addition it also reflects the timing of expenditure against budgets such as utilities and building repairs.
Total for Housing	1,269,280	288,472	262,876	(25,597)	

Department - Operational Services

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Total for Building and Engineering	12,800	611,227	477,658	(133,569)	The current position reflects the timing of expenditure against budgets such as utilities and building repairs.
Total for Operational Services	11,683,480	2,010,505	1,390,383	(620,122)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2016

Department - Planning

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	1,710,880	406,432	362,178	(44,254)	406,432	
Premises Related Expenditure	2,230	557	0	(557)	557	
Transport Related Expenditure	27,570	6,893	5,851	(1,042)	6,893	
Supplies & Services	1,655,910	410,903	34,156	(376,746)	393,933	
Total Direct Expenditure	3,396,590	824,785	402,185	(422,600)	807,815	
Direct Income						
Other Grants, Reimbursements and Contributions	0	0	(100)	(100)	0	
Sales, Fees and Charges	(1,369,120)	(337,958)	(383,140)	(45,182)	(337,958)	
Total Direct Income	(1,369,120)	(337,958)	(383,240)	(45,282)	(337,958)	
Net Direct Costs	2,027,470	486,827	18,946	(467,882)	469,857	
Net Indirect Costs	599,030	0	0	0	0	
Total for Planning	2,626,500	486,827	18,946	(467,882)	469,857	

Department - Planning

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Head of Planning and Customer Services	0	76,790	96,477	19,687	
Total for Planning and Development	797,400	25,573	(44,131)	(69,703)	Planning fee income is currently running just ahead of profile at the end of June (£37k).
Total for Planning Policy	1,695,660	368,332	(28,968)	(397,300)	As in previous quarters, the timing of expenditure against the Local Plan budget is associated with the various strands of work that are required to deliver this project that spans financial years. A major element of the process relates to the examination of the plan in public, where it is anticipated that a high level of expenditure will be incurred against this budget.
Total for Building Control	133,440	16,132	(4,433)	(20,565)	
Total for Planning	2,626,500	486,827	18,946	(467,882)	

Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of June 2016

Housing Revenue Account

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	798,630	96,825	90,133	(6,692)	96,825	This position primarily reflects the timing of repairs and maintenance work to tenant's properties in addition to delays in the payment of utility bills as the supplier has yet to provide updated bills / information.
Premises Related Expenditure	3,633,200	535,481	199,177	(336,304)	844,017	
Transport Related Expenditure	18,320	4,580	4,520	(60)	4,580	
Supplies & Services	451,470	123,471	88,995	(34,475)	85,260	
Third Party Payments	1,030	258	0	(258)	258	
Transfer Payments	17,000	4,250	6,680	2,430	4,250	
Interest Payments	1,533,470	(39,480)	(39,473)	7	454,980	
Total Direct Expenditure	6,453,120	725,384	350,033	(375,351)	1,490,169	
Direct Income						
Government Grants	(45,000)	0	0	0	0	
Other Grants, Reimbursements and Contributions	(8,000)	0	(6,277)	(6,277)	0	
Sales, Fees and Charges	(678,370)	(148,330)	(172,615)	(24,285)	(237,968)	
Rents Receivable	(13,663,150)	(3,130,591)	(3,200,182)	(69,591)	(3,702,847)	
Interest Receivable	(61,600)	0	0	0	0	
Total Direct Income	(14,456,120)	(3,278,921)	(3,379,074)	(100,153)	(3,940,815)	
Net Direct Costs	(8,003,000)	(2,553,537)	(3,029,042)	(475,505)	(2,450,646)	
Net Indirect Costs	8,003,000	0	0	0	0	
Net Contribution to/(from) Reserves	0	0	0	0	0	
Total for HRA	(0)	(2,553,537)	(3,029,042)	(475,505)	(2,450,646)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2016

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Expenditure					
Commercialisation Portfolio					
Replacement of beach hut supports - The Walings	11,620	0	0	0	
Clacton Seafront Improvements	3,330	0	0	0	
Coast Protection - Cliff Road Sea Wall	15,130	15,130	0	(15,130)	
Coast Protection - Clacton and Holland Works	2,540	2,540	7,971	5,431	
Venetian Bridge Clacton	165,240	5,030	5,025	(5)	
New Beach Huts	64,600	0	0	0	
Seafront Cafe Design & Planning	17,520	0	0	0	
Beach Rake and Tractor	50,000	28,000	28,000	0	
Cliff Stabilisation Scheme	5,028,100	0	0	0	
Frinton Resurfacing Works	30,130	30,130	30,124	(6)	
Total for Commercialisation Portfolio	5,388,210	80,830	71,121	(9,709)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2016

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Corporate Services Portfolio					
Joint HR and Payroll System	14,250	3,563	2,497	(1,065)	
Individual Electoral Registration - Scanning Equipment	10,830	0	4,150	4,150	
Total for Corporate Services Portfolio	25,080	3,563	6,647	3,085	
Enforcement and Community Safety Portfolio					
Westleigh House Demolish/additional parking provision	23,710	0	0	0	This scheme remains on hold whilst the wider review of Assets is undertaken as part of the Financial Strategy process for 2017/18
Commercial Property Investment Fund	750,000	0	0	0	
Information and Communications Technology Core Infrastructure	86,780	0	216	216	
IT Strategic Investment	416,940	0	13,526	13,526	
Inspire Annexe III New Burden set up	6,770	0	4,750	4,750	
New Committee Management System	10,500	0	0	0	
Enhanced Equipment replacement - Printing and Scanning	31,500	31,500	27,884	(3,616)	
Total for Enforcement and Community Safety Portfolio	1,326,200	31,500	46,377	14,877	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2016

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Environment Portfolio					
Cremator Replacement and Crematorium Car Park	24,990	24,990	(16,004)	(40,994)	
Brook Country Park	530	0	0	0	
Cranleigh Close, Clacton, landscaping works	13,650	4,990	4,990	0	
Environmental Health Database Migration	5,250	0	0	0	
Public Access Module to CAPS	56,000	0	0	0	
Laying Out Cemetery	179,710	5,000	4,190	(810)	
Lower Marine Parade D'Court Putting Green Enhancements	18,380	0	0	0	
Football Field & Play Area, Hare Green Rec, Gt Bromley	4,160	0	0	0	
Crematorium Flower Court Extension	150,000	0	0	0	
Road Resurfacing, Kirby Playing Field	37,710	0	0	0	
Total for Environment Portfolio	490,380	34,980	(6,824)	(41,804)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2016

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Finance, Revenues and Benefits Portfolio					
Replacement of High Volume Printers	29,000	0	0	0	The existing machine is currently being maintained. This position is being monitored to identify if any further commitment is required against this budget.
Replacement of Northgate Unix Server	60,000	0	0	0	The existing equipment is currently being maintained. This position is being monitored to identify if any further commitment is required against this budget.
Audit management software	2,230	0	0	0	
Replacement debit and credit card payment facility	14,630	0	0	0	
Replacement Scan Stations	42,000	0	0	0	
Agresso e-procurement	84,000	0	0	0	
Total for Finance, Revenues and Benefits Portfolio	231,860	0	0	0	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2016

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Housing Portfolio					
Town Hall - replacement of fire alarm system	53,000	53,000	52,700	(300)	
Alteration of Redundant Cash Office	29,260	0	0	0	
Private Sector Renewal Grants/Financial Assistance Loans	625,140	0	(31)	(31)	
Disabled Facilities Grants	2,646,600	342,400	339,674	(2,726)	
Private Sector Leasing	42,660	2,415	0	(2,415)	
Empty Homes funding	164,220	0	0	0	
Total for Housing Portfolio	3,560,880	397,815	392,342	(5,473)	
Leisure, Health and Wellbeing Portfolio					
Frinton & Walton Swimming Pool Re-Development	103,850	88,850	88,950	100	
Clacton Leisure Centre Air Handling Units	50,000	2,000	1,875	(125)	
Total for Leisure, Health and Wellbeing Portfolio	153,850	90,850	90,825	(25)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2016

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Planning and Regeneration Portfolio					
Clacton Regeneration	42,340	0	631	631	
Regeneration Capital Projects	308,000	0	0	0	
Total for Planning and Regeneration Portfolio	350,340	0	631	631	
Total Approved General Fund Capital Programme	11,526,800	639,538	601,120	(38,418)	

Corporate Budget Monitoring - Housing Revenue Account Capital Programme Budget Position at the end of June 2016

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2016/17 Actual to date £	2016/17 Variance to Profile £	Comments
Housing Revenue Account					
Improvements, enhancement & adaptation of the Council's housing stock	4,280,730	490,912	477,566	(13,345)	This budget covers a range of individual schemes which will be delivered as the year progresses and are subject to the appropriate procurement processes, which are planned, being progressed or are underway.
IT Upgrade & Replacement	20,000	0	0	0	
Disabled Adaptations	479,980	81,000	80,844	(156)	
Cash Incentive Scheme	60,000	0	0	0	
New Build Initiatives and Acquisitions	2,183,300	10,000	9,515	(485)	
Total Housing Revenue Account Capital Programme	7,024,010	581,912	567,925	(13,987)	

Corporate Debt : Position at the end of June 2016

The position against General debt and Housing debt are set out below.

