



CABINET

DATE:	Friday, 17 March 2017
TIME:	10.30 am
VENUE:	Essex Hall, Town Hall, Station Road, Clacton-on-Sea, CO15 1SE

MEMBERSHIP:

Councillor Stock OBE	- Leader of the Council
Councillor C Guglielmi	- Deputy Leader of the Council / Resources and Corporate Services Portfolio Holder
Councillor Ferguson	- Tourism and Culture Portfolio Holder
Councillor Honeywood	- Housing Portfolio Holder
Councillor McWilliams	- Leisure and Partnerships Portfolio Holder
Councillor Talbot	- Environment Portfolio Holder
Councillor Turner	- Commercialisation, Seafronts and Parking 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 01255 686584.

DATE OF PUBLICATION: WEDNESDAY, 8 MARCH 2017

AGENDA

1 Apologies for Absence

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

2 Minutes of the Last Meeting (Pages 1 - 8)

To confirm and sign the minutes of the last meeting of the Cabinet held on Friday 17 February 2017.

3 Declarations of Interest

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 on this occasion.

7 Reference Report from the Corporate Management Committee - A.1 - Performance Report - Quarter Three: October 2016 - December 2016 (Pages 9 - 10)

To enable Cabinet to give consideration to comments made to it by the Corporate Management Committee in respect of the above.

8 Reference Report from the Community Leadership and Partnership Committee - A.2 - Public Health (Pages 11 - 12)

To enable Cabinet to give consideration to requests made to it by the Community Leadership and Partnerships Committee in respect of the above.

9 Leader of the Council's Items

There are none on this occasion.

10 Report of the Leisure and Partnerships Portfolio Holder - A.3 - Citizens Advice Service Level Agreement 2017/18 (Pages 13 - 26)

To agree an updated Service Level Agreement (SLA) with Citizens Advice Tending for 2017/18.

11 Report of Resources and Corporate Services Portfolio Holder - A.4 - Programme of Meetings 2017/2018 Municipal Year (Pages 27 - 32)

To enable Cabinet to give consideration to the programme of meetings for the 2017/2018 Municipal Year.

12 Report of the Resources and Corporate Services Portfolio Holder - A.5 - Annual Treasury Strategy 2017/18 (Pages 33 - 56)

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

13 Management Team Items

There are none on this occasion.

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, 21 April 2017.

Information for Visitors

ESSEX HALL
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**MINUTES OF THE MEETING OF THE CABINET, HELD ON FRIDAY 17 FEBRUARY 2017
AT 10.32 AM IN THE ESSEX HALL, TOWN HALL, CLACTON-ON-SEA**

PRESENT:

Councillor G V Guglielmi

Councillor T M Ferguson

Councillor P B Honeywood

Councillor L A McWilliams

Councillor N W Turner

Councillor G F Watling

PORTFOLIO:

Deputy Leader of the Council, Portfolio Holder for Enforcement and Community Safety, Interim Portfolio Holder for Finance and Revenues & Benefits and Interim Portfolio Holder for Corporate Services (Chairman)

Portfolio Holder for Tourism and Culture

Portfolio Holder for Housing (except items 153 and 154)

Portfolio Holder for Leisure, Health and Well-being

Portfolio Holder for Commercialisation

Portfolio Holder for Planning and Regeneration

Group Leaders Present by Invitation:

Councillors I J Henderson (Leader of the Labour Group) and M E Stephenson (Leader of the UKIP Group)

Also Present: Councillors Parsons and Steady

In Attendance: Chief Executive (Ian Davidson)(except items 153 and 154), Corporate Director (Corporate Services) (Martyn Knappett), Head of Finance, Revenues & Benefits & Section 151 Officer (Richard Barrett), Committee Services Manager (Ian Ford), Communications and Public Relations Manager (Nigel Brown)

142. CHAIR

In the absence of the Leader of the Council (Councillor Stock), the Chair was occupied by the Deputy Leader of the Council (Councillor G V Guglielmi).

143. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor N R Stock (Leader of the Council), Councillor M J Talbot (Portfolio Holder for the Environment) and Councillor J A Broderick (Leader of the Holland-on-Sea Residents' Group).

144. MINUTES OF THE LAST MEETING HELD ON FRIDAY 20 JANUARY 2017

It was **RESOLVED** that the minutes of the last meeting of the Cabinet, held on Friday 20 January 2017, be approved as a correct record and signed by the Chairman.

145. DECLARATIONS OF INTEREST

Councillors I J Henderson, G V Guglielmi and P B Honeywood each declared an interest in any item that bore relation to the work of Essex County Council insofar as they were also Essex County Councillors.

Later on in the meeting, as reported under Minute 150 below, Councillor G V Guglielmi declared an interest in the North Essex Garden Communities Peer Review (Report A.1) insofar as he was the Leader of the Council's designated substitute on the board of North Essex Garden Communities Ltd.

146. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

There were none.

147. ANNOUNCEMENTS BY CABINET MEMBERS**Urgent Care Review: Proposed Changes to Urgent Care (out of hospital services) across North East Essex: Future of the Walk-In Centre and Minor Injuries Units**

Councillor McWilliams (Portfolio Holder for Leisure, Health and Well-being) informed Cabinet that, assisted by Officers, she intended to submit a formal letter, on behalf of the Council, in response to the public consultation on the above.

The contents of the proposed letter were as follows:

"I write in response to your Urgent Care Review consultation and would like my comments to be considered as my formal submission for consultation.

My concerns are specifically around the Potential Approaches proposed for the Walk-In Centre in Colchester and the Minor Injuries Units in Clacton and Harwich.

I believe Potential Approach 1 would be in the best interests of Tendring residents – To continue to commission a Walk-in Centre (WIC) service in Colchester also the Minor Injuries Units (MIU's) in Clacton and Harwich is the correct approach to continue with at this time.

The reasons are that any changes to these services would be premature, particularly when Tendring is in the process of increasing the number of houses in the district. Major developments are already under way with many more on the horizon, bringing with them a significant increase in the population of Tendring over the next five to ten years.

The geographical make up of our district also poses a problem as large parts of our district are rural communities that can be isolated with very limited access to public transport.

If the Harwich MIU was closed there are difficulties for Harwich residents to access the Clacton MIU, this is due to a lack of good road infrastructure and available transport across that part of the district; the alternative route is to attend the Colchester WIC because of its more direct route along the A120; it would though be a long journey to make.

Without adequate public transport and limited road infrastructure there are many people who will find it difficult to travel to where they will receive the medical care they need. For this reason, there is a need to be able to offer appropriate primary care services to people within a reasonable distance from their homes.

The Secretary of State for Health's figure of 30% of cases at A&E are non-emergencies are of concern, and we know that GP surgeries in the district are under tremendous pressure and recruiting more practitioners to the area is notoriously difficult which must surely mean that Potential Approach 1 should be the choice for Tendring to prevent further pressure on A&E and GP Surgeries.

However as future housing developments materialise, the makeup of Tendring is likely to change quite considerably. It may be the case that as the district evolves Harwich and Clacton medical services become unsustainable as they currently exist

and could end up being not best placed to serve the whole district. An alternative, more central medical centre, may need to be considered.

I do understand and agree that we need to think differently about how services are delivered and there is a need for a certain level of 'culture change' in our residents/patients. I have picked up on a point made by Bernard Jenkin MP about the need to triage patients in a way that is closely linked to the WIC and MIU's. We need to consider that there may be a better way to treat people who develop mild, short term illness or suffer minor injury and the service available needs to be properly tailored to that need.

