
**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 15TH JULY, 2022 AT 10.31 AM
IN THE COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

Present: Councillors N R Stock OBE (Leader of the Council)(Chairman), J D Bray (Planning Portfolio Holder), G V Guglielmi (Deputy Leader; Corporate Finance & Governance Portfolio Holder), P B Honeywood (Housing Portfolio Holder), L A McWilliams (Partnerships Portfolio Holder), M C Newton (Business & Economic Growth Portfolio Holder), A O J Porter (Leisure & Tourism Portfolio Holder) and M J Talbot (Environment & Public Space Portfolio Holder)

Group Leaders Present by Invitation: Councillors E T Allen (Leader of the Tendring First Group), J B Chapman BEM (Leader of the Independents Group), I J Henderson (Leader of the Labour Group), G G I Scott (the Leader of the Liberal Democrats Group), C P Winfield (Leader of the Holland-on-Sea Group) and A P H Baker (Deputy Leader of the Tendring Independents Group)

In Attendance: Damian Williams (Corporate Director (Operations and Delivery)), Gary Guiver (Acting Director (Planning)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Anastasia Simpson (Assistant Director (Partnerships)), Michael Carran (Assistant Director (Economic Growth & Leisure)), Keith Simmons (Head of Democratic Services and Elections), Ian Ford (Committee Services Manager) and Keith Durran (Committee Services Officer)

30. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor M E Stephenson (Leader of the Tendring Independents Group).

31. MINUTES OF THE LAST MEETING

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 17 June 2022, be approved as a correct record and be signed by the Chairman.

32. DECLARATIONS OF INTEREST

Councillors Allen and Stock OBE each declared a Personal Interest in the content of the Leader of the Council's Announcement (reported under Minute 33 below) insofar as they both owned businesses within the District.

33. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

The Leader of the Council (Councillor Stock OBE) made the following announcement:

"I briefly introduced a number of potential activities at Full Council on Tuesday night that would directly respond to the cost of living challenges we are all facing.

The first related to utilising an existing resource – the Tendring Community Fund. I am exploring ways that this can provide more targeted support across the District.

Although subject to further development, I am keen to see if we can put extra money into this existing fund and invite local organisations to bid for funding where they may be better placed to provide effective and targeted support across the whole District.

The second item I raised was around the potential for a Tendring Lottery. Although there remains a touch of caution, there are a number of Local Authorities that operate lotteries across the country and it appears some are much more successful at it than others.

What therefore springs to mind is the following question - can we distil elements of the successful ones and launch one here in Tendring? For example, are there opportunities to operate in such a way that people can effectively donate to their chosen good cause, which in turn gives them a chance to enter a district wide lottery rather than the other way round?

I am really interested to explore the opportunities and I would also be interested in Members' views. It would also be a great legacy if we were able to use some of the COVID funding we received from the Government.

As I mentioned on Tuesday, it has always been my intention to use this money to support the District recover from the pandemic wherever possible and finding a way to increase the funds of local groups and charities would certainly be a great cause.

The last idea that I mentioned was about exploring solar panel installations – this may not be limited to just our own tenant's properties but could also include private homes across the District. I am keen to explore a number of opportunities such as working with private sector partners to see if we can lever in some additional funding into the district on behalf of our residents.

In anticipation of what Carlo is going to say shortly when he introduces the outturn report, any investments we make have to be set against an increasingly challenging financial environment. I will therefore be providing updates on the development of the three ideas I have just mentioned alongside the financial forecast and Corporate Investment Plan over the coming weeks."

The Leader of the Council also informed Cabinet that he had written to the Chancellor of the Exchequer requesting him to take remedial action in relation to the fact that businesses were not subject to the cap on electricity price rises and further in relation to the situation whereby many small businesses in rural areas were inadvertently penalised by VAT on gas and electricity costs when there was no alternative gas supply available and the business was forced to rely solely on electricity for its energy needs.

34. ANNOUNCEMENTS BY CABINET MEMBERS

There were none on this occasion.

35. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

36. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE - A.1 - CORPORATE INVESTMENT PLAN

Cabinet was aware that, at its meeting held on 24 May 2022 (Minute 9 referred), the Resources and Services Overview & Scrutiny Committee (“the Committee”) had had before it a report of the Corporate Finance and Governance Portfolio Holder which had provided it with an introduction on the Corporate Investment Plan (CIP) and its intended function. The Members of the Committee had been advised that:

‘The Corporate Investment Plan has been under development over the last six months in response to recommendations by the Council’s external auditors and peer reviews. At its meeting on 25 February 2022, Cabinet agreed to implement a Corporate Investment Plan approach to investment and to establish a Corporate Investment Board. Cabinet asked Portfolio Holders to explore with Officers further items for consideration by the proposed first meeting of the Corporate Investment Board in March.’