GENERAL DEBT

	Amount collectable to date £'000	Arrears this month £'000	Arrears last month £'000	Arrears this month as % of Amount Collectable to date %		Comments
Sundry / General Debt	2,833	392	540	13.84%		<p>The current level of debt remains consistent with previous years albeit the arrears % is a little lower compared with the same period in 2015/16.</p> <p>Appropriate recovery action will be taken in respect of all outstanding amounts.</p>

HOUSING RENTS

	Total Due for the Year £'000	Amount collectable to date £'000	Arrears this month £'000	Arrears last month £'000	Arrears this month as % of Total Due %	Comments
Housing Rents and Service Charges	13,954	3,198	266	266	1.91%	No significant issues have arisen to date.

Treasury Activity : Position at the end of June 2016

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

TREASURY ACTIVITY

Borrowing	Opening Balance 1 April £'000	Borrowing to date £'000	Borrowing Repaid to date £'000	Balance to Date £'000	Comments
Long Term PWLB Borrowing - GF	1,055	0	0	1,055	
Long Term PWLB Borrowing - HRA	47,063	0	540	46,523	
TOTAL BORROWING	48,118	0	540	47,578	
Investments	Opening Balance 1 April £'000	Investments to date £'000	Investments Repaid to date £'000	Balance to Date £'000	Comments
<i>Investments less than a year</i>					
Investments with UK Government via Treasury Bills/Investments with DMO, and Local Authorities and other public bodies	32,600	66,200	54,050	44,750	Net investments have increased over the reporting period due to the timing of the Council's cash flow such as expenditure budgets behind profile or income being received ahead of expenditure.
Investments with UK financial Institutions (including Money Market Funds)	12,660	13,304	12,100	13,864	At the end of the period, investments were held with 7 counterparties.
Investments with non-UK Financial institutions	0	0	0	0	
Total Investments for less than a year	45,260	79,504	66,150	58,614	
<i>Investments for longer than a year</i>	0	0	0	0	
TOTAL INVESTMENTS	45,260	79,504	66,150	58,614	
Interest Paid / Received	Full Year Budget £'000	Profiled Budget to Date £'000	Actual to Date £'000	Variance to date £'000	Comments
Interest Paid on Borrowing - GF	83	0	0	0	The weighted average rate of interest on the Council's GF borrowing is currently 8.21%. (on an accrued basis)
Interest Paid on Borrowing - HRA	1,533	39	39	0	The weighted average rate of interest on the Council's HRA borrowing is currently 3.28%. (on an accrued basis)
Interest Received on Investments	(236)	(62)	(72)	(10)	The weighted average rate of interest being received on the Council's investments is currently 0.48%. (on an accrued basis)

PRUDENTIAL INDICATORS

	Approved Indicator £'000	Highest amount reached in the period £'000	Comments
Authorised limit for external borrowing	74,968	48,118	Borrowing has remained within approved limits.
Operational boundary for external borrowing	67,471		
Debt Cap - HRA	60,285		

Income from S106 Agreements

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

The information below relates to only S106 amounts applicable to TDC.

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

ALLOCATED / BEING SPENT

Scheme	Amount Committed / Planned to be Spent in 2016/17 (including accrued interest as appropriate) £'000
Capital Schemes	
Road Resurfacing, Kirby Playing Field	38
Cranleigh Close, Clacton - landscaping works	14
Football Field and Play Area, Hare Green Recreation Ground	4
Lower Marine Parade - Putting Green Improvements	18
Revenue Schemes	63
TOTAL	137

UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date			
	Less than 1 Year £'000	1 to 2 Years £'000	2 to 4 Years £'000	4 years + £'000
Regeneration Programme and Initiatives*	10	0	0	7
Affordable Housing**	102	0	91	43
Town Centre Improvements	0	0	0	42
Open Space***	6	40	93	714
TOTAL	118	40	184	806

* For schemes with a 'spend by' date of less than one year, this money must be spent by September 2016

** For schemes with a 'spend by' date of less than one year, this money must be spent by June 2017

*** For schemes with a 'spend by' date of less than one year, £2k must be spent by January 2017 and £4k must be spent by April 2017

Corporate Budget Monitoring - General Fund Income

Budget Position at the end of June 2016

Income Analysis

	2016/17 Current Full Year Budget £	2016/17 Profiled Budget to date £	2015/16 Actual £	2016/17 Variance to Profile £
Leisure Facilities	(2,252,420)	(548,184)	(526,098)	22,086
Development Control - Chargeable Account	(960,000)	(240,000)	(277,973)	(37,973)
Building Regulations-Chargeable Account	(208,910)	(52,228)	(54,899)	(2,672)
Land Charges	(178,960)	(44,740)	(50,207)	(5,467)
Cemeteries	(311,550)	(65,159)	(83,171)	(18,012)
Crematorium	(1,285,220)	(347,530)	(384,006)	(36,476)
Recreation Grounds	(30,530)	(7,633)	(6,070)	1,562
Beach Hut Sites	(888,760)	(865,776)	(932,418)	(66,642)
Careline	(607,620)	(134,932)	(155,526)	(20,594)
Licencing	(279,350)	(69,838)	(55,964)	13,874
Car Parks - Off St	(630,580)	(179,275)	(165,922)	13,353
TOTAL	(7,633,900)	(2,555,294)	(2,692,254)	(136,960)

LCTSS, Council Tax and Business Rates

The cost / collection performance and analysis of the Local Council Tax Support Scheme / Council Tax along with the level of Business Rates collected to date is set out as follows:

COUNCIL TAX AND LOCAL COUNCIL TAX SUPPORT SCHEME

COLLECTION FUND	Budget £	Actual £	Variance £	Comments			
Cost of LCTS Discounts	12,210,000	11,856,552	(353,448)	This will be subject to fluctuations over the year as claims are made or ended.			
LCTS Hardship Relief	26,550	508	(26,042)				
COUNCIL TAX COLLECTION PERFORMANCE	Budgeted Collection £	Actual Collection £	Variance £	Accounts where LCTS Awarded Actual Collection %	(for the same period last year) Accounts where LCTS Awarded Actual Collection %	TOTAL Actual Collection %	(for same period last year) TOTAL Actual Collection %
Apr to June	21,080,268	21,362,634	(282,366)	22.35	22.69	29.59	29.67
July	27,548,771				30.87		38.71
August	33,834,203				36.32		47.51
September	40,451,875				42.97		56.75
October	46,872,915				48.71		65.75
November	53,293,955				54.18		74.72
December	59,728,556				67.40		83.75
January	65,878,380				77.34		92.36
February	67,573,481				81.11		94.76
March	68,916,000				84.19		96.65
Comments	There are no significant issues to highlight to date						

LCTSS, Council Tax and Business Rates

BUSINESS RATES RETENTION

BUSINESS RATES COLLECTION PERFORMANCE	Budgeted Collection £	Actual Collection £	Variance £	TOTAL Actual Collection %	(for the same period last year) TOTAL Actual Collection %	Comments
Apr to June	8,565,127	8,136,120	429,007	29.60	31.61	Although this position will remain under review over the next quarter, figures to the end of July indicate an improving position compared with that at the end of June, the period which this report covers.
July	11,023,637				40.81	
August	13,288,234				49.06	
September	15,677,183				57.96	
October	18,070,835				66.84	
November	20,416,929				75.46	
December	22,743,361				84.12	
January	24,963,972				92.41	
February	25,796,444				65.66	
March	26,463,000				98.22	

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Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

9 SEPTEMBER 2016

REPORT OF FINANCE, REVENUES AND BENEFITS PORTFOLIO HOLDER

A.4 CAPITAL STRATEGY 2016/17 TO 2019/20

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out for approval a revised Capital Strategy covering the period 2016/17 to 2019/20.