- We have spoken and it has been highlighted more recently to use the services of pharmacists more frequently than has been in recent years. In order to do this, perhaps one of the options to be considered is a trial triage service involving pharmacists. Pharmacists could be based at the WIC and MIU's. The first person the patient sees is a medical professional (pharmacist) who can quickly assess the person and, where appropriate, deliver a first aid level of treatment or health advice. Anyone who cannot be treated by the pharmacist is then offered an appointment with a nurse or doctor (whichever is appropriate). In this way, patients are receiving a faster, more accessible level of medical attention and over stretched doctors are only seeing patients who need their expertise.*
- It may be that by presenting pharmacists at the point of contact with the WIC and MIU's and intervening in a triage/ early treatment capacity, we start to see a reduction in demand on GP surgeries and associated services; and to encourage people to start changing behaviours with the first step they make being a visit to their local pharmacist instead of calling their local doctors surgery or turning to the MIU or A&E.*
- Lack of transport is an issue and a review would be needed, especially with the expected increase in housing. Alternatively, and without wishing to revert to 'the old way of doing things', there was a time when we didn't always have a fully equipped ambulance response to transporting every patient to A&E or a medical centre. Perhaps a similar fleet of vehicles equipped with a basic level of medical equipment and trained staff could be made available to transport patients with a low level need a reasonable distance (i.e. within the district) to receive treatment.*
- There is a concern that many people, especially the younger generation do not know basic First Aid. Is this another area that people could be encouraged to change their behaviour through guidance on First Aid.*
- In order to optimise the MIUs I believe that rather than consider reducing services one of the options should be in relation to increasing and maximising the use of the MIUs. They could provide the opportunity for expanded minor surgical and clinical delivery at a local level. This expansion of the service would reduce the pressure on Colchester Hospital and be a much better outcome for patients. We know that Tendring has an above average number of people who are not registered with a doctor and therefore to leave Colchester Hospital as their first port of call and not retain the MIUs and the walk-in centre would be a false economy.*

In conclusion, I believe we must continue with the Clacton and Harwich MIU's and Colchester's WIC. Serious consideration needs to be given to: -

- the public transport network in our district and means by which patients can travel to access medical facilities*
- the future population growth that will come with the major housing developments that have been agreed by our planning department*

- *a need for alternative ways of delivering patient care closer to people's homes.*

I hope that the CCG will have the opportunity to show some creativity in its thinking rather than sticking solely to options that centre around the financial constraints of keeping a facility open in its current form. People need accessible primary care facilities and I hope that you can be willing and open to working with other stakeholders in the area to come up with some more creative, and practical options."

Members of the Cabinet, together with the Leader of the Labour Group and the Leader of the UKIP Group, expressed their support for such representations being made.

It was agreed that the proposed letter would be sent to all Members of the Council in order that they too could express their support.

148. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

149. MATTERS REFERRED TO THE CABINET BY A COMMITTEE

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

150. LEADER OF THE COUNCIL'S ITEMS – NORTH ESSEX GARDEN COMMUNITIES PEER REVIEW (Report A.1)

Councillor G V Guglielmi declared an interest in this item insofar as he was the Leader of the Council's designated substitute on the board of North Essex Garden Communities Ltd.

There was submitted a detailed report by the Leader of the Council (Report A.1), which provided Cabinet with information on the outcome of the Peer Review of the Garden Communities project led by Lord Kerlake, and the partnership's public response and the next steps in responding to the recommendations of the Review.

Cabinet was reminded that, in October 2016 the Leaders and Chief Executives of Tendring District, Colchester Borough, Braintree District and Essex County Councils had asked Lord Kerlake to lead a Peer Review to look at the local authorities approach to delivering Garden Communities in North Essex.

The Brief had been agreed by the North Essex Garden Communities Shadow Delivery Board at its meeting held on 3rd November 2016 and had included the following six questions:-

- *Are we ambitious enough (place shaping)?*
- *How do we maintain quality and pace of build development?*
- *Are we maximising our position with Government in terms of support and Funding?*
- *Are we positioned to exploit any commercial income streams which could come from the development?*
- *What's the best vehicle for managing the opportunity? and*
- *Do we have the capacity and capability to oversee the developments effectively?*

Cabinet was informed that the Review Team had reviewed a range of background documents provided by the Garden Communities project team and had visited the proposed locations. It had met with the lead Directors of the four Councils who had

explained the background and the reasoning behind the approach the Councils were taking towards the proposals. The Directors had also submitted a self-assessment against the six questions. The Review Team had subsequently spoke with the Councils' planning teams, key advisors, landowners, developers and officials at the Department for Communities and Local Government (DCLG) in order to clarify and explore specific areas of interest in more depth. The review had been able to take account of evidence submitted by local groups, including CAUSE, although in the time available it had not been possible for the Review Team to engage directly with local communities.

It was reported that the Review Team had presented its findings to the Leaders and Chief Executives of the four Councils in early December 2016. In late January 2017 the report of the Peer Review had been published. The partnership of the four Councils had also produced a response to the Peer Review report and recommendations and both documents had been published on the Council's website.

Members were also informed that an Action Plan was being developed by the Garden Communities Project Team.

The Cabinet had before it a summary of the Kerslake report's findings and recommendations together with a summary of the response of the partnership to those recommendations.

Having considered the information submitted, it was moved by Councillor G V Guglielmi, seconded by Councillor Turner and:

RESOLVED that Cabinet notes:

- a) the outcomes of the North Essex Garden Communities Peer Review Report;
- b) the key points of the North Essex Garden Communities' partnership's public response; and
- c) that both documents have been published in full on the Council's website.

Cabinet Members' Items – Report of the Interim Portfolio Holder for Corporate Services

151. PERFORMANCE REPORT – QUARTER THREE 2016: OCTOBER 2016 TO DECEMBER 2016 (Report A.2)

There was submitted a report by the Portfolio Holder for Corporate Services (Report A.2), which presented the Performance Report for the period October to December 2016 (Quarter Three).

Cabinet was aware that the Performance Report 2016/17 set out the detailed actions and targets for the delivery of the Council's priorities for the coming year.

It was reported that three of the indicators and projects highlighted in the report were deemed 'non measurable' as the Council's role was that of 'influence' only. Of the 14 indicators and projects where performance was measured, 10 (71%) were on, or above, their expected target and 4 (29%) were not currently in line with the expected performance. Explanations of the performance and the supporting data were included under each topic in the report.

Cabinet was informed that this report had been submitted to the Corporate Management Committee at its meeting held on 13 February 2017. Any feedback from

the Corporate Management Committee would be presented to a future meeting of the Cabinet as a separate reference report.

Councillor G V Guglielmi placed on record his appreciation of the Planning Services section for their continued hard work in managing the high number of planning applications being received.

Having considered the information provided:-

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

RESOLVED that the contents of the report be noted.

Cabinet Members' Items – Report of the Interim Portfolio Holder for Finance, Revenues and Benefits

152. CORPORATE BUDGET MONITORING – THIRD QUARTER 2016/17 (Report A.3)

There was submitted a report by the Portfolio Holder for Finance, Revenues & Benefits (Report A.3), which provided Cabinet with an overview of the Council's financial position against the budget as at the end of December 2016.

Cabinet was informed that the position to the end of December 2016 showed that overall the actual General Fund Revenue position was behind the profiled budget by £2.949 million. After allowing for significant one-off budgets such as the Fit for Purpose Budget where commitments or decisions were still to be made, the position was revised to £0.532 million ahead of the profiled budget. A considerable element of that variance was due to the timing of expenditure and income although some emerging issues had been identified which were explained within the report.

It was reported that in respect of other areas of the budget such as the Housing Revenue Account, Capital Programme, debt recovery, treasury activity and LCTSS / council tax and business rates there were no significant issues that had been identified to date.

Cabinet was made aware that, as in previous years, it was recognised that a number of smaller variances within services emerged over the course of the year that would not necessarily be specifically highlighted or discussed within the Corporate Budget Monitoring reports. Although a significant number of budgets had been revised as part of the financial strategy process, it was still possible that a range of smaller variances may remain at the end of the year and contribute to the overall position. Also it was reported that a number of budgets that related to schemes / initiatives or earmarked for specific purposes might not be fully spent by the end of the year and could be subject to end of year processes, such as carry forward requests, and therefore remain committed. However, at this stage and after taking into account the current position and information available, it was anticipated by officers that any adverse issues would be offset by favourable variances elsewhere within the budget at the end of the year.

Having considered the information provided:

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

RESOLVED that the financial position, as at the end of December 2016, be noted.

Cabinet Members' Items – Joint Report of the Deputy Leader of the Council and of the Portfolio Holder for Leisure, Health & Well-being

153. BRIGHTLINGSEA SWIMMING POOL (Report A.4)

There was submitted a joint report by the Deputy Leader of the Council and the Portfolio Holder for Leisure, Health and Well-being (Report A.4), which sought:

- to advise Cabinet of the proposal submitted by Brightlingsea Town Council (BTC) in respect of the future of Brightlingsea Swimming Pool (BSP); and
- to consider that offer in light of the financial implications and to determine whether to accept that offer and the impact of such an acceptance.