There had been discussions around the Corporate Investment Board (CIB) prioritising projects on the CIP and how that prioritisation took place, and the Committee was advised that this was done through a scoring mechanism to establish what priority the project should have. The Committee had been also advised that the membership of the CIB was the Leader of the Council; the Deputy Leader of the Council; the Chief Executive; the Deputy Chief Executive; the Assistant Director (Finance & IT) and the Interim Corporate Director (Projects Delivery). The Committee had been interested to understand how all projects, including those that had been approved but not implemented prior to the CIP approach would be incorporated in the CIP to ensure that there was a complete view on such projects/schemes and the funding associated with them. The Committee had been advised that currently the CIP did not currently include all projects. However, it could be adapted to do this.

After a discussion the Committee had **RECOMMENDED** to Cabinet:-

“That Cabinet agrees that:-

- 1) the Corporate Investment Board is minuted and that these minutes are circulated to Councillors as a part of supporting transparency in this process;*
- 2) a mechanism is found to report quarterly on the projects that are funded through the Corporate Investment Plan and the delivery of them; and*
- 3) the report mechanism, mentioned above, include all (non-business as usual) projects for which capital or revenue funding has been allocated.”*

The Cabinet had before it the response of the Corporate Finance & Governance Portfolio Holder thereto as follows:-

“There has always been a dialogue between Cabinet members and senior officers to determine the issues that come to Cabinet as reports for discussion and decision. The Corporate Investment Plan is a means to make this process more formal in relation to projects, as it helps to finesse the order in which those Cabinet Papers come forward. The pipeline of projects will be published in the Cabinet Paper.

The Council regularly reports to Cabinet on significant projects through its performance reporting on highlight priorities. I will ask officers to review whether there are new projects funded through the Corporate Investment Plan which should be added to this reporting process, depending on their significance.”

Having considered the recommendations of the Resources and Services Overview & Scrutiny Committee, together with the response of the Corporate Finance & Governance Portfolio Holder thereto:-

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

RESOLVED that the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Corporate Finance & Governance Portfolio Holder thereto be endorsed.

37. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE - A.2 - WASTE RECYCLING AND LITTERING ENQUIRY

Cabinet was aware that the Resources and Services Overview & Scrutiny Committee ("the Committee"), at its meeting held on 30 June 2022, had considered a report which had been submitted by that Committee's own Task and Finish Group on Waste, Recycling, and Litter which had itself met on 16 May 2022.

Councillor Michael Talbot (the Portfolio Holder for Environment and Public Space) had addressed the meeting and had set out an introduction to the material provided to the Task and Finish Group which was a range of information on the issue of waste, recycling, litter and fly tipping as referenced in the terms of reference for the enquiry. Some additional text had been included in the report on customer contact in relation to services provided by the Street Scene Service Area and the online forms for requesting services.

At the invitation of the Chairman of the meeting, Mr Hamlet (the Council's Street Scene Manager) had given a verbal update on the material set out in the report. Contributions had then been made by Damian Williams (the Corporate Director (Operations and Delivery)) and Andy White (the Assistant Director (Building and Public Realm)).

The Members of the Task and Finish Group had previously considered their key lines of enquiry on 5 May 2022 and had submitted those to the Officers in preparation for the meeting on 16 May 2022. At that meeting Officers had provided written responses to most of those questions. As such, the Members had asked supplementary questions based on the responses provided. Subsequent to the meeting on 16 May 2022, a completed set of written responses had been provided to the Members of the Task and Finish Group / Members of Resources and Services Overview and Scrutiny Committee.

After discussion the Committee's decision had been to recommend the following to the Cabinet:-

"In respect of the recycling elements of the enquiry:

- (1) That the capacity of the Street Scene Team to undertake a range of engagement and recycling promotion work with school age children, members of community organisations and the public through roadshows, Council Tax Bills etc. be assessed and plans brought forward to support this capacity. The Committee believes that this work is vital to ensure we have a well-informed local population about recycling and the benefits of it and that the capacity of the team should provide for this work to be undertaken systematically and consistently;*

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- (2) *That, in addition to the steps in (1) above, available data, or proxies for it, about recycling rates within the District be examined to identify those areas where recycling rates are lowest and that the available resources for promotional activity be targeted to those areas to increase recycling rates there. The Committee is conscious of the need to use data to guide action and that this is an area where finite resources can be directed where the need for action is most required.*
 - (3) *That proposals for new style three chamber litter bins to separate out general waste from plastic/can recyclables and card recyclables be examined with a view to these being installed in the centres of towns in the District. The Committee considers that these new style bins would help reinforce the message around recycling and further the Council's commitment to it (and positively reinforce the Council's Community Leadership role);*
 - (4) *That the expected standards for cleanliness/removal of broken glass at the recycling bring sites in the District be developed and publicised and, alongside these, deployment response times for the cleaning/clearing of those sites be established for reports of issues at those sites when the standards are not being met. This recording will include each incident of 'fly tipping' at the sites. The Committee believes the recycling bring sites provide a valuable addition to the kerbside recycling collection service and believes that working with the public we can look to keep the sites in the best possible condition by sharing with them the standards they should expect, the means of reporting when those standards are not met and a response regime to those reports that can manage expectations while returning the site to the expected standards as soon as possible; and*
 - (5) *That the introduction of an online (MyTendring) form to report a missed bin collection for garden waste collections (Brown bin) be pursued. The Committee regards the availability of a missed bin collection online form for the general waste (Black bin) and recycling boxes (red and green boxes) as positive and that the same 24/7 reporting route should be provided for garden waste where there is a missed collection.*