EXECUTIVE SUMMARY / CURRENT POSITION

The current Capital Strategy was approved by Cabinet in September 2011 and it is therefore timely to update it to not only take account of changes to the Council's financial environmental but also to include more practical guidance on what is expected to be included in individual capital investment decisions to promote consistency and reflect the most up to date financial governance requirements.

An updated Capital Strategy covering the period 2016/17 to 2019/20 is therefore attached.

RECOMMENDATION(S)

That Cabinet approve the updated Capital Strategy attached covering the period 2016/17 to 2019/20.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Capital Investment decisions have a key role in supporting the delivery of the Council's Priorities. Capital Investment policies set out the high level framework within which investment decisions are made to promote consistency and effective use of resources.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

There are no direct financial implications as these would form part of the Financial Strategy, Treasury Management processes and in-year investment decisions during the course of the year as appropriate.

Risk

Agreement of the Capital Strategy has limited risk directly. However, any capital investment must take into account a number of issues which are set out within the Capital Strategy itself.

LEGAL

The Local Government Act 2003 sets out the requirements in relation to capital

expenditure and financing.

OTHER IMPLICATIONS

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

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no other direct implications although all of the above would form part of the decision making processes when considering individual capital projects / investments.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Attached - Capital Strategy 2016/17 to 2019/20



CAPITAL STRATEGY

2016/17 to 2019/20

INTRODUCTION

The Capital Strategy is an overarching document that sets out the Council's approach to Capital Investment and how it seeks to deliver value for money against the following underlying key principal, which is subject to review by the Council's External Auditor each year:

In all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people

Against this backdrop, The Capital Strategy is divided into two sections:

Section A provides an introduction and sets out the context for the Capital Strategy. It sets out how the plan links to corporate priorities and shows how they link to other key resource strategies and the related roles and responsibilities of members and officers.

Section B covers the framework within which capital financing decisions are considered and provides background to the funding sources available to meet the costs of capital projects.

SECTION A - ACHIEVING OUTCOMES / DELIVERING AGAINST PRIORITIES

CORPORATE PRIORITIES

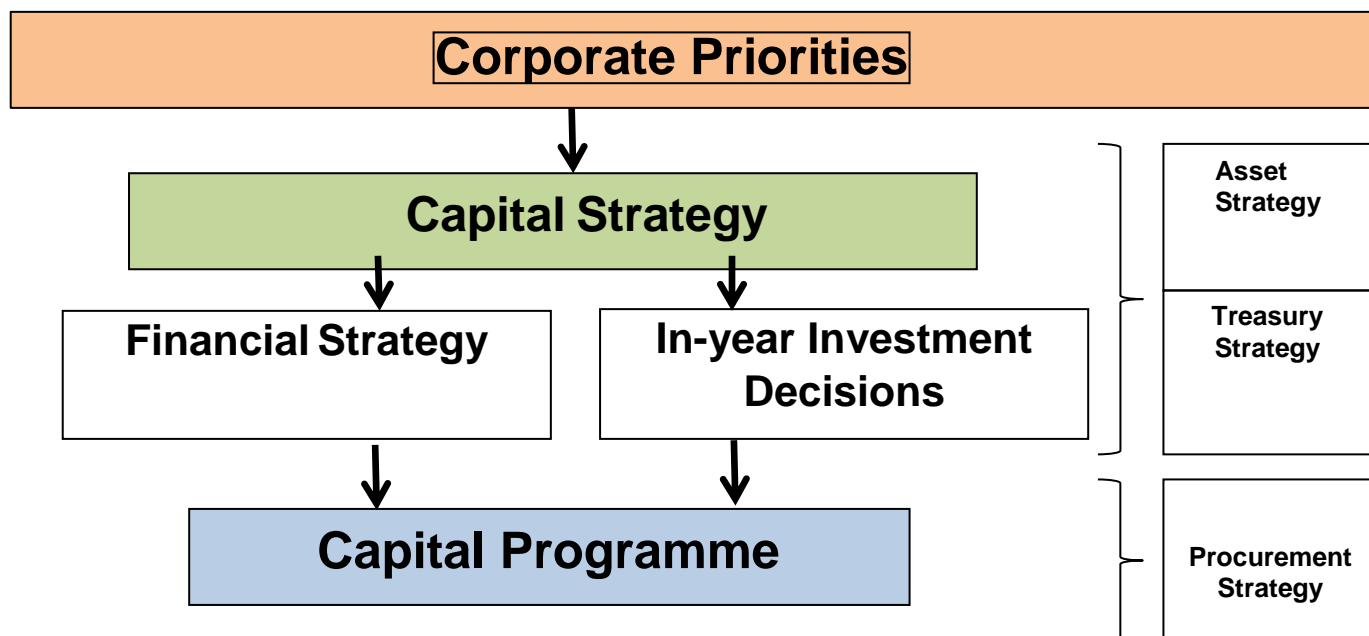
The Capital Strategy is subject to on-going review and has a key role in supporting the delivery of the Council's Corporate Priorities.

The Capital Strategy aims to set out the arrangements and processes in place to manage capital resources, the relationship with the Council's other key resource strategies and the practical / sustainable outcomes of those arrangements and processes by:

- 1) Setting out how schemes are evaluated and prioritised within the resources available.
- 2) Ensuring that any investment decision is prudent, sustainable and affordable in accordance with the prudential code and therefore represents value for money.
- 3) Setting out the performance processes in place to ensure that projects are delivered on time and within budget
- 4) Ensuring that expected outcomes are delivered and lessons learnt from previous investment decisions.

LINKS TO OTHER KEY STRATEGIES

The ability of the Council to undertake capital investment to deliver its corporate objectives will be influenced or have direct links to a number of strategies, with the key 'links' out below:



The above sets out the strategies / processes that are more closely aligned to the capital investment decision but are by no means exhaustive. Although subject to changes over the life of this Strategy, other key strategies and policies may also need to be reflected in the investment decision such as those associated with workforce / staff capacity and ICT delivery. Decision making must therefore reflect these requirements where relevant / necessary.

In respect of ICT within the Council, associated strategies or requirements set out how the Council intends to use technology to support service delivery and transforming the way it delivers its services. ICT is therefore recognised as a key enabler in supporting capital investment and delivering sustainable outcomes.

The **Financial Strategy** plays a pivotal role in developing and delivering capital investment. The Financial Strategy not only determines the financial resources available to fund capital investment, both in terms of the initial investment and any revenue consequences of the capital investment itself, it also provides a framework for the consideration and prioritisation of capital projects. It is however recognised that to remain flexible to take advantage of investment opportunities that may arise outside of the annual Financial Strategy process, decisions may be required during the year in line with the Council's Financial Procedure Rules. To ensure consistency, such decisions should also follow the same requirements set out within the Capital Strategy.

The Treasury Strategy is also highlighted above as a key influence as it sets out the Council's overall approach to debt and borrowing. This approach along with affordability form part of the investment decisions that are brought together via the Financial Strategy process or as part of separate investment decisions during the year.

Other significant influences include the Local Development framework (LDF) which sets out the Council's vision for change and new growth in the Tendring District in the long term which could present the Council with investment opportunities for consideration alongside other investment options.

ROLES AND RESPONSIBILITIES IN RESPECT OF THE CAPITAL STRATEGY AND THE FORMULATION AND MONITORING OF THE CAPITAL PROGRAMME

Management Team – As the most senior officer team of the Council the Management Team approves the Capital Strategy for submission to Cabinet and having regard to the Council's priorities, recommends projects for inclusion in the Capital Programme in consultation with Portfolio Holders / Cabinet (via the Financial Strategy Process). Management Team also considers all investment decisions prior to formal reporting to Members especially those associated with in-year investment decisions that it may not have been possible to include within the annual Financial Strategy process.

Departments support Management Team in the above process through the development and investigation of investments opportunities and submitting reports in support of the associated capital projects.

Cabinet (including Portfolio Holders acting within approved delegations) – The Cabinet recommends the 5 year capital programme to Council. The Cabinet and the Finance, Revenues and Benefits Portfolio Holder can, within the limits set by the Council's Financial Procedure Rules, approve supplementary estimates or approve virements between schemes during the year as part of separate investment decisions. The Cabinet is required to approve the Capital Strategy as and when significant changes are necessary.

Council – Approves the 5 year Capital Programme as part of the Financial Strategy and budget setting process in February each year.