It was reported that, following the decision made by Cabinet in June 2016 to accept an offer from BTC to undertake capital repairs to BSP and for TDC to cover the running costs of the pool for the shortened 2016 season, communication and discussions had been ongoing between BTC and TDC about the future of the Pool.

Cabinet was aware that a deadline had originally been set for the end of 2016 for a decision to be made as to whether BTC would take a long lease on the Pool and to maintain and operate the Pool thereafter or for TDC to decommission the Pool. Following a meeting in early 2017, at which BTC had set out the actions it had taken to evaluate the feasibility for them operating the pool, a proposal had been submitted by BTC to part meet the cost of operating the pool for the 2017 season in order to allow BTC more time to complete their feasibility work.

The proposal made by BTC was as follows:

1. *BTC agrees to make a contribution of 50% of any operating loss for the 2017 season, up to a maximum of £30,000;*
2. *In order to minimise losses and maximise revenues it is recommended that the official opening period of the pool is truncated and limited to eight weeks from the 15th July to the 9th September. This will allow the pool to be prepared and ready for the six week school holidays;*
3. *BTC will commit to developing a business plan and exploring options in respect of site improvements, grant aid funding, the use of renewable energy technology and community/trust involvement in the future management of the facility;*
4. *BTC will commit to providing a full report on all of its findings and proposals to TDC at a meeting to be held on 21st September (provisional date) at the Brightlingsea Parish Hall;*

Councillor G V Guglielmi thanked Brightlingsea Town Council for making such a strong case for keeping the swimming pool open.

Having considered the information submitted:

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

RESOLVED that:

- a) Cabinet agrees to the proposal set out by Brightlingsea Town Council;

- b) Cabinet delegates authority to the Corporate Director (Operational Services) to manage the impact of the reduction in savings within existing budgets in consultation with the Head of Finance, Revenues and Benefits; and
- c) Cabinet agrees that, by the end of September 2017, arrangements be put in place to commence the transfer of the pool to Brightlingsea Town Council, the exact details of the transfer arrangements to be agreed by the Corporate Director (Corporate Services), or further agrees that the Pool be decommissioned and authorises the Corporate Directors (for both Corporate Services and Operational Services) to commence the decommissioning process.

154. MANAGEMENT TEAM ITEMS

There were none on this occasion.

DATE AND TIME OF NEXT SCHEDULED MEETING

The next scheduled meeting of the Cabinet was due to take place on Friday 17 March 2017 at 10.30 a.m. in the Essex Hall, Town Hall, Station Road, Clacton-on-Sea.

The meeting was declared closed at 11.30 a.m.

Chairman

Key Decision Required	No	In the Forward Plan	No
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CABINET

17 MARCH 2017

REFERENCE REPORT FROM THE CORPORATE MANAGEMENT COMMITTEE

A.1 Performance Report – Quarter Three Report October 2016 – December 2016

(Report prepared by Karen Neath)

BACKGROUND

At the meeting of the Corporate Management Committee held on 13 February 2017, the Committee considered the Performance Report for Quarter Three. An officer update was provided in relation to several indicators and projects.

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

COMMITTEE RECOMMENDATIONS AND COMMENTS TO CABINET

The Committee **AGREED COMMENTS TO CABINET** as follows:

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

PORTFOLIO HOLDER'S COMMENTS AND RECOMMENDATIONS TO CABINET

The comment about Planning could imply that it was considered that there was concern about the way that planning applications are processed. I would like to make it absolutely clear that Cabinet do not consider there is an issue about the way that planning applications are dealt with. Furthermore, the time taken to consider minor and other applications is ahead of target. Whilst it is accepted that the time taken to deal with major applications is behind target, Planning have been receiving exceptional numbers of applications and should be commended for the way in which they have managed this workload.

With regard to the comment about the Portfolio Holder financial savings working parties, these were established for a particular purpose which was to consider potential savings options. The work on the budget has now moved on. As Portfolio Holder with responsibility for Finance I will lead the work with Cabinet colleagues to undertake the difficult decisions both about implementing savings and balancing the budget. Overview and Scrutiny will be

consulted as necessary as part of this ongoing process.

It is recommended that:-

- (a) It is noted that only the major applications are behind target due to the exceptional numbers of applications being received and Planning be commended for the way they have managed this workload.
- (b) The Portfolio Holder financial savings working parties do not continue but that, going forward, Cabinet will consider all options surrounding the difficult decisions facing us in relation to the budget and consult with Overview and Scrutiny as necessary.
- (c) The All Member Briefing on 26th April will include a session on the waste and recycling contract.

Key Decision Required	No	In the Forward Plan	No
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CABINET

17 MARCH 2017

REFERENCE REPORT FROM THE COMMUNITY LEADERSHIP AND PARTNERSHIPS COMMITTEE

A.2 PUBLIC HEALTH

(Report prepared by Karen Neath and Katie Sullivan)

BACKGROUND

At the meeting of the Community Leadership and Partnership Committee on 20 February 2017 the Council's Head of Environmental Services (John Fox) introduced the Council's Public Health Improvement Co-Ordinator (Cassie Barrett) and Essex County Council's Interim Public Health Specialist (Laura Taylor-Green) to the Committee and gave an overview of their roles.

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

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

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

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

COMMITTEE RECOMMENDATIONS AND COMMENTS TO CABINET

It was **AGREED** by the Committee that Cabinet be requested to:-

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

PORTFOLIO HOLDER'S COMMENTS AND RECOMMENDATIONS TO CABINET

It is recommended that:-

- (a) The Portfolio Holder liaises with officers to ensure that public health projects continue to be implemented across the district.
- (b) The projects continue to be monitored through the Corporate Performance Report and, if necessary, through the local Health and Wellbeing Board alongside evaluation of the projects being undertaken.
- (c) The Council uses its influencing role to liaise with Essex County Council and uses the evaluation of projects to demonstrate outcomes and urge ECC to further fund this post at the end of the current term.

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

17 MARCH 2017

REPORT OF THE LEISURE AND PARTNERSHIPS PORTFOLIO HOLDER

A.3 CITIZENS ADVICE TENDRING – SERVICE LEVEL AGREEMENT 2017/18
 (Report prepared by Karen Neath)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To agree an updated Service Level Agreement (SLA) with Citizens Advice Tendring for 2017/18

EXECUTIVE SUMMARY

- Tendring District Council has, for many years, supported Citizens Advice Tendring by way of grant funding. Since 2013/14 the core grant has been £144,000. This has been backed by an annually agreed Service Level Agreement setting out what Citizens Advice is expected to deliver.

- A review of the operation of Citizens Advice has recently been undertaken driven by a number of factors:-
 - The Chairman of Citizens Advice and 3 other trustees have recently resigned. The change in leadership and the appointment of new people to the Board will allow a fresh approach from the Trustees on the future direction of Citizens Advice.
 - The CEO of Citizens Advice left the organisation June 2016. The post of CEO as it was has been deleted and new part time posts of Operations Director and Strategic Director have been created.
 - Citizens Advice is moving towards more electronic communication and National Citizens Advice is requiring all local bureaux to provide an advice line and webchat capability.
 - There have been ongoing discussions between officers from TDC and Citizens Advice to look at where Citizens Advice could be more efficient. As overall TDC funding continues to reduce it is essential to ensure that funding to Citizens Advice is providing value for money to the Council.

- The two key areas of the SLA are:-
 - Delivery of core services
 - Provision of advice at localities outside of Clacton.

- These areas have been reviewed and updated to ensure that they reflect the current position and are relevant both to the service Citizens Advice provides and what the Council expects for its money. In addition the SLA 2017/18 includes a requirement for Citizens Advice to provide

information that will measure how well they are delivering on these two areas.

- In order to further ensure that value for money from grant paid to Citizens Advice is being achieved, Citizens Advice will be attending a future meeting of the Community, Leadership and Partnership Committee to provide an update on their activities.

RECOMMENDATION

That the Service Level Agreement between Tendring District Council and Citizens Advice Tendring for 2017/18, as attached at Appendix A, be agreed.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

RESOURCES AND RISK

The core grant paid to Citizens Advice Tendring is £144,000 per annum. The SLA provides that the grant be paid in two instalments during the year.