In respect of the public space litter elements of the enquiry:

- (6) *That the proposals for uniquely coloured (purple) bags for those undertaking Community Litter picks (to distinguish these bags from other forms of waste/recycling) be warmly supported;*
- (7) *That the large blue litterbins used as part of the Summer Plan along the seafront should be retained throughout the low season to create a year round approach to litter collection in those spaces. The removal of the litterbins means that out of season there is a reduced litterbin service along the seafront. For residents in those areas and local individuals who use the seafront this reduced service is perceived as a lower standard for them than is provided for tourists. Retaining the bins, even with a reduced emptying regime would demonstrate the obvious commitment of the Council to its residents;*
- (8) *That consideration be given to a pilot scheme along the stretch of the A120 from Ardleigh Crown to Horsley Cross to install high visibility litter bins in the laybys and evaluate the extent of their use (and any potential consequential fly tipping from their introduction) for a 12 months period (and that the experience be used to inform*

the approach along this road and the A133 going forward). The Committee believes that the pilot approach will provide the Council with valuable information as to whether litter bins in the laybys of major roads in the District would be advantageous;

- (9) *That the verge litter-picking schedule for the A120 from the new roundabout to the Auction roundabout be increased to six times a year. The current frequency is, in the view of the Committee, demonstrably insufficient to keep the verges concerned clear of litter and this then could encourage further littering to take place by those who see the extent of litter that is not cleared sufficiently frequently to deter it taking place;*

In respect of future service provision:

- (10) *The Committee welcomed the opportunity to input into the specification for the waste, recycling and street cleaning contract that will be the basis of service provision in those areas from 2026.*

[Note: Further to item (10) in the above recommendations, the Resources and Services Overview and Scrutiny Committee had proposed to Council on 12 July 2022 that the development of proposals for the waste, recycling and street cleaning contract specification from 2026 be included in the work programme of enquiries for the Committee for 2022/23.]”

The Environment & Public Space Portfolio Holder responded thereto as follows:-

“Colleagues, this report from the Resources and Services Overview & Scrutiny Committee is far too good to just note as it is bursting with intelligent ideas. I want the chance for each to be examined in detail and properly costed, with a view to trying to encompass the report’s ideas. Damian Williams organised a meeting for me yesterday with Andy White and Jonathan Hamlet present. I said that only having received the report a week ago, this was not enough time to present a considered answer at this Cabinet meeting, but that I wanted a detailed answer to be prepared with costs included for the next Cabinet meeting.”

Having considered the recommendations of the Resources and Services Overview & Scrutiny Committee, together with the initial response of the Environment & Public Space Portfolio Holder thereto:-

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

RESOLVED that Cabinet notes –

- (a) the contents of the report; and
- (b) that a full response from the Environment & Public Space Portfolio Holder will be submitted to the next meeting of the Cabinet.

38. LEADER OF THE COUNCIL'S ITEMS - A.3 - RENEWAL OF THE NORTH ESSEX PARKING PARTNERSHIP AGREEMENT

Cabinet considered a report of the Leader of the Council (A.3) which sought its endorsement for the decision of the Leader of the Council taken on 30 June 2022 (and published on 4 July 2022) to sign up to the new Joint Committee Agreement of the North Essex Parking Partnership.

Members recalled that Essex County Council (ECC) had a statutory responsibility for the delivery of on-street parking management and enforcement and that it had delegated that responsibility to two partnerships consisting of boroughs and districts within Essex, namely the North Essex Parking Partnership (NEPP) and the South Essex Parking Partnership (SEPP). The District of Tendring fell within the NEPP.

Cabinet was reminded that, within each partnership, there was a lead authority responsible for the employment of staff engaged in both frontline and back-office requirements for delivering the service. In the case of the NEPP this was Colchester Borough Council. The NEPP had been formed in April 2011 and reported to a Joint Committee (JC) of ECC under the terms agreed within a Joint Committee Agreement (JCA).

It was reported that the original JCA had been for seven years with an option for a further four-year extension. That extension had been agreed in 2018 and the JCA had then expired on 31 March 2022. At that time a further three-month extension had been agreed subject to the provision of a new JCA with individual districts or boroughs expected to sign up to the new JCA by 30 June 2022.

Cabinet was informed that, on 30 June 2022 the Leader of the Council acting on behalf of the Cabinet, and with the agreement of the Chairman of the Resources and Services Overview and Scrutiny Committee, had made an urgent decision to commit to the new JCA on terms broadly similar to the previous agreement, but this time for five years with options for the Joint Committee to renew annually for up to three further years.