Subject to the limits set out in the Council's Financial Procedure rules, Council may be required to approve supplementary estimates to increase the costs of approved schemes or add new schemes over and above amounts that individually or on aggregation are over and above those amounts ordinarily agreed by Cabinet as part of in-year investment decisions.

CONSULTATION

The views of the local community are an important element in developing the priorities for the Council. Although this can be achieved in a number of ways depending on the specific investment that is considered, the Council continues to undertake a budget consultation exercise each year as part of the Financial Strategy Process.

MONITORING OF THE CAPITAL INVESTMENT / CAPITAL PROGRAMME

In terms of performance and monitoring the delivery of capital investment, this is primarily achieved through the existing and comprehensive financial processes such as the Financial Strategy and budget setting process, outturn review and the Corporate Budget Monitoring process. In respect of the Corporate Budget monitoring process, an update on the delivery of projects and the position against the budget is included. The Corporate Budget Monitoring Report is reported to both Cabinet and the Corporate Management Committee on a Quarterly basis during the year. Significant Capital Projects also form part of the Council's separate Performance Monitoring processes that are also reported to Members on a quarterly basis. The decision to include items in the performance report will be based on risk, materiality, scale and associated governance arrangements and will be determined as part of the annual performance plan process that involves Departments, Management Team and Members.

Where capital investment is material, the scheme or project may be subject to review by internal audit which would be at the discretion of the Internal Audit and Governance Manager as part of the annual Internal Audit Plan or if required by other key stakeholders.

SECTION B - CAPITAL INVESTMENT AND SOURCES OF FUNDING.

CAPITAL INVESTMENT CONSIDERATIONS

The Council's capital investments are made in accordance with the Prudential Code, which aims to ensure that the capital investment plans of local authorities are affordable, prudent, and sustainable, which should also include where necessary a prioritisation and appraisal process. Under the code the Council is free to determine the amount it borrows to finance capital investment.

All of the Council's capital investment is managed in accordance with the requirements of the Prudential Code. The prioritisation of capital investment is directly linked to the Financial Strategy and/or in-year budget amendment processes as previously explained which are undertaken in an open and transparent manner.

Schemes that are agreed but not funded as part of the Financial Strategy Process should where relevant / practical be considered a prioritised list which in effect becomes a 'live' schedule of investment opportunities against which further investment opportunities should be considered during the year.

The Council faces significant financial challenges over the period of this Capital Strategy due to the significant year on year reductions in Government Funding. Although the Council is taking the necessary steps in moving to a self-sufficient position from 2020/21 the financial forecast has identified that a significant level of savings is required over the next few years and in order to deliver the level of efficiencies and transformation that will support the identification of the required savings, the following key principles have been identified which should form the basis of capital investment decisions:

Design schemes /projects to limit as far as possible any negative impact on the Council's on-going revenue budget.
Promote capital investment which allows either invest to save outcomes or generates a revenue and/or capital return and/or generates additional external grant (e.g. new homes bonus) or core funding (e.g. Business Rates) whilst clearly setting out how it contributes to the Council's Corporate Priorities
Foster effective working relationships with potential funders / partners
Carefully consider value for money and efficiency of projects and associated outcomes
Project risk is fully explored and mitigating actions identified and taken as necessary
Ensure appropriate project management tools are used where necessary and the Council has the capacity to deliver the project
Responsibility for the delivery of the project is clearly defined and understood

Although not always necessarily subject to formal reporting, Departments are expected to evidence the outcome from any investment undertaken against the key criteria set out within this Capital Strategy to inform future investment decisions with high level information being available within the usual performance / budget monitoring reports.

To promote consistency, a quick reference guide for detailed information that is expected to form part of any investment decisions is set out as **Appendix A**

Impact assessments may be required depending on the specific capital investment decisions being considered. Therefore Departments are expected to consider whether it is necessary to complete an impact assessment based on the Council's usual processes and documentation at the time a decision is made.

SOURCES OF FUNDING

Capital investment will have to be undertaken within the Council's limited resources and challenging financial environment.

In limited cases the cost of capital investment is supported by external grants / contributions. Any other capital investment the Council wishes to make has to be funded from its own resources or by borrowing (the revenue cost being met entirely by the Council). The Council's Financial Strategy includes consideration of a five-year forecast, taking into account the revenue implications of capital investment plans and the resources available to fund capital investment. The level of capital investment will be constrained by the available resources identified via the Financial Strategy process including revenue contributions or the ability to attract external funding and the generation of capital receipts. Any decision to invest in capital projects will need to match the available resources against criteria set out above including how it meets corporate priorities.

In planning any capital investment to contribute towards the achievement of the Council's priorities, the following resources are available:

- a) **Revenue Funding (Including Reserves)**– This continues to be limited each year given the challenging financial environment and on-going government grant reductions. This funding stream will need to be considered within the overall financial planning processes each year, including that for the HRA which operates under a self-financing environment where changes in Government Policy have limited revenue contributions to capital projects.
- b) **Capital grants/contributions** - These have contributed significantly to past and current capital projects and many aspects of the Council's and its partners' objectives can only be met if this funding source continues to be pursued. Recent community objectives have been met by successful grant applications. Section 106 money flowing from the planning process is also a significant source of external funding.
- c) **General Fund Capital Receipts** – It is acknowledged that the Council's current property / land holdings are not of significant high value or volume. Nevertheless the Council recognises this important funding source and continually reviews its assets as part of the separate Asset Management Strategy which provides the context to consider opportunities to dispose of any assets that are surplus to requirements and/or not contributing to the delivery of the Council's priorities or where they provide alternative investment opportunities.
- d) **Borrowing within the Prudential Framework (Prudential Borrowing)** - The Council has the freedom to borrow to finance its capital expenditure provided it can demonstrate the prudence of the investment and its affordability.

CAPITAL STRATEGY CONCLUSIONS

The Capital Strategy sets out the high level arrangements and processes to ensure that capital investment is managed within the Council's overall financial framework. It aims to ensure that limited resources are applied consistently and effectively towards delivering the priorities of the Council. It links together the capital expenditure implications of various plans and strategies.

QUICK REFERENCE GUIDE - Information Expected to be Included in Capital Investment Decisions Where Relevant

Formal Investment Considerations / Decisions / Business Cases
Link to Priorities
Return on Investment / Net Present Value
Whole Life Costing / Revenue Consequences
Payback Periods
Risks
Alternative Options / Opportunity Costs
Sustainability
Financial Resources Available / Funding Options
Impact assessment where relevant
Capacity / Deliverability
Other considerations / important information to discuss / share with relevant internal department(s) and / or for inclusion in the formal decision making process if significant
Cash Flow Forecasts
VAT Arrangements / Implications
Insurance issues
Risk Management implications
Procurement processes

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

9 SEPTEMBER 2016

REPORT OF LEISURE, WELLBEING AND PARTNERSHIPS PORTFOLIO HOLDER

A.5 UPDATE ON COMMUNITY PROJECTS – EDUCATION AND HEALTH

(Report prepared by Rebecca Morton, Anastasia Simpson, John Fox and Charlie Fripp)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide an update on community projects relating to education and health and to ask Cabinet to endorse those projects.

EXECUTIVE SUMMARY

- The Council's Corporate Plan 2016-2020 puts Community Leadership at the heart of everything we do and within this context a number of projects are being undertaken to support the education and health agendas across the District.
- The Council has a track record of supporting and working with partners and has already helped to deliver improvements in these areas.
- Current specific projects in relation to education are formed around the following:-
 - Teacher recruitment
 - Emotional and Wellbeing Health School Hub
 - Post 16 provision
 - Teacher accommodation
 - Building bridges with universities
 - School places
- Current specific projects in relation to health are formed around the following:-
 - Parkrun Clacton
 - Falls prevention
 - Housing checklist
 - Breastfeeding Friendly Cafes
 - Making every contact count
 - Tending Mental Health Hub
 - Tending Health and Wellbeing Board
- It is proposed that the health projects identified above are those that will be monitored through the Performance Plan in relation to the target around Health and Wellbeing with further projects being added as they are developed.
- The projects identified above will continue to form the subject of regular updates to the Portfolio Holder.
- Engagement in these areas is supplemented by the work of the Community Leadership and Partnerships Committee which provides overview and scrutiny of these sectors as part of its work programme.