Alongside this there is a separate agreement between TDC and Citizens Advice for the delivery of Universal Credit. This is paid on a case by case basis and is funded entirely by DWP funding.

The budget for 2017/18 also includes a sum of £23,000 to support a further year of the pilot of the Mental Health Hub, a project initiated by Citizens Advice Tendring. A letter has been sent to the CCG requesting that a decision is now made as to whether the pilot demonstrates that this service should now be delivered as a mainstream health provision. A grant funding agreement between the Hub and the North East Essex Clinical Commissioning Group for 2017 is being prepared along with a MoU with the other funding partners – TDC, Essex County Council and Police and Crime Commissioner. This assists in moving this project forward from a pilot to a more formal provision.

There is a risk that Citizens Advice does not provide value for money for the grant provided. However, the measures put in place through ongoing office liaison, the SLA and now the attendance of Citizens Advice at a future Community Leadership and Partnership Committee should mitigate this.

LEGAL

Citizens Advice Tendring is a registered charity and company limited by guarantee.

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 implications for TDC in paying over the grant. The SLA requires that Citizens Advice have all necessary policies in place around equality and diversity and the seven protected characteristics.

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

Tendring District Council has, for many years, supported Citizens Advice Tendring by way of grant funding. Since 2013/14 the core grant has been £144,000. This has been backed by an annually agreed Service Level Agreement setting out what Citizens Advice is expected to deliver.

Although it is the case that the SLA has been subject to review each year, a wider review of the operation has Citizens Advice has recently been undertaken. This has been driven by a number of factors:-

- In October 2016 the former Chairman of Citizens Advice stepped down from this role following completion of the maximum six year term for this post and also stepped down as a trustee after 23 years service. Three other trustees, on health grounds and due to competing demands on their time, have also resigned. Citizens Advice is currently appointing new trustees and is looking for people who can bring particular skills to the organisation. An interim Chairman is in place prior to a new Chairman being confirmed at the next AGM. However, the change in leadership and the appointment of new people to the Board will allow a fresh approach from the Trustees on the future direction of Citizens Advice.
- The CEO of Citizens Advice left the organisation in June 2016. This has provided an opportunity for Citizens Advice to review its staffing structure going forward. The post of CEO as it was has been deleted. A new part time post of Operations Director has been created. This post will have responsibility for managing the day to day operations. Alongside this a new part time post of Strategic Director will have responsibility for external engagements and liaison with partners including opportunities for new projects. Arrangements are being put in place for the latter role to be a joint post with Citizens Advice Colchester.
- Citizens Advice are cognisant of the fact that their staffing structure and ways of working need to reflect today's society. This means that people increasingly look to social media, email and internet as a way of communicating and gaining information. National Citizens Advice is requiring all local bureaux to provide an advice line and webchat capability.
- There have been ongoing discussions between officers from TDC and Citizens Advice to look at where Citizens Advice could be more efficient. It is well documented that the Council has further savings to find and if there were the need to reduce the grant to Citizens Advice then it is hoped that through these discussions, that would be achieved through genuine efficiency savings rather than just a funding cut. As overall TDC funding continues to reduce it is essential to ensure that funding to Citizens Advice is providing value for money to the Council.

The two key areas of the SLA are:-

- Delivery of core services which complement or support the work of the Council. This includes debt advice, financial planning, assisting with benefits claims, homelessness advice, supporting days of action etc.
- Provision of advice at localities outside of Clacton.

These areas have been reviewed and updated to ensure that they reflect the current position and

are relevant both to the service Citizens Advice provides and what the Council expects for its money. In addition the SLA 2017/18 includes a requirement for Citizens Advice to provide information that will measure how well they are delivering on these two areas. Although no precise targets have been set, year on year comparisons will be undertaken and performance will be challenged through the contact officers if there is any concern.

In order to further ensure that value for money from grant paid to Citizens Advice is being achieved, Citizens Advice will be attending a future meeting of the Community, Leadership and Partnership Committee to provide an update on their activities.

The steps taken to formally report the current position, formally agree a new SLA for 2017/18, include the need for performance data to be provided and to make arrangements for Citizens Advice Tending to attend a meeting of the Community, Leadership and Partnership Committee will strength the monitoring arrangements in place to ensure that the Council is receiving value for money from the payment of this grant. These monitoring arrangements will continue and a further review of the SLA undertaken leading up to 2018/19.

APPENDICES

APPENDIX A – Service Level Agreement 2017/18

BACKGROUND PAPERS

There are none.

AN AGREEMENT made on 2017

BETWEEN:

- (1) **TENDRING DISTRICT COUNCIL** (TDC) of Town Hall, Station Road, Clacton-on-Sea, Essex CO15 1SE (“the Council”) and
- (2) **CITIZENS ADVICE TENDRING** (CAT) (a company limited by guarantee registered under company number 04345160 and charity number 1091777 registered with the Charity Commission) whose registered office and address registered with the Charity Commission is 8 Carnarvon Road, Clacton-on-Sea, Essex CO15 6QF (“CAT”)

WHEREAS

- (A) General Information concerning the Partnership Working and Targets or Objectives relevant to this Agreement is set out in the First Schedule
- (B) The Council wishes to support the Services of CAT for the purpose of providing an information and advice service operated within the aims, principles and policies of Citizens Advice subject to an agreed grant and to a defined level of service as hereinafter provided

NOW IT IS HEREBY AGREED as follows:

1. Definitions

1.1 In this Agreement, unless the context requires otherwise:

“Agreement” means this Agreement

“**annexed**” means a copy of which is attached to or placed with this Agreement and which has (for identification) been signed or initialled by or on behalf of each of the parties hereto

“CAT” means Citizens Advice Tendring

“Contact Officer” shall be construed in accordance with clause 7 below

“Citizens Advice” means The National Association of Citizens’ Advice Bureaux (registered charity number 279057) a company limited by guarantee registered with company number 1436965

“Grant” means the monies to be paid to CAT by the Council as provided by schedule 3

“Services” means the Service or Services to be provided by CAT as stated in this Agreement

“Term” shall be construed in accordance with clause 2

1.2 Where in this Agreement reference is made to a Clause Paragraph Schedule Plan Drawing or Recital such reference (unless the context otherwise requires) is a reference to a clause paragraph schedule plan drawing or recital of or (in the case of a plan or a drawing) attached to this Agreement

1.3 Where in any Schedule or Part of a Schedule reference is made to a paragraph such reference shall (unless the context otherwise requires) be to a paragraph of that Schedule or (if relevant) part of a Schedule

1.4 Words importing the singular meaning where the context so admits include the plural meaning and vice versa

1.5 Words of the masculine gender include the feminine and neuter genders and words denoting natural persons include companies, corporations and firms and all such words shall be construed interchangeably in that manner

1.6 Words denoting an obligation on a party to do any act, matter or thing include an obligation to procure that it be done and words placing a party under a restriction include an obligation not to cause permit or allow infringement of the restriction

1.7 The clause headings and table of contents shall not be taken into account for the purposes of the construction or interpretation of this Agreement

2. **Term**

2. The term of this Agreement is 12 months beginning on 1 April 2017 and ending on 31 March 2018, subject to the right of either party to terminate in accordance with clause 3 below.

3. **Termination**

3.1 The Agreement can be terminated by either party giving the other party not less than 6 months prior notice in writing expiring at any time.

3.2 Notice can be served if delivered, posted, or emailed to the Contact Officer.

3.3 If the Agreement is terminated so as to end before the expiry of the Term, a proportion of the Grant shall forthwith be refunded to the Council pro rata to the number of days of the Year remaining at the date when the notice terminating the Agreement ends the Agreement

4. **The Parties Obligations**

4.1 CAT agrees to provide the Services specified in Schedule 2 of this Agreement (Service Objectives and Specifications).

4.2 The Council agrees to make the grant payment specified in paragraph 3.1 of Schedule 3.

5. **Status of Agreement**

5.1 Each party shall use all reasonable endeavours to honour its obligations to the other under this Agreement, but it is not the intention of the parties that either of them shall be legally liable to the other in damages for failure on its part to observe the terms of this Agreement.

5.2 Nothing in the Agreement shall be construed as creating a partnership or legal relationship of any kind that would impose liability upon one party for the act or failure to act of the other party, or to authorise either party to act as agent for the other party. Neither party shall have authority to make representations, act in the name of, or on behalf of, or to otherwise bind the other party.