Recognising that failure to sign up to the new agreement within the ECC proposed timescale would have excluded Tendring District Council (TDC) from the partnership preventing it from being able to influence its priorities and actions and forcing TDC to apply for membership of the Joint Committee later, thereby increasing the risk of additional officer time and including the possibility of a refusal of membership:-

It was moved by Councillor Stock OBE, seconded by Councillor McWilliams and:-

RESOLVED that Cabinet endorses the decision taken by the Leader of the Council for Tendring District Council to sign up to a new Joint Committee Agreement of the North Essex Parking Partnership under the terms proposed.

39. CABINET MEMBERS' ITEMS - REPORT OF THE BUSINESS & ECONOMIC GROWTH PORTFOLIO HOLDER - A.4 - SHARED PROSPERITY FUND INVESTMENT PLAN

Cabinet considered a detailed report of the Business & Economic Growth Portfolio Holder (A.4) which sought –

- (1) its agreement to the approach to completion of the Council's Investment Plan submission for its allocation of the UK Shared Prosperity Fund; and

- (2) a delegation to the Portfolio Holder for Business & Economic Growth to approve the final plan ahead of the 1 August 2022 deadline.

Members were aware that the UK Shared Prosperity Fund (UKSPF) was part of the Government's levelling up agenda. This new Fund had replaced European Structural Funds. It provided a total of £2.6 billion of new, mainly revenue, funding for local investment by March 2025. All areas of the UK would receive a conditional allocation from the Fund via a funding formula, rather than a competition.

It was reported that the primary goal of the UKSPF was to build pride in place and increase life chances across the UK. Within this goal there were three UKSPF investment priorities:

- *communities and place;*
- *supporting local business; and*
- *people and skills.*

Cabinet was informed that the District of Tendring had been allocated a total of £1,188,232 via a funding formula designed to be a real-terms match for previous EU structural funds, to be spent over a three year period to 2025. Funding in support of the 'people and skills' investment priority could only be accessed in the 2024/25 financial year.

Members were made aware that Tendring District Council (TDC) was the lead local authority for UKSPF in the District of Tendring. Lead local authorities received the area's allocation of funding to manage, including assessing and approving applications, processing payments and day-to-day monitoring.

In order to access the allocation, TDC was required to produce an Investment Proposal for Government signoff, which prioritised interventions and detailed the measurable outcomes of project delivery. The investment plan would be based around Government intervention types, with measureable outcomes.

Cabinet was advised that partnership working between local authorities and with local partners was strongly encouraged. In line with the funding guidance, a local partnership meeting had been convened by the Council as the lead local authority to engage on the Investment Plan. The Council had also participated in three workshops convened by Essex Chief Executives that had brought together councils across greater Essex to share learning on the development of their investment plans, and had engaged with the North Essex Economic Board on the development of the interventions, in particular for business support. In addition to district partners, the Council had engaged with health partners, the County Council, the University of Essex and current recipients of the precursor to this fund, the Community Renewal Fund, to engage on plan development and to test project ideas.

It was reported that the core focus of the plan was the "interventions" that the Council planned to fund under the three themes, also referred to as the UKSPF investment priorities. The Government had developed 41 potential interventions. The longer the final list of interventions, the less funding there would be to deliver each one, so there was a balance to be achieved between targeting and spreading investment and so fewer projects might be agreed and therefore funded.

The long list of Tendring District Interventions, by theme was as follows:-

Communities and Place

- *Funding for improvements to town centres and high streets, including accessibility for disabled people*
- *Enhanced support for existing cultural, historic and heritage institutions/ E6: Support for local arts, cultural, heritage and creative activities*
- *Funding for local sports facilities, tournaments, teams and leagues; to bring people together*
- *Community engagement to support community involvement in decision making in local regeneration.*
- *Measures to reduce the cost of living, improve energy efficiency & combat fuel poverty*

Supporting Local Business

- *Improvements to town centre retail / markets / service infrastructure, with business support*
- *Development/promotion of the visitor economy - incl. attractions, trails, tours and tourism products*
- *Funding for the development and support of appropriate innovation infrastructure at the local level*
- *Generalist Business Support Service for all businesses (across all life-stages) inc. business networks / or E30: Business support measures to drive employment growth, particularly in areas of high unemployment*
- *Export Grants to support businesses to grow their overseas trading, supporting local employment.*

People and Skills (from 2024/5)

- *Courses including basic skills (digital, English and English as a Second Language), and life skills and career skills and financial support*
- *Support for employed people to address barriers to education and training*
- *Green skills courses*

The Government had included a long list of outputs and outcomes to choose from for each intervention, which would be included in the Investment Plan and subsequently monitored by Government. Final interventions, measures and outcomes were subject to consultation with partners and would be approved by the Portfolio Holder. The plan would allocate how much funding and which outcomes and outputs would be delivered against each of those interventions towards each output, and the Government would monitor progress against the outputs.