RECOMMENDATION(S)

It is recommended that:-

- a) Cabinet endorses the listed projects as those which will continue to be delivered in 2016/17 in support of the Corporate Plan priorities; and**
- b) the currently identified health related projects be monitored through the Council's Performance Plan as part of the Health and Wellbeing indicator together with future projects agreed with the Portfolio Holder.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council's Corporate Plan 2016-2020 puts Community Leadership at the heart of everything we do, and within that has a focus on education and health through the following priorities:-

- Facilitate improved qualification and skills attainment
- Enable better job prospects
- Promote healthier lifestyles and wellbeing
- Support improved community health

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Most of the projects identified rely on the input of officer time to make them work. In 2015/16 the Council provided £20,000 towards the Mental Health Hub pilot and in 2016/17 the Tendring Responsible Authorities Group has provided £3,000. Specific funding of £3,000 has been received from Active England for the Clacton parkrun. Otherwise any costs to support these projects are minimal and have been met from existing budgets.

Risk

There is a limited risk that projects may fail. However, robust project management and good partnership working help to mitigate this.

LEGAL

It is recognised that Tendring District Council does not have specific powers in relation to education or health but through its Community Leadership does engage with partners in supporting improvements in relation to both these areas.

OTHER IMPLICATIONS

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

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications in respect of the above areas.

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The Council's Corporate Plan 2016-2020 puts Community Leadership at the heart of everything we do and within this context a number of projects are being undertaken to support the education and health agendas across the District.

Education

A priority has been to ensure that partnership working continues to be effective and that the Council continues to provide support, encouragement and commitment to working collaboratively with schools to improve attainment levels and opportunities for children and young people across the District.

The work being undertaken to support the Education agenda also follows the Essex Children and Young People's Strategic Plan 2016, which includes ensuring that children are emotionally healthy, have positive futures and have access to good quality education, training and work opportunities.

As of July 2016, 88% of schools in Tendring are now rated good or outstanding. This is 1% above the national average.

Health

Health and Wellbeing became a statutory responsibility for upper tier and unitary authorities in local government from April 2013. However, District Councils play a vital role in the Health and Wellbeing agenda and in Tendring it was agreed that a local Health and Wellbeing Board would be beneficial in bringing together stakeholders in an attempt to share knowledge and join up healthcare provision for the benefit of our residents. The Board has established the priorities for the Tendring District which are Mental Health, Long Term Conditions and Obesity. The local Health and Wellbeing Board has representation from the North East Clinical Commissioning Group (CCG) and Head Commissioner for Public Health and Wellbeing and more recently from Colchester Community Voluntary Services.

Closer working with Colchester Borough Council has resulted in a shared recruitment of Health Improvement Co-ordinators and regular attendance at our local Health and Wellbeing Board over the last year.

PROJECTS AND PRIORITIES

The following sets out details of specific projects which are being undertaken, in partnership, to support the education and health agendas within the District.

Education

- **Teacher Recruitment**

Teacher recruitment and retention continues to be very important for schools nationally and within Tendring.

Teach First is a national organisation that operates both as a training provider and recruitment agency and the authority has been working with schools and Teach First to encourage them to place teachers and work more closely with schools in the Tendring area.

The organisation held its first partnership conference in Tendring with Senior Executives and Canterbury Christ Church University representatives on 6th May 2016 and the Head of People, Performance and Projects attended the meeting to welcome participants, set the scene regarding the District, provide an overview of demographics/ school attainment data and explain the partnership working arrangements between the District and schools.

Following this conference, Teach First launched their summer school, for students commencing teacher training at Clacton County High School.

It is anticipated that Teach First will place teachers in the area next year; this will include providing support to all Clacton primary and secondary schools and the Harwich primary schools. A discussion is on-going about the Harwich secondary school; however it is anticipated that Teach First will also include Harwich secondary school if they would like to be involved.

The organisation complimented Tendring's partnership arrangements with schools, post 16 providers, Essex County Council and other stakeholders.

- **Emotional and Wellbeing Health School Hub**

Mental health affects all aspects of a child's development including cognitive abilities, social skills and emotional wellbeing. Building emotional resilience is essential and with good mental health children are able to deal with stress, difficult times and are able to learn better, do better at school and enjoy more.

The Council has a role and commitment to supporting schools to raise attainment levels across the District and supporting the mental health agenda within schools has a direct link to improved pupil performance and attainment levels.

Within Tendring, one of the Cluster Lead Head teachers at Great Bentley Primary School (there are five clusters of schools across the District) has volunteered to pilot an Emotional and Wellbeing after school hub. The hub will operate as an after school facility with trained Youth Mental Health First Aiders, who will be available to sign post young people and recognise the early signs of any mental health issues. The first aiders will not be trained clinicians, they will be teachers who have additional training to be able to recognise the signs of emotional and mental health issues and be able to signpost pupils and their parents/carers. The training will be the Youth Mental First Aid Instructor Training, provided by Mental Health First Aid England www.mhfaengland.org. This is a similar approach to the Health and Wellbeing Champions that work within the authority.

The initial trainer for the programme will be the Executive Projects Officer and possibly another teacher from the pilot school who will be the Instructors and will deliver the training initially to teachers in the pilot school. It is intended to evaluate the progress with the pilot with a view to cascading training through the clusters to enable schools across Tendring to have the skills and training to be able to facilitate their own individual school Emotional and Wellbeing Hubs.

This project will be discussed in more details at the next Health and Wellbeing Board.

- **Post 16 Provision**

A Post 16 meeting with local education providers, Councillors and Officers was held on 21st April 2016 to discuss Education provision and the support available to students

particularly if they are travelling outside of the District, for example to Colchester Institute, Colchester Campus. The colleges provided information about discretionary grants available to students and how these grants could be used to fund both transport and essential class equipment. All attendees found the meeting useful as providers appear to offer different provision varying from some very small providers within Tendring supporting 100 learners to Colchester Institute, which has 10,000 enrolments per year. The providers had a discussion about support offered to learners particularly when transferring from one provider to another e.g. a student could undertake a Level 2 programme in Tendring and move to a Level 3 programme at Colchester Institute and may require some additional support moving across to a larger campus. The providers asked whether the Council could facilitate a six monthly meeting for the providers to network and share best practice to support Post 16 provision within Tendring and the Executive Projects Officer is working with the providers to disseminate additional information e.g. information about discretionary grants to secondary schools.

- **Teacher Accommodation**

Teacher accommodation has been cited as the main priority and recruitment incentive that can be offered to attract and retain teachers by the Counties Lead Commissioner - Primary Schools. Further information is currently being collated to analyse the extent of the issue within Tendring schools.

Officers are currently considering what possibilities might exist to assist with the provision of key worker housing.

- **Building Bridges with Universities**

Memorandums of Understandings are now in place with University of Essex and Anglia Ruskin University. A representative from Anglia Ruskin attended the then Education and Skills Committee and provided a variety of options to support schools within the District and Headteachers are keen for the university to provide more support. It was agreed at the Committee that the focus should be providing additional support for Primary schools within Tendring as the secondary schools already had established links and contacts. In the autumn term, a representative from the Anglia Ruskin University will attend the Tendring Education Improvement Group meeting to discuss and agree ideas with the Primary Cluster Headteachers directly and determine actions going forward.

- **School Places**

At a recent officer meeting, the School Organisation Officer, Essex County Council explained the ECC, 10 Year Plan regarding school places and the Tendring scene. A representative from Essex County Council will be invited to attend the Community Leadership and Partnership Committee meeting on 3rd October 2016 to discuss with the Committee the longer term implications for Tendring. Very briefly and in summary the Plan shows that some areas are forecast to require additional school places e.g. Clacton (possibly a further 63 Reception places by 2025/26) and other areas e.g. Manningtree will still have a potential small surplus of places in 2025/26. The forecasters primarily use General Practitioners registrations to prepare the data and the School Organisation Officer's role is to work with schools and other partners to ensure that there are sufficient school places within Tendring and Colchester for both Primary and Secondary admissions.

- **The Next Challenges for Education**

- To continue to raise standards

- To build capacity in schools through working together e.g. joint recruitment campaigns and sharing resources, and holding each other to account
- To retain our current head teachers and governors

Health

As set out above promoting healthier lifestyles and supporting improved health are two of the Council's Corporate Priorities. The detailed Performance Plan includes an indicator for Health and Wellbeing and. At the time of approval included the following comment:-

The Public Health Improvement Coordinator will develop projects via working with health partners to improve the health and wellbeing of those in the area.

It is now proposed that the projects set out below are monitored through the Performance Plan together with any future projects agreed with the Portfolio Holder.