6. **Management**

6. Responsibility for the management of CAT is vested in the Trustee Board, the membership and operation of which is laid down by the Memorandum and Articles of

Association of CAT (registered company number 04345160 and registered charity number 1091777)

7. **Parties Representatives**

7.1 The Council and CAT will each appoint a Contact Officer.

7.2 The role of the Council's Contact Officer is to:

- Be the initial point of contact within the Council for CAT
- Inform CAT, in writing, of any issues which may have an effect on the implementation of the service provision in this Agreement
- Provide information, advice and support to CAT as reasonably required
- Set up monitoring meetings with CAT Contact Officer to consider the information set out in Schedule 4
- Inform CAT, in writing, of any change in the Council's Contact Officer.

7.3 The role of CAT's Contact Officer is to provide the information required in Schedule 4 of this Agreement and to inform the Council's Contact Officer, in writing, if there is:

- a proposal by CAT to change or reduce the services set out in Schedule 2
- any amount to be taken into account under 3.3
- a major change to CAT's financial budget;
- a change to CAT's constitution; or
- a change in CAT Contact Officer.

7.4 The parties' Contact Officers will be Karen Neath of the Council and Melanie Hammond of CAT or such other officer as either party shall from time to time appoint to represent it and notify to the other party.

8. **Confidentiality**

8. The Council accepts that CAT offers a confidential service and that all matters raised by individual clients are kept confidential.

9. **Staffing**

9.1 Paid and volunteer staff will be recruited and selected by CAT with full regard to all human resources policies and procedures approved by Citizens Advice.

9.2 Paid staff will be employed and remunerated by CAT with full regard to Citizens Advice Guidelines.

10. **Quality Assurance**

10 CAT undertakes to operate the quality assurance systems described in Schedule 2.

11. **Health and Safety**

11. CAT shall have regard to the requirements of the Health and Safety at Work Act, 1974 and any other Acts, Regulations, Directives or Orders etc about health and safety.

12. **Insurances**

12. CAT will arrange adequate insurances to cover such liabilities as may arise in the course of CAT's work.

13. Dispute Resolution

13. If either party considers the other to be in breach of their duties under this Agreement or has a grievance about some aspect of the Agreement's operation, the parties shall make every reasonable effort to resolve the issue through joint discussions. Where this fails:
- 13.1 the party wishing to make the complaint should provide the other with written details, including proposals for resolving the matters in dispute;
- 13.2 a written response should be sent to the initiating party within 14 days;
- 13.3 if the response is not considered to resolve the issue, the initiating party may request in writing to the Contact Officer a meeting of the authorised signatories (or their successor);
- 13.4 where possible the meeting should be held within 14 days of the Contact Officer receiving the request;
- 13.5 where the meeting does not resolve the complaint, the issue should be considered by the Bureau's Trustee Board or the relevant Council committee as a confidential item. Any submissions should be sent in advance to the other party and representation permitted;
- 13.6 If either party is dissatisfied with the outcome as notified to it in writing within seven days of the meeting, arbitration can be requested and this will take place with a mutually acceptable external party.

14. Review

14. This Agreement may require amendments in the light of experience of implementing its terms. Any amendments will need to be negotiated and agreed in writing by both parties.

15. Renewal

15. This Agreement applies to a one-off payment and no guarantee, representation or warranty by or on the part of the Council is given as to its renewal for any year or other period subsequent to the Term or that the Council will pay any money to CAT otherwise than as expressly provided by this agreement.

Schedule 1

(Background Information, Partnership Working and Targets or Objectives)

1.1 INTRODUCTION

1.1.1 The objective of CAT is to provide free, confidential, impartial and independent advice to enable residents of the Tendring District to deal with a wide range of issues, including benefits, housing, debt advice, money advice, employment, consumer, relationships, taxation and many more. The nature of the assistance provided will depend on a client's needs and ranges from the provision of information to full rights based advice.

1.1.2 The standard of service is set out in the Citizens Advice Quality Assurance Standards Membership Agreement and the Advice Services Alliance Generalist Quality Mark.

1.1.3 CAT also receives funds from the Money Advice Service, Police and Crime Commissioner, NEE CCG and Essex County Council. Loss of any funding streams for specific projects making a substantial contribution to CAT's central costs may affect CAT's ability to deliver the core service. If this were the case the Citizens Advice contact would discuss the position with the Council.

1.2 WORKING IN PARTNERSHIP

CAT recognises the Council's key priorities identified in its Corporate Plan.

Our Council Our Community

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

Health and Housing

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

Employment and Enjoyment

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

1.3. TARGETS OR OBJECTIVES

1.3.1 CAT will work in partnership with the Council in order to:

- Prevent homelessness
- Promote take-up of benefits (including Housing Benefit, Universal Credit and the Local Council Tax Support Scheme)
- Manage debt in order to ensure that clients are able to pay priority bills such as rent and Council Tax
- Support clients accessing Discretionary Housing Payments to plan and manage their finances.
- Highlight and resolve community issues
- Address health inequalities
- Promote reduce, reuse and recycle
- Reduce social isolation
- Reduce the number of Tendring residents living in fuel poverty
- Support clients to move into employment and training

Schedule 2

(Service Objectives and Specifications)

2.1 AIMS OF THE SERVICE

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives.

2.2 PRINCIPLES UNDER WHICH THE SERVICES ARE PROVIDED

CAT will provide an information and advice service which is:

- free
- confidential
- impartial
- open to all regardless of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership (only in respect of eliminating unlawful discrimination).

2.3 SERVICES FUNDED UNDER THIS AGREEMENT

The service (to which the funding arrangements in Schedule 3 relate) offered by CAT shall be 'assisted information' and 'general help' (as defined by the Advice Services Alliance Quality Mark - see paragraph 2.5 of Schedule 2), and Debt and Welfare Benefits 'casework'.

Assisted information is a service in which staff are available to help clients access information, and to identify where a client needs further information or advice.

General help is:

- Diagnosing the client's problems
- Giving information and explaining options
- Identifying further action the client can take and
- Giving basic assistance e.g. filling in forms, helping the client draft letters, and contacting third parties to seek information on the client's behalf.

Where necessary for a particular client, the service provided by CAT will also include contacting a third party to negotiate on the client's behalf.

In accordance with the Citizens Advice Membership Agreement the subjects covered will include:

- | | |
|--------------------|-------------------------------|
| • Consumer | • Money advice |
| • Welfare Benefits | • Employment |
| • Housing | • Family and personal matters |
| • Taxes | • Immigration and nationality |
| • Health | • Education |

The service covered by this Agreement includes Debt and Welfare Benefits casework as defined by the Advice Services Alliance Quality Mark i.e. with casework, the service provider takes responsibility for further action, whereas with a general help service, the client retains responsibility for the case. Casework also includes representing a client at appeal proceedings where necessary, which general help does not.

CAT will also provide 'Universal Credit Access Points' staffed by volunteers to facilitate supported access to the DWP's online benefit claims system. The aim of this service (which will operate outside of the advice surgery times in order to utilise CAT's interview rooms) will be to:

- Provide Internet access

- Process applications for Universal Credit and ensure they have been correctly completed
- Update claims with changes in circumstances to help clients avoid the £50 Civil Penalty
- Provide extra support for clients with low literacy, mental ill health or other access issues.

CAT and Tendring District Council have also entered into a further SLA for delivery of Personal Budgeting Support by CAT as part of Universal Credit Support Delivery Arrangements.