The Council had engaged both internally and externally to ascertain initial project ideas, and it had received a number of contributions which had helped in framing the interventions in the draft investment plan. The final list of projects would be decided upon, then commissioned by the Council and agreed over Summer 2022, in line with the interventions and measures, ahead of Government signing off the Investment Plan in Autumn 2022. This would also enable the Council to align relevant projects in the UK Shared Prosperity Fund with its Corporate Investment Plan, which was due to come to Cabinet in September 2022.

In order to progress this opportunity to invest over three years in priorities supported by the Council and shared by partners, and to see improvements for residents in the District of Tendring:-

It was moved by Councillor Newton, seconded by Councillor McWilliams and:-

RESOLVED that Cabinet –

- (a) approves the approach to the development of the UK Shared Prosperity Investment Plan for Tendring District, as set out in the Portfolio Holder's report, to spend the Government's conditional allocation of £1,188,232; and
- (b) authorises the Portfolio Holder for Business and Economic Growth to approve the final plan for submission to the Government ahead of the deadline of 1 August 2022.

40. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.5 - INITIATION OF THE PROPERTY DEALING PROCEDURE IN ORDER TO EXPLORE THE DEVELOPMENT POTENTIAL OF VARIOUS AREAS OF COUNCIL LAND

Cabinet considered a comprehensive report of the Corporate Finance & Governance Portfolio Holder (A.5), which sought its approval to the short-listing and prioritisation principles in respect of each of the 69 proposed areas of land identified in order for development/disposal proposals to be initiated under the Property Dealing Procedure.

Members recalled that, as part of the rationalisation of the Council's assets and in order to help address the housing need in Tendring, both green space and under-utilised land had been evaluated to find those with the potential for redevelopment for housing. 69 separate areas had been identified for consideration and were set out in Appendix A to the Portfolio Holder for Corporate Finance and Governance's report. The Portfolio Holder had been consulted on each of the pieces of land identified and whilst normally the initiation of the Property Dealing Procedure was a Portfolio Holder decision, due to the large number of areas identified and the potential scale and impact, the Portfolio Holder had decided to refer this decision to the Cabinet.

Cabinet was informed that all land identified was owned and maintained by the Council and was a mix from both the housing and general fund portfolios. Appendix A aforesaid identified each piece of land by way of a plan and photographs and provided some information on:

- *current and adjacent uses,*
- *planning status under the current Local Plan,*
- *any legal information or rights that are currently known,*
- *whether the land is held in the HRA (H Suffix) or General Fund (G Suffix), and*
- *housing need in the area as at 1 May 2020 identified in the Housing Strategy.*

Members were advised that the potential development plans for each piece of land were purely conceptual at this stage and did not guarantee that development was achievable. One option for those sites could be development of housing. Other uses, such as a disposal to produce a capital receipt or other actions might be possible following detailed work and consultation.

The Portfolio Holder's report therefore merely requested the initiation of the Property Dealing Procedure to enable each area identified to be explored further, establishing the detailed planning position and putting together a development appraisal, including how a potential development fitted in the local area and whether other nearby public realm could be enhanced by the development. A further decision would be sought for each individual piece of land as to if, or how, the development would be realised. However, due to the scale of the project, principles were necessary for prioritisation.

Cabinet recalled that it had agreed its Highlight Priorities for 2022/23 at its meeting in February 2022, and that under C5 'Use assets to support priorities' the first milestone was to prepare the long list of potential disposal/development sites for Portfolio Holder shortlisting. The list had been prepared and discussed with the Portfolio Holder who had noted the scale of the list, potential financial and resource impacts as well as the geographical spread of locations and had therefore decided that in all of the circumstances a Cabinet consideration of the list and potential actions was necessary.

It was proposed that the first of those principles would be to shortlist between those properties which provided a capital receipt to contribute to the Council's financial position, to reinvest back in the Corporate Investment Plan to fund the Council's projects and priorities and those which were deemed suitable for housing development for building and managing TDC owned homes.

Proposed principles of prioritisation were:

- i) The likely ease or otherwise of completing disposal actions with limited resources;*
- ii) The identified need for social housing provision in the area;*
- iii) The number of potential dwellings identified, and;*
- iv) The potential level of capital contribution to other priorities.*

Members were reminded that, in addition to the sites listed in Appendix A, Officers had previously initiated processes to dispose of, and to gain planning permission for, three further sites in the District, namely:

- Land at Crome Road, Clacton-on-Sea
- Land at Dover Road, Brightlingsea
- Burrows Close, Clacton-on-Sea

Cabinet was aware that the Crome Road and Dover Road sites benefited from planning permission but that an application for the Burrows Road site had been withheld pending the review that was the principal topic of this report. It was proposed that those sites be taken forward for open market disposal in support of the wider capital programme and corporate priorities.