• Parkrun Clacton

The first parkrun for Clacton has now been set utilising funding already obtained through Active Essex.

The nominal six volunteers have been recruited as Marshall's to run the weekly Saturday morning events and the route has been mapped out and approved by the parkrun ambassador. Health and Safety checks have been carried out and training for the parkrun Marshalls is due to take place in September, with the first park run due to take place on Saturday 15 October 2016. This meets all three of the priorities of our local Health and Wellbeing Board (Mental Health, Long Term Conditions and Obesity).

• Falls Prevention

Last year participants on the Council's development programme for managers were asked to develop projects in teams. The work on falls prevention arising from one of these projects has been ongoing to ensure the scheme is set up to continue with Anglia Community Enterprise (ACE) who provide community health in the district. The scheme involves the delivery of exercise classes in sheltered accommodation (an area where the CCG report that there is a particularly high level of falls). Instead of one on one classes, the residents exercise with a trained professional in groups of 12. This means a significantly larger number of residents are receiving regular exercise classes that help reduce their vulnerability to a fall. This project has been facilitated at no extra cost to ACE.

• Housing Checklist

A need for a common checklist was identified that could be used by health professionals visiting residents in their homes to spot potential hazards (for example a loose stair carpet, an uneven step, damp patches/ mould on the wall). These hazards can then be easily reported back to our housing team who can send a team out to address areas of concern. This provides intelligence for the housing team so that they can appropriately target their resources. The Health Checklist pilot started on 18 July 2016 with Health partners such as ACE working with our Housing team to spot and solve potential health hazards for our residents.

• Breastfeeding Friendly Cafes

Breastfeeding friendly cafes is a project that has already been successfully piloted in Luton

and is now aimed to be rolled out across Tendring. The scheme is aimed at local cafes who are asked to voluntarily sign up to being breastfeeding friendly by our Environmental Health officers at the end of their food safety inspections. By signing up, cafes agree to allow breastfeeding on their premises and are given a sticker to put in their window to let mums know that the café welcomes them should they need to breastfeed during their visit.

Public Health England's ambition is that breastfeeding is seen as normal and is supported by everyone. The cost to the NHS of treating just 5 of the illnesses that are linked to babies not being breastfed is at least £48million. Breastfeeding can help to reduce health inequalities and improve life chances. There is also growing evidence that links breastfeeding with protection from obesity later in life. But many women in England stop breastfeeding early because, amongst other things, they feel in England it is socially unacceptable to breastfeed in a public place.

- **Making Every Contact Count**

A forthcoming project that will be starting in Autumn 2016, Making Every Contact Count is sponsored by ECC and involves training members of staff across the council, as well as health professionals working for ACE, to spot health related potential issues or risks that may be outside their daily work remit and report them back to the relevant team or let the resident know who to contact. The project is about a more holistic approach to service delivery which should bring about better efficiencies and help residents avoid the need for potentially unnecessary health interventions.

- **Tendring Mental Health Hub**

Tendring Mental Health Hub has been running for 14 months. The hub was set up as a pilot and has since had further funding to enable it to continue until the end of the current financial year 2016/17. The remit of the Hub is to be a place for sign posting residents with poor mental health to help them get the services or advice they need in order to adequately function in every day life. The hub also provides opportunities for people who have been through a period of poor mental health but are now feeling ready to try and find jobs. The hub provides volunteering opportunities for people to learn or regain vital skills that could help them back into employment.

As the end of the pilot approaches the CCG , together with ECC Commissioners, is leading on a commissioning review. A new grant agreement has been drawn up and agreed by key stakeholders with the intention of ensuring the project has future viability and sustainability.

- **Tendring Health and Wellbeing Board**

The Tendring Health and Wellbeing Board is one of a few local Health and Wellbeing Boards in Essex and provides a specific focus on local health and wellbeing issues. It stimulates challenge and improvement in this sector. It has welcomed a number of external attendees including Public Health Commissioners from Essex County Council and Chief Executives from Colchester Hospital.

Going forward consideration is being given as to how to continue to improve the focus of the Health and Wellbeing Board. The membership has been reviewed to include a wider range of stakeholders, with some new members including Open Road and ACE due to start attending from the next scheduled Health and Wellbeing Board meeting in October 2016.

Conclusion

This report provides an overview of the projects, which have been identified in accordance with the role of the Council, as a Community Leader. The Council is not the lead provider for education or health. However through influence, bringing stakeholders and partners together to share and improve practices there are a number of areas where the Council can offer support to both education and health providers and ultimately the pupils, learners, patients and residents across the District.

The projects identified above will continue to form the subject of regular updates to the Portfolio Holder and Health and Education will continue to be subject external overview and Scrutiny through the work of the Community Leadership and partnerships Committee.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

9 SEPTEMBER 2016

JOINT REPORT OF THE PORTFOLIO HOLDER FOR FINANCE, REVENUE AND BENEFITS AND THE PORTFOLIO HOLDER FOR ENFORCEMENT AND COMMUNITY SAFETY

A.6 ACQUISITION OF INVESTMENT PROPERTY (Report prepared by Richard Barrett and Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek Cabinet's approval of a Commercial Property Investment Policy to enable the acquisition of Commercial Property within the budgets set out in the Capital Programme and in accordance with the Council's Treasury Management Strategy.

EXECUTIVE SUMMARY

- The Council has a continuing need to balance its revenue budget by a combination of generating income and reducing costs. As part of its treasury management activities, the Council places on average **£40m to £50m** of investments each year, primarily within the money markets, including with other Local Authorities. Given the relatively low interest rates currently obtained from such investments, there is an opportunity to explore how to maximise returns from the Council's positive 'core' cash flow position through investing in commercial property in the long term.
- As part of the 2016/17 budget process, **£0.750m** has been included within the capital programme to enable a modest level of investment in commercial property to be undertaken in the first instance, which would then provide time to reflect on the success / performance of such an approach to inform future investment decisions.
- Full Council agreed the Treasury Strategy for 2016/17 in April 2016 which set out the high level background for commercial property investment decisions and so along with the funding position set out above, two key steps have already been put in place to enable investment in commercial property to be considered.
- The third and arguably the most important step that this report aims to put in place are the governance arrangements to inform and guide decisions such as how to identify which properties to invest in. There will be several factors that will need to be considered in order to choose the most suitable investment whilst balancing maximising returns with minimising risk.
- A Commercial Property Investment Policy is therefore included as **Appendix A** which sets out robust governance arrangements.
- It is worth highlighting that obtaining maximum returns requires the flexibility to consider property outside the district boundaries as well as within them. It is acknowledged that investing within the district would be more easily presented to

the community but the purpose of this proposal is to maximise investment returns. Returns that are made on property purchased outside of the district would be available to support expenditure within the district.

- The window of opportunity to purchase commercial property tend to be short and therefore it is proposed to delegate decision making to Director level but within the framework of the Commercial Property Investment Policy proposed.
- Investing in commercial property was identified as a key savings strand in the Financial Strategy - Financial Baseline 2017/18 report presented to Cabinet on 5 August 2016. This report therefore seeks to put in place the arrangements to secure the necessary savings in 2016/17 onwards.
- Monitoring the performance / success from investing in commercial property will be a key item within the Council's usual performance framework / budget monitoring processes.

RECOMMENDATION

That Cabinet:

- authorises the acquisition of investment properties within the budget, criteria and delegations in (b), (c) and (d) below;
- approves the Commercial property Investment Policy set out in Appendix A subject to a) above;
- authorises the Corporate Director (Corporate Services) to acquire and invest in property within the investment portfolio subject to the budget and criteria above, in consultation with the Leader and Portfolio Holder for Enforcement and Community Safety and to enter into and conclude all legal agreements and in every respect manage the proposed investment portfolio within the criteria set out and;
- recommends to Council that the Property Dealing Procedure contains exclusion at 1.2.5 that identified investment properties which become vacant through the duration of an existing lease to be re-let swiftly through a Corporate Director (Corporate Services) decision, with the concurrence of the Portfolio Holder, ensuring maximum return.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Council needs to balance future revenue budgets in order to maintain its overall ability to deliver services and invest in its corporate priorities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The Treasury Strategy agreed by Full Council in April 2016 included the following:

"The capital programme for 2016/17 includes £750,000 to establish a commercial property investment fund, which is a Non-Specified investment. This fund will be used to purchase

property with the aim of yielding both rental income and capital gains. This investment will not have a defined maturity date and it will be an illiquid investment as the Council would need to sell the underlying asset(s) to redeem the investment. The amount invested in any one year will be limited to the amount included within the Council's Capital Programme, with information submitted to members separately to address / acknowledge the priorities and risks set out elsewhere in this strategy as part of the budget setting framework, including future funding decisions. At present it is proposed to fund the scheme from existing capital receipts, so there is no current need to borrow for this investment.