CAT Tendring shall contribute to the priorities and core values of Tendring District Council through the following actions:

CAT will:

- Assist TDC with its aim to identify those in the district who have failed to claim ANY benefits to which they may be entitled and in particular Housing Benefit & Local Council Tax Support and assist those claimants with accessing benefits they are entitled to;
- Advise clients seeking debt advice that Council Tax and National Non Domestic Rates are priority debts and assist them by liaising with TDC at individual case level to set up a repayment plan;
- Support the tackling of crime and disorder by taking part in TDC/CSP local “Day of Action” and “Community Days”;
- Signpost and advise residents on matters around crime and disorder and in particular antisocial behaviour;
- Provide clients with support and information to assist them to remain within their own homes as far as possible and prevent them getting into financial difficulties which would render them homeless;
- Assist clients in the prevention of homelessness by providing advice and support.
- Ensure that clients are aware of benefits and grants to ameliorate fuel poverty and assist them in securing the benefits they are entitled to;
- Assist vulnerable people to obtain the benefits that they are entitled to especially those living in the most deprived areas;
- Inform clients of the advantages of fuel efficiency, reducing their outgoings and protecting the environment;
- Work with partners, including TDC, to reduce health inequalities across the district.
- Assist TDC through the CAT certificated learning programme to help people gain knowledge and skills to secure good employment;

2.4 MEANS OF ACCESSING THE SERVICE

The service shall be available:

- a) by letter and fax
- b) to personal callers on a drop-in basis
- c) email
- d) CAT Adviceline - as part of our membership of NCA CAT will join in the provision of a public advice line to increase access to advice and information over the phone as from 3 April 2017.
- e) The provision of Email advice and Webchat known as the digital service will also evolve in 2017

The advertised opening times relate to the period when the doors are open to the public. CAT will endeavour to see all clients who enter CAT during the drop-in times continuing, where necessary, to provide advice through the afternoon; but advice is not normally given after 4.00 pm to allow time for case recording and casework supervision.

Clacton CAT, 18 Carnarvon Road, Clacton on Sea

Monday	Assisted Information	10:00 am – 4:00 pm
Tuesday	Assisted Information Generalist Advice Drop-in	10:00 am – 4:00 pm 10.00 am – 12.30 pm
Wednesday	Assisted Information Generalist Advice Drop-in	10:00 am – 4:00 pm 10.00 am – 12.30 pm
Thursday	Assisted Information Generalist Advice Drop-in	10:00 am – 4:30 pm 10.00 am – 12.30 pm
Specialist debt and benefits advice appointments are available through the week (at Carnarvon Road and Old Road)		10:00 am – 4:00 pm
Food & Clothing Crisis Support		10.00am – 4.00pm

Harwich CAT, Jobcentre Plus, 164 High Street, Harwich CO12 3AT

Monday	Generalist Advice Drop-in	9:30 am – 12:30 pm
Tuesday	Generalist Advice Drop-in	9:30 am – 12:30 pm

13 High Street, Manningtree

Wednesday	Generalist Advice Appointments	9:30 am – 12:30 pm
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21 New Pier St, Walton on the Naze

Wednesday	Generalist Advice Appointments	9:30 am – 12:30 pm
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Brightlingsea Council Offices, Victoria Place, Brightlingsea

Thursday	Generalist Advice Appointments	10:45 am – 12.30 pm
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2.5 QUALITY ASSURANCE

National Citizens Advice (NCA) has introduced a new membership this year outlining the responsibilities of the National and Local Citizens Advice offices. Citizens Advice Tendring (CAT) have signed up to the new membership which will include the following responsibilities known as The Performance Quality Framework (PQF) :-

- * Quarterly Surveys of Client experience sampled
- * QAA - Quality of Advice Assessments conducted monthly (CAT) but reviewed and sampled by NCA quarterly
- * FCA - Financial Health Monitoring - Financial reports submitted to NCA quarterly
- * LSA - Leadership Self Assessment - Annually to include 9 areas of People Management, Operations, Research and Campaigns, Equality and Diversity, Risk Management, Governance, Strategic Management, Finance and Partnerships.

2.6 SERVICE DEVELOPMENT AND IMPROVEMENT

CAT has a business and development plan (see paragraph 4.6 of Schedule 4), the monitoring of which and the results of audits (see paragraphs 4.2 and 4.3 of Schedule 4) lead to innovation and improvements in its service

CAT will participate in the relevant networks in order to enhance the services provided to local residents.

CAT will work to secure additional funding in order to meet unmet needs for advice amongst the diverse local communities.

CAT will make use of clients' experiences to inform and influence the policy and delivery of other local services, and will inform the Council of relevant issues.

2.7 USER FEEDBACK AND INVOLVEMENT

CAT will operate a procedure for representations and complaints about the service in accordance with Citizens Advice guidelines and shall take all reasonable steps to bring this to the attention of the users of CAT.

CAT undertakes an annual client satisfaction survey. From 2017 the National Association of Citizens Advice Bureaux will be implementing an external quarterly survey of clients.

CAT will consult both clients and potential clients about service provision and opening hours.

CAT will encourage users to take up appropriate training opportunities within CAT.

The Trustee Board are to be constituted in such a way as to encourage representation from as wide a range of local people and relevant organisations as possible.

2.8 CIRCUMSTANCES BEYOND CAT'S CONTROL

CAT will not be held responsible for any interruption in or disruption to the core services due to circumstances beyond its control.

The services specified are dependent on the availability of suitable advisers and the continued availability of rent free accommodation for delivery of the Harwich, Manningtree, Brightlingsea and Walton service; or additional external funding to meet such costs.

Schedule 3

(Financial and Resourcing Arrangements)

- 3.1 The Council has agreed that the grant to be paid by the Council to CAT for the twelve months beginning 1 April 2017 shall be £144,000.
- 3.2 The grant in 3.1 will be paid in two instalments of £72,000 payable by 1 April 2017 and 1 September 2017.
- 3.3 Together with the funds from Essex County Council, these grants shall be construed as being sufficient to fund the services referred to in Schedule 2 of this Agreement.
- 3.4 Any reduction in funding from other organisations that prevents CAT from providing the service detailed in Schedule 2, including the level of availability in 2.4, will result in the Council reviewing its Grant to CAT.

3.5 All amounts specified under this Agreement are exclusive of VAT.

CAT agrees to submit, to the Council a copy of its latest approved accounts, within the meaning of the Charities Act, 1992 and 1993 within 7 days of their formal approval.

Any change to the core funding provided by Essex County Council referred to in 3.3 could cause CAT to be unable to provide the services specified in Schedule 2 of this Agreement.

Where CAT gains a surplus of income from grants, fundraising or other sources in any one year, the Council will not seek repayment of any part of the grant provided the service level specified in Section 2 has been fully met.

Schedule 4

(Monitoring Arrangements)

4.1 CAT monitors and evaluates its services in accordance with the procedures and directions set out in the Citizens Advice Quality Assurance Standards Membership Agreement.

4.2 CAT is subject to an annual organisational self assessment and quarterly audit of quality of advice.

4.3 CAT is subject to a three-yearly audit by National Citizens Advice.

4.4 CAT is required meet the standards set in Section 2.5 a & b, following the audits in 4.2 and 4.3, in order to receive the Council's grant detailed in Section 3.

CAT will provide a copy of the Annual Report to the Council and an invitation for the Council's Contact Officer at the Annual General Meeting of CAT.

4.5 CAT will provide to the Council figures on the following targets:-

- Number of clients seen at Clacton, Harwich, Manningtree, Walton and Brightlingsea
- A breakdown of the topics on which advice is sought
- Amount of benefits claimed by supported clients
- Amount of debt managed
- Amount of debt written off
- Number of people avoiding homelessness

CAT will provide information reasonably required by the Council, subject to those requirements not being in breach of clients' confidentiality. Information will not be required more frequently than at quarterly intervals. The Council's contact officer will discuss any concerns about performance with the CAT contact officer.

Subject to Citizens Advice guidelines these monitoring arrangements can be amended by Agreement between the Council and CAT to reflect changes in service practice, for example data collection.

Signed on behalf of
Tendring District Council
by its duly authorised signatory
and Management & Members Support Manager

Signed on behalf of
Citizens Advice Tendring
by its duly authorised signatory and
Operations Director

KAREN NEATH

MELANIE HAMMOND

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

17 MARCH 2017

REPORT OF CORPORATE SERVICES PORTFOLIO HOLDER

A.4 PROGRAMME OF MEETINGS 2017/2018 MUNICIPAL YEAR

(Report prepared by Ian Ford)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable Cabinet to give consideration to the programme of meetings for the 2017/2018 Municipal Year.

EXECUTIVE SUMMARY

This report will enable Cabinet, as required by the Constitution, to submit for formal approval to the Annual Meeting of the Council a programme of meetings for the 2017/2018 Municipal Year.

RECOMMENDATION

That the programme of meetings for the Council and Committees, as set out in the Appendix to this report, be approved and be submitted to the Annual Meeting of the Council for formal approval.