The Corporate Finance & Governance Portfolio Holder recorded his sincere thanks to the Council's Property Services Team for their hard work and effort in putting this report together over a prolonged period of time.

In order to:-

- (i) determine Members' priorities for each area of land for potential Council Housing growth; disposal to produce capital receipts for reinvestment into the Corporate

- Investment Plan to support the delivery of other Council priorities and projects; or for other development;
- (ii) start the process for those sites to be explored, planning opinion sought and a development appraisal to be carried out; and
 - (iii) take forward actions on sites previously identified.

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

RESOLVED that Cabinet -

- (a) agrees to initiate the Property Dealing Procedure in respect of each of the areas identified in Appendix A to the Portfolio Holder's report;
- (b) agrees that priority action be taken in relation to bringing forward proposals for further decision in relation to the potential development of the sites at Fernlea Road, Harwich and Seaview Close, Little Oakley, as contained in the appendix and subject to the Council's Corporate Priority actions;
- (c) determines a prioritised list of the other sites, having regard to:
 - i) the likely ease or otherwise of completing disposal actions with limited resources;
 - ii) the identified need for social housing provision in the area;
 - iii) the number of potential dwellings identified;
 - iv) the potential level of capital contribution to other priorities;all to be subject to further decision in relation to the allocation of resources required; and
- (d) requests that Officers bring forward processes and ultimately reports for further decision in respect of the freehold disposal of sites at Crome Road Clacton-on-Sea, Dover Road, Brightlingsea and Burrows Close, Clacton-on-Sea.

41. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.6 - FINANCIAL OUTTURN 2021/22

Cabinet considered a detailed report of the Corporate Finance & Governance Portfolio Holder (A.6) which provided it with an overview of the financial outturn for the year 2021/22 and which sought its approval of associated financial decisions related to the end of year accounting processes.

It was reported that there had been a significant adverse impact on a number of budget areas in 2021/22 some of which would have been highlighted in the quarterly financial performance reports presented to Members earlier in the year. However, a number of further adverse budget issues within Services had only come to light as part of finalising the outturn position for the year. This had had potential major consequences on the Council's financial position. Although the issues had been accommodated within the overall outturn position for the year, they had significantly reduced the available outturn variance at the end of 2021/22. This had had a 'knock on' impact on the ability to respond to significant financial issues the Council faced in 2022/23 and beyond along

with the ability to timely invest in its priorities and objectives going forward. A repeat of this situation had to be avoided in 2022/23.

Given the severity of this situation, the Chief Executive had established regular Budget, Performance and Delivery Review meetings with Senior Managers. Assurances around this issue had also considered by the Audit Committee at its meeting on 30 June 2022. Those regular Budget, Performance and Delivery Review meetings would consider the following key issues throughout the year:

- *high level review of the in-year budget position for each Directorate / Department, which needed to draw out any potential financial issues ahead of the associated impact on the budget e.g. potential overspends, underspends and / or other financial issues / pressures;*
- *following on from the point above, to promote and oversee any associated decision making / governance processes;*
- *to identify financial pressures that might impact on the Council's long term financial plan;*
- *to promote connections / linkages with the recently implemented Corporate Investment Plan;*
- *to review the in-year performance against the Council's key aims and objectives and other key delivery targets;*
- *to identify and oversee any other key governance issues; and*
- *set against all of the above, keep under on-going review the level of resources / capacity to meet the various demands on the Council's departments and services.*

Further updates would be presented to Members as part of the quarterly Financial Performance monitoring reports during 2022/23.

Outturn 2021/22

Following the completion of the comprehensive end of year processes, the financial outturn position for 2021/22 had been prepared across the various areas of the budget with a summary of the position set out below:-

Summary by Key Areas of the Budget

Key Area	Outturn Position
General Fund	
General Fund Revenue - Overall favourable variance after allowing for the carry forwards requested by services	(£0.252m)
Capital Programme – Overall adverse net variance after allowing for carry forwards requested by services.	£0.148m
Housing Revenue Account	
Net Deficit for the year met from calling money out of HRA General Balances (over and	£0.079m

above the budgeted use of the reserve)	
General Fund Reserves (excluding requested carry forwards)	
Earmarked Reserves –	
Reduced use of reserves compared to budget	nil
Additional Contributions to reserves compared to the budget (<i>excluding carry forwards</i>)	£0.337m
<i>There was no change in the level of the Uncommitted Reserve which remained at £4.000m</i>	

Reserves

Cabinet was made aware that the Council's overall general fund reserves totalled **£38.071m** as at 31 March 2022. However, **£34.071m** was in respect of earmarked reserves, which related to future years' commitments (including the 2021/22 carry forwards requested by services). The total earmarked reserves also included the balance on the Forecast Risk Fund of **£3.205m**, which was in-line with the amount required to support the long-term financial sustainability plan. Earmarked reserves were predominantly for previously identified priorities of the Council.

The balance of **£4.000m** was the level of uncommitted reserves, which included a working balance requirement of **£1.600m**. This level of uncommitted reserves matched that previously approved.