A separate policy will be presented to members before any investment in property is undertaken, which will set out the necessary financial and governance arrangements around such investment. This policy will be maintained as a separate document within the wider Treasury Strategy framework”.

In following on from the above decision, this report therefore seeks to set out the separate policy with a proposed Commercial Property Investment Policy included at **Appendix A**.

In terms of interest rates on investments currently placed by the Council, these have recently reduced to between **0.1%** and **0.3%** following the reduction in the base rate to 0.25% on 4 August 2016. Although there is no sign of an increase in rates in the short term, it is accepted that at some point in the future, over the life of any property that the Council purchased, rates will increase although historically are not likely to far exceed 4% for any prolonged period of time. Returns from property investment have the potential to deliver returns of between **4%** and **14%** depending on the levels of risk taken. Investment with manageable risk levels could yield between **5%** and **7%** and has potential to deliver revenue income each year over and above the returns from investing in the money markets as is the case at present.

The Council already manages a number of leasehold properties and officers consider that management of a small investment portfolio can be achieved within existing resources.

The property investment proposed is based on a direct approach with the Council purchasing property and then acting as a commercial landlord. As with all types of investments, there are alternatives to acquire property within the Council's overall investment portfolio. Syndicate / collective investment options are available such as property unit trusts. However following further investigation, the Council would have no control over when or where property is purchased or when it is sold which would present a number of risks and would not allow the Council control over the location and nature of the properties invested in. Management costs would also be incurred and it is doubtful that such investment would yield the same returns as directly purchased / managed property in the long term. Although risk would be spread over a much bigger portfolio, and managed externally, on balance it is not proposed to invest in a 'collective' option at this stage.

Risk

In line with the risk tolerances that are operated as part of existing treasury management decisions, the security of the actual capital outlay is of prime importance. Investing in property should be seen as a longer term investment, and by doing so the Council has control over the level of exposure to potentially losing money if the resale / market value at any given time is lower than the original purchase price. As long as liquidity is maintained elsewhere within the Council's investment decisions, then property assets can be held until such time as the Council determines, rather than being forced into an unfavourable sale if the Council needed cash to meet its costs. The current budget for investing in commercial property is **£0.750m**, which represents only 1.5% of the average investments placed at any one time and is significantly below the **£3.500m** limit for investments longer than a year as set out in the Treasury Strategy, which although excludes property, it does provide

a good 'marker' at this stage of developing the Council's commercial property portfolio.

Apart from the underlying risk mentioned above, investments carry a number of further risks. It is proposed to seek to manage these risks to an acceptable level by applying good diligence before purchasing and good management thereafter. It is proposed to adopt the criteria set out **Appendix A** and in line with good practice in managing investments, a key aim will be to spread risk by setting property investment among a wider investment portfolio as is currently the case i.e. maintaining a number of counterparties such as banks, local authorities and the UK Government.

Various risks are set out in the Commercial Property Investment Policy along with how they are to be mitigated.

LEGAL AND CONSTITUTIONAL

Section 120(1) of Local Government Act 1972 provides for the Council to acquire land either within or outside the District for any purpose within that or any other Act or for the benefit, improvement or development of the area.

Section 12 of the Local Government Act 2003 provides a general power to invest (a) for any purpose relevant to its functions under any Act or (b) for the purposes of the prudent management of its financial affairs.

Acquisition can take place notwithstanding that the land is not immediately required for that purpose, however, in this case investment in property is proposed in order to diversify its investment portfolio which in turn generates potential capital growth and revenue rental income, which can be reinvested and supports the Council's financial position and management of investment risk and by doing so benefits the district in line with the statutory power.

This approach is supported by The Chartered Institute of Public Finance and Accountancy (CIPFA), who consider Section 12 of the 2003 Act as a tool for local authorities to ensure compliance with the key principles of treasury management: that firstly, that their investments are safe; secondly, that they have sufficient liquidity and accessibility; and thirdly, that they provide acceptable returns. Therefore, the case for acquiring investment property needs to be balanced against other investment opportunities through treasury management.

Investment is for financial return either rental or capital growth and assets acquired for these purposes must be distinguished from assets intended to deliver other strategic goals or outcomes, as these fall outside of the definition of investment property. It is possible that some property investment could also bring about economic regeneration or impact but the intended purpose under this strategy is to secure the best possible return and this may involve a best return achieved outside of the District, although it is likely to be a mix of both property inside and outside the district.

It is important to note that financial returns achieved through property investment are also treated differently to income generated through service provision for accounting purposes.

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. The Councils disposal powers

relate to the potential disposal of investment property either by way of leases or, if the investment becomes unsatisfactory, the freehold. Therefore, on the basis that the Council is intending to acquire property for investment purposes it is important that the properties are continually let for the best return. The Council's Constitution contains the Property Dealing Procedure and it is considered appropriate to seek an amendment allowing identified investment properties which become vacant through the duration of an existing lease to be re-let swiftly through an officer decision in consultation with the Portfolio Holder ensuring maximum return. All decisions will be fully documented and recorded.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of Crime and Disorder, Equality and Diversity, Health Inequalities, Consultation/Public Engagement and Wards; and any significant issues are set out below.

Ward

May impact on all wards

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

The acquisition of investment property represents one way in which the Council can diversify its investment portfolio along with generating greater returns than can be obtained from its existing portfolio which includes placing money with banks, local authorities and the Government.

It is possible to adopt a management strategy including a number of criteria as well as careful acquisition and management in order to manage risks and maximise investment returns.

A number of steps have already taken place to enable the Council to invest in commercial property e.g. the identification of **£0.750m** in the 2016/17 Capital Programme, and its inclusion within the Treasury Strategy 2016/17. The final stage is to set out the criteria against which commercial property investment decisions are to be taken that balances return, risk and the speed and flexibility required to take advantages of opportunities that may arise either within or outside the district.

The proposed criteria are set out in **Appendix A** which cover the following key principles / risks:

- Objectives
- Management of Risks
- Criteria for the selection of properties including diversification / yield
- Acquisition
- Management
- Reletting / void periods
- Monitoring and Review – including reporting, disposal and annual review activities.

In respect of being able to react promptly to opportunities, it is recognised that commercial property transactions tend to happen quite quickly, particularly when a good investment

property comes to market. Some opportunities may also be available at auction. The potential speed of these transactions is incompatible with the Council's multi-stage property dealing policy. It is therefore proposed that Cabinet approves in principle the acquisition, management of investment properties meeting the criteria set out in the Commercial Property Investment Policy but delegates the decisions on individual properties (including terms) to the Corporate Director (Corporate Services) in consultation with the Portfolio Holder for Enforcement and Community Safety. It is also proposed that the re-letting of tenanted properties is identified as an additional exception to the Property Dealing Procedure.

The criteria specifically allow for acquisition of property inside or outside of the District. Acquisition of property outside of the district potentially offers access to a wider range of quality investments which could provide a greater return on investment.

Although it is a longer term project that remains subject to further member decisions, it may be possible to include its property portfolio, buildings within the Garden Community Project on the west of Tendring, at some point in the future. The establishment of a commercial property portfolio now enables the Council to develop its management, performance and property holding arrangements which could in turn support investment in commercial property within the garden communities area at a later date.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Commercial Property Investment Policy

Commercial Property Investment Policy

Criteria, Targets and Procedure for Investment Properties

Introduction and Objectives

The Council has decided to invest capital funding into commercial property as part of its treasury management activities. These investments are to be made on a purely commercial basis to provide a good income stream and maximise the return on investment.

They could be either inside or outside of the District. The approach to acquiring commercial property for investment is set out in this document. The principal objectives are in-line with those set out in the Treasury Strategy and in translating these to the investment in commercial property, the key items are as follows:

- a) The security of the capital invested
- b) Optimise return on investment – capital growth and revenue yield;
- c) Provide value for money and facilitate sound financial investment for the Council.

Being based on the Council's broad treasury management practices, the above are considered primary considerations. It is recognised that investing in commercial property will likely present qualitative opportunities such as supporting the delivery of the Council's key priorities, but these should be treated as secondary considerations.