PART 2 – SUPPORTING INFORMATION

BACKGROUND

A draft programme of meetings has been prepared and approved and is set out as an Appendix to this report. The meetings of the Corporate Management Committee, Community Leadership and Partnerships Committee, the Human Resources Committee and the Service Development and Delivery Committee will normally commence at 7.30 p.m. Meetings of the Planning Committee will normally commence at 6.00 p.m. Those Committees will normally meet at the Council Offices, Weeley. The commencement time and venue for meetings of the Community Leadership and Partnerships Committee may be subject to change on a meeting by meeting basis dependent on whether there is a need to assist representatives of external organisations who are attending at the request of the Committee.

Meetings of the Audit Committee, the Licensing and Registration Committee and the Standards Committee will be held on a quarterly basis at the Council Offices, Weeley and will normally commence at 7.30 p.m. (with the exception of the Standards Committee which will meet at 10.00 a.m.). Local Plan Committee meetings will be held at 6.00 p.m. at the Council Offices, Weeley, or in the Princes Theatre in the Town Hall, Clacton-on-Sea, depending on the predicted public attendance.

Public meetings of the Cabinet are scheduled to commence at 10.30 a.m. in the Essex Hall, at the Town Hall, Clacton-on-Sea.

Meetings of the full Council will commence at 7.30 p.m. and are scheduled to be held in the Princes Theatre at the Town Hall.

Cabinet meetings are fixed by the Leader of the Council in accordance with Cabinet Procedure Rule 1.1 and therefore the scheduling et cetera may change.

The programme does not show meetings of the Sub-Committees, which are arranged either at meetings of the relevant Sub-Committee or from time to time when required.

BACKGROUND PAPERS FOR THE DECISION

None.

APPENDICES

Programme of Meetings for the 2017/18 Municipal Year.

TIMETABLE OF MEETINGS – 2017/2018 MUNICIPAL YEAR

2017

Body	Time	Day	Date	Notes
ANNUAL COUNCIL (Already agreed)	7.30 p.m.	Tuesday	25 April	Note 1
COUNCIL	7.30 p.m.	Tuesday	9 May	Note 12
Corporate Management Committee	7.30 p.m.	Monday	15 May	
Planning Committee	6.00 p.m.	Tuesday	16 May	
Cabinet	10.30 a.m.	Friday	19 May	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	22 May	
Local Plan Committee	6.00 p.m.	Tuesday	23 May	
Cabinet	10.30 a.m.	Friday	26 May	Note 13
Service Development and Delivery Committee	7.30 p.m.	Wednesday	31 May	Note 3
COUNCIL	7.30 p.m.	Tuesday	6 June	Note 14
Planning Committee	6.00 p.m.	Tuesday	13 June	
Cabinet	10.30 a.m.	Friday	16 June	
Audit Committee	7.30 p.m.	Thursday	22 June	
Corporate Management Committee	7.30 p.m.	Monday	26 June	
Standards Committee	10.00 a.m.	Wednesday	28 June	
COUNCIL	7.30 p.m.	Tuesday	4 July	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	10 July	
Planning Committee	6.00 p.m.	Tuesday	11 July	
Licensing and Registration Committee	7.30 p.m.	Wednesday	12 July	
Cabinet	10.30 a.m.	Friday	14 July	
Service Development and Delivery Committee	7.30 p.m.	Monday	17 July	
Human Resources Committee	7.30 p.m.	Wednesday	19 July	
Planning Committee	6.00 p.m.	Tuesday	8 August	
Local Plan Committee	6.00 p.m.	Thursday	10 August	
Cabinet	10.30 a.m.	Friday	11 August	
COUNCIL	7.30 p.m.	Tuesday	5 September	
Planning Committee	6.00 p.m.	Wednesday	6 September	Note 2
Cabinet	10.30 a.m.	Friday	8 September	
Audit Committee	7.30 p.m.	Thursday	21 September	
Corporate Management Committee	7.30 p.m.	Monday	25 September	
Standards Committee	10.00 a.m.	Wednesday	27 September	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	2 October	
Planning Committee	6.00 p.m.	Tuesday	3 October	
Licensing and Registration Committee	7.30 p.m.	Wednesday	4 October	
Local Plan Committee	6.00 p.m.	Thursday	5 October	
Cabinet	10.30 a.m.	Friday	6 October	
Service Development and Delivery Committee	7.30 p.m.	Monday	9 October	
Planning Committee	6.00 p.m.	Tuesday	31 October	
Human Resources Committee	7.30 p.m.	Wednesday	1 November	
Cabinet	10.30 a.m.	Friday	10 November	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	13 November	
COUNCIL	7.30 p.m.	Tuesday	21 November	
Service Development and Delivery Committee	7.30 p.m.	Thursday	23 November	Note 11
COUNCIL (PROVISIONAL)	7.30 p.m.	Tuesday	28 November	Note 4
Planning Committee	6.00 p.m.	Wednesday	29 November	Note 2
Corporate Management Committee	7.30 p.m.	Monday	4 December	
Cabinet	10.30 a.m.	Friday	15 December	

Corporate Management Committee	9.30 a.m.	Monday	18 December	Note 5
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2018

Planning Committee	6.00 p.m.	Wednesday	3 January	Note 3
Corporate Management Committee (PROVISIONAL)	9.30 a.m.	Thursday	4 January	Note 5
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	8 January	
Service Development and Delivery Committee	7.30 p.m.	Monday	15 January	
Cabinet	10.30 a.m.	Friday	19 January	
Standards Committee	10.00 a.m.	Monday	22 January	
COUNCIL	7.30 p.m.	Tuesday	23 January	
Licensing and Registration Committee	7.30 p.m.	Wednesday	24 January	
Audit Committee	7.30 p.m.	Thursday	25 January	
Corporate Management Committee	7.30 p.m.	Monday	29 January	
Planning Committee	6.00 p.m.	Tuesday	30 January	
COUNCIL	7.30 p.m.	Tuesday	6 February	Note 6

Cabinet (PROVISIONAL)	10.30 a.m.	Friday	9 February	Note 7
COUNCIL (PROVISIONAL)	7.30 p.m.	Wednesday	14 February	Note 8

Cabinet	10.30 a.m.	Friday	16 February	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	19 February	
Council Tax Committee	10.00 a.m.	Wednesday	21 February	Note 9
Service Development and Delivery Committee	7.30 p.m.	Monday	26 February	
Planning Committee	6.00 p.m.	Tuesday	27 February	
Human Resources Committee	7.30 p.m.	Wednesday	7 March	
Corporate Management Committee	7.30 p.m.	Monday	12 March	
Cabinet	10.30 a.m.	Friday	16 March	
Standards Committee	10.00 a.m.	Monday	19 March	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	19 March	
Audit Committee	7.30 p.m.	Thursday	22 March	
COUNCIL	7.30 p.m.	Tuesday	27 March	

Planning Committee	6.00 p.m.	Wednesday	28 March	Note 2
Service Development and Delivery Committee	7.30 p.m.	Wednesday	4 April	Note 10
Licensing and Registration Committee	7.30 p.m.	Wednesday	11 April	
Cabinet	10.30 a.m.	Friday	20 April	
ANNUAL COUNCIL	7.30 p.m.	Tuesday	24 April	

2018/2019 MUNICIPAL YEAR

(Provisional dates for early cycles of meetings in 2018/2019 – for information only, subject to change)

Corporate Management Committee	7.30 p.m.	Monday	30 April	
Planning Committee	6.00 p.m.	Tuesday	1 May	
Community Leadership and Partnerships Committee	7.30 p.m.	Wednesday	9 May	Note 3
COUNCIL	7.30 p.m.	Tuesday	15 May	

Service Development and Delivery Committee	7.30 p.m.	Wednesday	16 May	Note 2
Cabinet	10.30 a.m.	Friday	18 May	
Planning Committee	7.30 p.m.	Wednesday	30 May	Note 3
Corporate Management Committee	7.30 p.m.	Monday	11 June	
Cabinet	10.30 a.m.	Friday	15 June	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	18 June	
Audit Committee	7.30 p.m.	Thursday	21 June	
Standards Committee	10.00 a.m.	Monday	25 June	

Service Development and Delivery Committee	7.30 p.m.	Monday	25 June	
Planning Committee	6.00 p.m.	Tuesday	26 June	
COUNCIL	7.30 p.m.	Tuesday	3 July	