It was highlighted that, in addition to the earmarked reserves figures highlighted above, there were also various COVID 19 funding streams received by the Council during the year, which would need to be carried forward into 2022/23 to meet any associated costs, or to be repaid to the Government. Appendix K (ii) to the Portfolio Holder's report, provided a high level summary of the most up-to-date position against the various COVID 19 grant funding schemes.

In respect of the HRA, further details behind the variance set out in the table above were reported in more detail in the Portfolio Holder's report along with a request to utilise **£0.050m** from HRA General Balances in **2022/23** to fund improvements to the Council's Housing Repairs and Maintenance System.

Financial Challenges 2022/23 and Beyond

Cabinet was aware that global factors were continuing to have a major impact on the economy and, in turn, the financial position of the Council. A number of challenges lay ahead including local issues, some of which were likely to not only have an impact in 2022/23, but were also likely to continue into 2023/24 and beyond. Some examples of the financial pressures faced by the Council included:

- *the on-going impact from the closure of the Crematorium;*
- *Utility / Fuel costs;*
- *General Inflation;*
- *Increases in the cost of delivering capital projects – key issues relating to supply chain / commodity price pressures. This might also have an impact on ‘usual’ operational costs of the Council; and*
- *Increases in salary costs.*

Members were advised that, although there were likely to be additional financial pressures over and above the items listed, this relatively limited list of items could alone see additional costs in excess of **£2.000m** over current budgets. This could result in a significant impact on not only day-to-day service delivery but also on the scale and speed that the Council could invest in its priorities.

It was also highlighted that the Council’s suppliers and contractors were also likely to experience similar cost pressures, which could have a ‘knock on’ impact on their ability to continue to fulfil contractual obligations. With this in mind, Departments were being asked to review their business continuity plans to ensure that they were robust and effective if faced with such events.

Cabinet was informed that the 2022/23 financial forecast would be supported by a zero based approach to budget setting, which would be an even more important element of the budget setting process going forward and would also need to reflect the outturn position for 2021/22.

It was reported that additional costs associated with the delivery of the new artificial pitch at Clacton Leisure Centre were already being anticipated. To provide the flexibility to respond to this issue whilst maintaining momentum behind the timely delivery of this project that was being undertaken in partnership with the Football Foundation, a delegation had been included within the report’s recommendations to enable the Portfolio Holder for Corporate Finance and Governance to explore with Officers how those additional costs could be met.

It was also proposed to use **£0.900m** of funding received from Local Health Partners to deliver a range of projects within Jaywick Sands in 2022/23.

In addition to the above, an additional exemption from procurement rules was included in the report’s recommendations to regularise the additional costs of the Octopus Ahoy Sculpture Trail in 2021. An original procurement exemption had been agreed earlier in the year based on expected costs of **£0.100m**, with the proposed additional exemption decision now covering the final cost of **£0.133m**.

Use of Outturn Variance for the Year

Given the position highlighted above, it was proposed to allocate the overall favourable variance for the year of **£0.252m** to the existing contingency budget of **£0.322m**. This would therefore form part of the Council’s financial planning going forward, with the next update being presented to Cabinet in September 2022.

The Chief Executive (Ian Davidson) participated via MS Teams in the discussion of this item.

In order to assist careful planning to ensure financial stability underpinned the Council's capacity to deliver against its priorities and that both the capital and revenue budgets of the authority continue to be prepared and monitored with the aim of supporting key objectives:-

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

RESOLVED that Cabinet –

- (a) notes the financial outturn position for 2021/22, as set out in the Portfolio Holder's report and its appendices;
- (b) approves the financing of General Fund capital expenditure for 2021/22, as detailed in Appendix D to the Portfolio Holder's report;
- (c) approves the movement in uncommitted and earmarked General Fund reserves for 2021/22, as set out in Appendix E to the Portfolio Holder's report;
- (d) notes the requested carry forwards totalling £17.890m (£12.948m Revenue, COVID Funding £1.077m (net) and £3.865m Capital), as as set out in Appendix K to the Portfolio Holder's report;
- (e) authorises the Section 151 Officer, in consultation with the Portfolio Holder for Corporate Finance and Governance, to approve the carry forwards with the outcome to be reported to Cabinet in September 2022;
- (f) in respect of the HRA, approves the movement on HRA balances for 2021/22 including any commitments set out within Appendices H and/or I to the Portfolio Holder's report, along with recharges to the HRA from the General fund of £2.543m for the year and the financing of the HRA capital expenditure set out in Appendix I to the Portfolio Holder's report;
- (g) approves the use of £0.050m from HRA General Balances to meet the cost of additional improvements to the Council's Housing Repairs and Maintenance system in 2022/23;
- (h) notes the various COVID 19 grant funding amounts set out in Appendix K (ii) to the Portfolio Holder's report and approves the use of the funding as set out in that same Appendix and main body of the report and authorises the Portfolio Holder for Corporate Finance and Governance to agree further allocations from this funding where it supports the on-going recovery from the COVID19 pandemic;
- (i) approves the overall General Fund Outturn Variance for the year of £0.252m being transferred to the existing contingency budget for further consideration as part of the updated Financial Forecast and Quarter 1 position for 2022/23 that will be presented to Cabinet in September 2022;
- (j) approves the use of £0.900m from the funding received from Local Health Partners to deliver the improvements set out in the Portfolio Holder's report, and authorises the Corporate Director (Operations and Delivery), in consultation with the Portfolio Holder for Housing, to implement the associated schemes and projects;