Investing in property is not risk-free, so it is important that appropriate measures are in place to maintain the capital value of the asset and security of rental income.

The main risks are vacancy or void periods and the repair and maintenance of properties. Void periods lead to loss of income and costs falling on the landlord including non-domestic rates, insurance, utilities, security, inspections and management. In addition, there would be the cost of marketing the property, the agent's disposal fees and legal fees for new lease documentation.

Other risks relate to tenants defaulting on rental payments, carrying out unauthorised works or sub-lettings. Risks will be minimised through the criteria targets and procedures set out in this document.

Risk Management

The table below sets out the primary risks and how they will be mitigated. Responsibility for the managing risks will be the Head of Property Services

Risk	Control
Failure of tenants in general or failure to comply with lease terms.	Maintain active management of the portfolio. Purchase only properties let to 'sound' tenants following criteria above.

Unforeseen property or repair costs.	Carry out surveys and diligent inspection of documents before purchase. Let on full repairing terms or with full recovery of costs.
Void periods.	Purchase properties with ongoing leases with a minimum of five year's unexpired. Maintain active management of the portfolio.
Contamination	Carry out surveys and diligent inspection of documents before purchase. Purchase only properties let for non-contaminating uses.

Criteria and targets for properties to be acquired

Any property to be acquired should meet all of the minimum criteria set out below and achieve an overall risk/reward score of 12 based on the assessment below:

Criteria	Key Risk(s) Addressed	Minimum	Target/ scoring
Target yield* should represent a rational balance between revenue returns and security.	Security of Capital Invested and providing value for money	whichever is the greater of: 6% net or, an investment return greater than that achieved in the financial markets at a comparable risk level. This limit is to be applied to overall property portfolio.	Properties with higher yields may be considered if other risk factors can be balanced. 7%= 1 point 8%= 2 points 9%= 3 points 10%= 4 points 11% or over = 5 points
Spread the commercial investment over a number of properties to limit the overall impact that any single failure would have.	Failure of tenants in general and void periods	No single tenancy (after the first three acquisitions) to amount to more than 50% of the portfolio by rental; unless specifically agreed. No more than 50% of tenants should be operating in the same market sector unless specifically agreed.	N/A
Invest only in property with existing tenants of a sound and solvent nature	Failure of tenants in general or failure to comply with lease terms. Unforeseen	Main tenants to be subject to appropriate financial checks as determined by the Chief Finance Officer which will be proportionate to the scale of investment	additional points: 1 for a business established for 20 years or more. 2 for a PLC tenant 3 for a blue chip tenant

	property or repair costs. Void Periods	and tenant and where appropriate satisfactory references or parent company guarantees.	
Invest only in property with a sufficiently long tenancy term unexpired;	Failure of tenants in general or failure to comply with lease terms. Unforeseen property or repair costs. Void Periods	a) Main tenancies in any acquisition to have more than 3 years unexpired. b) Main tenancies not to have a break clause exercisable in less than 3 years unless specifically agreed.	Additional points: 1 points for more than 5 years unexpired 2 points for more than 10 years unexpired 3 points for more than 20 years unexpired
The property itself should be free from risks as far as possible.	Unforeseen property or repair costs. Contamination	To include 'due diligence' such as: a) Buildings to be of robust construction and in sound condition. a) Property use to be commercial, b) not potentially polluting. c) Free from onerous planning conditions, and land contamination	Additional points: 1 point for retail use 2 points for central business district retail 3 points for offices
The property should not incur costs that detract from overall performance of the investment.	Security of Capital Invested and providing value for money	a) Main leases to be with full cost recovery by service charge. b) Property to be within a distance to allow inspection by officers within a working day, including travel time.	Additional points: 3 points for full repairing and insuring terms. 1 point for being located in East Anglia or Kent. 2 points for being located in Essex or Suffolk, excluding Tendring.
The property nor tenant should bring the Council into disrepute.	Failure of tenants in general or failure to comply with lease terms.	Property use not to be unethical or unlawful.	2 additional points for property in a community or regenerative use within Tendring district

*In this context yield at acquisition will be the planned net income divided by the proposed capital and one off costs. And yield at review will be the net revenue passing (or predicted if rent review is less than two years away) divided by the current open market value.

Where investigation or judgements in these areas are required, they will be carried out and recorded by the Asset Management officers with assistance from other service units where necessary.

Procedure

1) General

- a) The steps taken under this procedure to support investment decisions will be clearly documented.
- b) Decisions on the acquisition of investment property, management and re-letting are delegated to officers in consultation with the Portfolio Holder.
- c) Any decision to dispose of the freehold of a property or to alter or extend it will be subject to the Council's standard procedures at the time being.

2) Acquisition.

- a) The Head of Property Services will identify potential acquisitions and evaluate them against the criteria and targets.
- b) Where required the Head of Property Services will commission surveys or investigation as he/she sees fit.
- c) The Head of Governance and Legal Services will consider relevant deeds and prepare a report on title.
- d) The Head of Finance, Revenues and Benefits will advise on the financial stability of the tenant(s) including procuring credit ratings and the like where necessary.
- e) The Head of Property Services will consider what future options may exist to enhance the returns from the property or to dispose of it if it fails to meet expectations.
- f) The Head of Property Services will conclude negotiations where necessary and report all of the foregoing to the Corporate Director (Corporate Services).
- g) When the Corporate Director (Corporate Services) is satisfied that acquisition of a property is in the interests of the Council having regard to the objectives of the portfolio he will seek the concurrence of the Portfolio Holder for Enforcement and Community Safety to acquire the property on the terms proposed and such other terms as considered appropriate by the Head of Governance and Legal Services.
- h) Where a potential property is to be sold at auction the foregoing steps will be taken save that the decision in consultation with the Portfolio Holder will include a price limit for the acquisition of the property and the Head of Property Services will then bid for the property up to the limit determined.
- i) Before any additional properties are to be purchased, the Head of Property Services must take into account any repair / maintenance obligations the Council may have in respect of any existing properties within the portfolio or potentially advantageous enhancements or additions to those properties.

3) Management

- a) The responsibility for managing the properties and the portfolio will reside with the Head of Property Services.
- b) The Head of Property Services will put in place appropriate periodic checks and inspections to monitor property condition and compliance.

- c) The Head of Property Services will commission further surveys, serve notices and take any other steps necessary to maintain returns from the properties and manage risks to the Council.

4) Re-letting

- a) Where an investment property becomes vacant the Head of Property Services will carry out an assessment of options to re-let or dispose of the property or carry out other measures and evaluate them against the criteria and targets.
- b) Where required the Head of Property Services will appoint agents or market the property for re-letting. Note: any decision to invest in, alter or dispose of the freehold of the property would be subject to the Council's general rules and procedures.
- c) The Head of Finance, Revenues and Benefits will advise on the financial stability of prospective tenant(s) including procuring credit ratings and the like where necessary.
- d) The Head of Property Services will conclude negotiations where necessary and report all of the foregoing to the Corporate Director (Corporate Services).
- e) When the Corporate Director (Corporate Services) is satisfied that re-letting of a property is in the interests of the Council having regard to the objectives of the portfolio he will seek the concurrence of the Portfolio Holder for Enforcement and Community Safety to let the property on the terms proposed and such other terms as considered appropriate by the Head of Governance and Legal Services.

5) Monitoring and Review

- a) Annually the Head of Property Services will report to Cabinet and the Corporate Management Committee which will include the following aspects:
 - i. The number and nature of properties in the investment portfolio
 - ii. How the property portfolio is performing against the targets
 - iii. Whether the risk profile of the portfolio has changed
 - iv. Whether the portfolio remains sufficiently well balanced and diverse to limit the risk to the Council
 - v. Whether the portfolio is performing satisfactorily against the overall financial target

In addition to the above, a half year summary review will be included in the Corporate Budget Monitoring reports in-line with the current requirements relating to general treasury management activities.

- b) The Head of Property Services will keep the performance of the property portfolio under on-going review during the year. If conditions / circumstances indicate that the Council would be at a disadvantage if it retained ownership of a property then the relevant decisions to dispose of the property would be undertaken in accordance with the Council's standard procedures at the time being, including any urgency requirements. All decisions must be made against the underlying principle of the security of the money invested and therefore must take into account the potential resale value compared with the original purchase price, set against the reason for disposal and associated financial consequences.
- c) This policy will be kept under on-going review but as a minimum it will either be reconfirmed or amended as part of the annual report to Cabinet and the Corporate Management Committee as set out in 5a) above.

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