Licensing and Registration Committee	7.30 p.m.	Wednesday	11 July	
Cabinet	10.30 a.m.	Friday	13 July	
Corporate Management Committee	7.30 p.m.	Monday	16 July	
Human Resources Committee	7.30 p.m.	Wednesday	18 July	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	23 July	
Planning Committee	6.00 p.m.	Tuesday	24 July	
Service Development and Delivery Committee	7.30 p.m.	Monday	30 July	
Cabinet	10.30 a.m.	Friday	10 August	
Planning Committee	6.00 p.m.	Tuesday	21 August	
Cabinet	10.30 a.m.	Friday	7 September	
COUNCIL	7.30 p.m.	Tuesday	11 September	

Corporate Management Committee	7.30 p.m.	Monday	17 September	
Planning Committee	6.00 p.m.	Tuesday	18 September	
Community Leadership and Partnerships Committee	7.30 p.m.	Monday	24 September	
Audit Committee	7.30 p.m.	Thursday	27 September	
Service Development and Delivery Committee	7.30 p.m.	Monday	1 October	
Licensing and Registration Committee	7.30 p.m.	Wednesday	3 October	
Cabinet	10.30 a.m.	Friday	5 October	
Standards Committee	10.00 a.m.	Monday	8 October	
Planning Committee	6.00 p.m.	Tuesday	16 October	
Corporate Management Committee	7.30 p.m.	Monday	29 October	

Notes

1. Annual Meetings of the Council moved forward from the usual first week in May to the fourth week in April as a result of the Essex County Council Elections being held on Thursday 4 May 2017.
2. Meeting scheduled to be held on the Wednesday as a Council meeting is on the Tuesday of that week, and to enable political groups to hold pre-Council meetings on the Monday night.
3. Meeting scheduled to be held on the Wednesday as the Monday of that week is a Bank Holiday.
4. Provisional meeting arranged in case the Council does not get through all of the business on its agenda for the 21 November 2017 meeting and the meeting is adjourned. If the provisional meeting does go ahead, no new business will be transacted at that meeting.
5. Extra meeting arranged on 18 December 2017 to allow the Corporate Management Committee to consider the Cabinet's Financial Baseline and Initial Budget and Special Expenses Proposals. Thursday 4 January 2018 meeting arranged to allow the Committee to discuss those proposals with Portfolio Holders and then formally comment on those proposals to Cabinet.
6. Meeting of the Council to approve the Cabinet's budget proposals and set the Council Tax but excluding County, Fire and Police Council Tax calculations.
7. Provisional extra meeting of the Cabinet arranged in order to allow the Cabinet to meet and consider any objections the Council has to the Cabinet's budget proposals (which may have been made at the Council meeting on 6 February 2018).
8. Provisional extra meeting of the Council arranged in order to allow the Council to meet and consider the Cabinet's revised budget proposals or the Cabinet's disagreement with the Council's budget objections (which may arise from the Cabinet meeting referred to in note 7 above.)

9. Meeting to formally confirm the implications of the County, Fire and Police precepts on the Council's Collection Fund and for each Council Tax band in the parished and unparished areas of the District.
10. Meeting moved back from the usual Monday due to Easter Bank Holidays the previous weekend.
11. Meeting scheduled to be held on the Thursday as a Council meeting is on the Tuesday of that week, and to enable political groups to hold pre-Council meetings on the Monday night. In addition, an All Member Briefing has been arranged for the Wednesday night.
12. Brought forward from the provisionally agreed date of 16 May as the Princes Theatre is now contractually booked out for a two day "Dinosaur World" event.
13. Extra meeting of the Cabinet arranged in order to allow the Cabinet to meet and approve the Publication Local Plan for recommendation to full Council.
14. Provisional extra meeting of the Council arranged in order to allow the Council to meet and consider the Publication Local Plan.

Key Decision Required:	Yes	In the Forward Plan:	Yes
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**CABINET
17 MARCH 2017**

REPORT OF RESOURCES AND CORPORATE SERVICES PORTFOLIO HOLDER

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

(Report prepared by Richard Barrett and Wendy Borgartz)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

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

EXECUTIVE SUMMARY

- The Annual Treasury Strategy for 2017/18 including Prudential and Treasury Indicators was initially considered and agreed by Cabinet on 20 January 2017 for submission to the Corporate Management Committee for review.
- Corporate Management Committee considered the Strategy at its meeting on 13 February 2017 and resolved (minute 53 refers):

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

RECOMMENDATION

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

APPENDICES

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

Tendring
District Council



**ANNUAL TREASURY
STRATEGY FOR 2017/18**

Annual Treasury Strategy for 2017/18

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

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

1. Background

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Current Portfolio Position

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

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

5. Borrowing Requirement

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

6. Economic Position

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

World economy

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

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

UK economy

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

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

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

7. Interest Rates

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

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

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

8. Borrowing Strategy

8.1 External v Internal Borrowing

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

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

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

Total External Debt

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

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

General Fund External Debt

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

HRA External Debt

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

In respect of the General Fund, the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external loans, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains prudent, as investment returns are low and counterparty risk is high, and will be continued.

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

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

8.2 Gross Debt v Investments

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

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

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

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

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

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

8.3 Policy on borrowing in advance of need

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

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

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

9. Debt Rescheduling

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

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

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

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

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

10. Annual Investment Strategy

10.1 Investment Policy

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

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

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

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

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

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

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

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

10.2 Creditworthiness Policy and changes to the credit rating methodology

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

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

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

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

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

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

10.3 Credit Limits

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

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

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

10.4 Country Limits

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

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

10.5 Investment Strategy

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

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

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

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

10.6 Allocation of Investment returns between GF and HRA

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

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

- Equity
- Risk Sharing
- Minimising volatility between years

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

10.7 End of year investment report

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

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-specified investment – as defined in Annex 2.

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

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

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

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

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

Specified investments – as defined in Annex 2.

SPECIFIED AND NON-SPECIFIED INVESTMENTS

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

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

SPECIFIED INVESTMENTS:

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

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

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

High credit quality

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

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

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

NON SPECIFIED INVESTMENTS

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

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

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

This is an estimate of the amount of investment planned over the period. As can be seen, not all investment necessarily has an impact on the Council Tax, schemes funded by grants, capital receipts or external contributions mean that the effect on the Council Tax is greatly reduced.

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

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

CAPITAL FINANCING REQUIREMENT

Each year, the Council finances the capital programme by a number of means, one of which could be borrowing. The Capital Financing Requirement (CFR) represents the cumulative amount of borrowing that has been incurred to pay for the Council's capital assets, less amounts that have been set aside for the repayment of debt over the years. The Council is only allowed to borrow long term to support its capital programme. It is not allowed to borrow long term to support its revenue budget.

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

HRA LIMIT ON INDEBTEDNESS

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

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

GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT

This indicator compares the Capital Financing Requirement to the level of external debt and shows how much of the capital programme is financed from internal resources. The capital programme is partially funded in the short to medium term by internal resources when investment interest rates are significantly lower than long term borrowing rates. Net interest payments are, therefore, optimised.

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

OPERATIONAL BOUNDARY AND AUTHORISED LIMIT

The Council must set an operational boundary and authorised limit for external debt. The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It reflects the decision on the amount of debt needed for the Capital Programme for the relevant year. It also takes account of other long term liabilities, which comprise finance leases, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt. The Council has none of these at present.

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

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

RATIO OF FINANCING COSTS TO NET REVENUE STREAM

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

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

INCREMENTAL IMPACT OF CAPITAL INVESTMENT DECISIONS

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

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

INTEREST RATE EXPOSURE

Tendring District Council currently has all its borrowings at fixed rate and usually has a mixture of fixed and variable rate investments. This indicator is set to control the Council's exposure to interest rate risk.

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

TOTAL PRINCIPAL SUMS INVESTED FOR PERIODS LONGER THAN 364 DAYS (excluding property)

Interest rate risk is also affected by the proportion of the investments invested at fixed rates for longer periods, especially in a period when rates are expected to rise.

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

MATURITY STRUCTURE OF FIXED RATE BORROWING

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

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

TREASURY INDICATOR - EXPOSURE TO CREDIT RISK

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) using the rating applicable when it is taken out and taking the arithmetic average, weighted by the size of each investment. Investments in government instruments such as DMO, treasury bills and in local authorities are scored as 1.

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

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