- (k) approves an additional exemption from procurement rules to regularise the additional cost of £0.033m to deliver the Octopus Ahoy sculpture trail in 2021/22;
- (l) delegates approval of the identification of the necessary additional funding to support the delivery of the new artificial pitch at Clacton Leisure Centre to the Portfolio Holder for Corporate Finance and Governance; and
- (m) authorises the Council's Section 151 Officer, in consultation with the Corporate Finance and Governance Portfolio Holder, to adjust the outturn position for 2021/22 along with any corresponding adjustment to earmarked reserves as a direct result of any recommendations made by the Council's External Auditor during the course of their audit activities relating to the Council's 2021/22 accounts.

42. CABINET MEMBERS' ITEMS - REPORT OF THE CORPORATE FINANCE AND GOVERNANCE PORTFOLIO HOLDER - A.7 - TREASURY MANAGEMENT PERFORMANCE 2021/22

Cabinet considered a report of the Corporate Finance & Governance Portfolio Holder (A.7), which reported on the Council's treasury management activities and Prudential Indicators for 2021/22.

Members were advised that borrowing and investments had been undertaken in accordance with the 2021/22 Annual Treasury Strategy that had been approved by full Council on 13 July 2021, as follows:-

Summary of the Council's Borrowing Position:

Amount Outstanding at the end of March 2022	Average Interest Rate Paid in 2021/22	Total Interest paid in 2021/22
£0.144m (General Fund)	7.122%	£0.011m
£36.777m (HRA)	3.521%	£1.322m

No external borrowing had been undertaken in 2021/22 for either the General Fund (GF) or Housing Revenue Account (HRA).

Summary of the Council's Investment Position:

Value of Investments held at the end of March 2022	Average Interest rate on Investments 2021/22	Interest Earned on Investments 2021/22
£7.655m	0.073%	£0.065m

Cabinet was informed that the amount of interest earned from investments had decreased during the year due to the bank base rate remaining at 0.10% until 16 December 2021, when it increased to 0.25%, with further increases to 0.50% on 3 February 2022 and 0.75% on 17 March 2022. As most investments were fixed for 6 months at a time, those increases had not offset the majority of the year at 0.10%. Compared to historic interest figures, the 2021/22 return remained low because of the

continuing unprecedented low interest rates. Estimated income had been reduced from prior years to **£0.067 million**, with the outturn figure being **£0.065 million** as set out in the table above.

It was reported that the Council continued to hold one property within its Commercial Investment Portfolio, which had a balance sheet value at 1 April 2021 of **£1.985 million**. This 'book value' had been increased by the Council's appointed valuers to **£2.108 million** at the end of 2021/22. However, this was an 'accounting' valuation and not a direct value that could be achieved on the market if it was sold. In-line with the budget, rental income of **£0.256 million** had been earned on the property in 2021/22 (this figure was higher than in previous years due to the schedule of payments moving back to quarterly rather than monthly with no effect on the overall annualised position).

Members were informed that the Treasury Management limit of **£1.000 million** that could be held across the Council's various current accounts on any one day had been exceeded on 1 June 2022, due to the closure of a bank account held with Nat West where they had given no notice of the repayment of the associated credit on the account. As no prior notification of this repayment had been received, no alternative arrangements could be made in time. This had been a one-off event.

Members were made aware that the impact of inflation was expected to grow further in 2022/23 with an expectation that interest rates would continue to rise. Investment income budgets would be reviewed as part of the quarterly Corporate Budget Monitoring and long term financial planning processes.

Acknowledging that good and effective Treasury Management supported the Council in delivery against its corporate goals and objectives and mitigated against risks:-

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

RESOLVED that Cabinet -

- a) notes the Treasury Management performance position for 2021/22; and
- b) approves the Prudential and Treasury Indicators for 2021/22.

43. MANAGEMENT TEAM ITEMS

There were no such items to consider on this occasion.

44. EXCLUSION OF PRESS AND PUBLIC

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

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of Agenda Item 16 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, as amended, of the Act.

45. EXEMPT MINUTE OF THE MEETING HELD ON FRIDAY 17 JUNE 2022

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

RESOLVED that the exempt minute of the meeting of the Cabinet, held on Friday 17 June 2022, be approved as a correct record and be signed by the Chairman.

The Meeting was declared closed at 12.01 pm

Chairman