

# Public Document Pack

Resources and Services Overview and  
Scrutiny Committee

11 January 2023

**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW  
AND SCRUTINY COMMITTEE,  
HELD ON WEDNESDAY, 11TH JANUARY, 2023 AT 11.00 AM  
IN THE COMMITTEE ROOM - TOWN HALL, STATION ROAD, CLACTON-ON-SEA,  
CO15 1SE**

<b>Present:</b>	Councillors M Stephenson (Chairman), Scott (Vice-Chairman), Allen, Barry, Codling, Griffiths and Morrison
<b>Also Present:</b>	Councillor Neil Stock OBE (Leader of the Council; Leader of the Conservatives Group), Councillor Carlo Guglielmi (Deputy Leader of Council; Portfolio Holder for Corporate Finance & Governance; Deputy Leader of Conservatives Group), Councillor Paul Honeywood (Portfolio Holder for Housing), Councillor Alex Porter (Portfolio Holder for Leisure & Tourism), Councillor Michael Talbot (Portfolio Holder for Environment & Public Space) and Councillors Andrew Baker and Jayne Nash
<b>In Attendance:</b>	Ian Davidson (Chief Executive), Damian Williams (Corporate Director (Operations and Delivery)), Lisa Hastings (Deputy Chief Executive & Monitoring Officer), Lee Heley (Corporate Director (Place & Economy)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Keith Simmons (Head of Democratic Services and Elections) and Keith Durran (Committee Services Officer)

**1. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Apologies were received by Councillors Amos and Skeels (with no substitutions).

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest by Councillors in relation to any item on the agenda for this meeting.

**3. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38**

On this occasion no Councillor had submitted notice of a question.

**4. BUDGET PROPOSALS FOR 2023/24**

At the Committee's formal meeting on 11 January, it heard how the General Fund and the Housing Revenue Account (HRA) Budget proposals for 2023/24 had been considered by Cabinet on 16 December 2022.

The Committee had been provided, as part of the material for them to consider, the following:

- 1) Updated General Fund Financial Forecast Including Proposed Budget Changes in 2022/23 along with Budget Proposals for 2023/24 – the report considered by Cabinet on 16 December 2022.
- 2) Updated Housing Revenue Account Business Plan and Budget Proposals 2023/24– the report considered by Cabinet on 16 December 2022.

The format for the meeting provided for the following elements.

11.00am - 11.30am	Private meeting of Members of the Committee to make final arrangements for the rest of the meeting.
11.30am - 12.00noon	Public meeting opens and a presentation by the Section 151 Officer on an introduction to the 2022/23 current budget position, the proposals for 2023/24 and the MTFS
12.00noon - 12.30pm	Cllr Alex Porter, Portfolio Holder for Leisure and Tourism
12.30pm - 1.00pm	Cllr Michael Talbot, Portfolio Holder for Environment and Public Space
1.00pm - 2.00pm	Adjourn for lunch
2.00pm - 2.30pm	Cllr Paul Honeywood, Portfolio Holder for Housing
2.30pm - 3.00pm	Cllr Carlo Guglielmi, Portfolio Holder for Corporate Finance & Governance (Deputy Leader of Council)
3.00pm - 3.30pm	Cllr Neil Stock OBE, Leader of the Council

A series of questions were asked by the Committee and responses were provided in writing to the Committee. The Minutes of the meeting record those questions and responses in an Appendix. Further supplementary questions were asked of Cabinet Members and responses provided.

During the dialogue with individual Cabinet Members, the following commitments to written responses being provided were given to the Committee:

- Cllr Alex Porter, Portfolio Holder for Leisure, and Tourism - regarding the implemented measures to reduce energy costs in leisure facilities and the envisaged pay back position in cash terms for those measures and the CO<sub>2</sub> savings generated, the Council's position on sea defences at the Naze in Walton-on-the-Naze and, separately, about past and future surveys of relevant beaches in relation to the need for future recharges of sand on those beaches.
- Cllr Paul Honeywood, Portfolio Holder for Housing – in relation to empty Council housing stock, its liable for the same Council Tax premiums as a private dwelling and, how many empty Council homes were subject to the different premium levels levied for Council Tax.
- Cllr Carlo Guglielmi, Deputy Leader of the Council and Portfolio Holder for Finance and IT - question regarding the premium council tax rate on empty

homes, how many empty homes were there at the start of the year versus how many at the end of the year and if he considers the levying of the premium to be a success.

The Committee expressed their gratitude to the Council's Section 151 Officer for his support for the budget scrutiny process, and more generally in respect of the budgetary position of the Council. In addition, the Committee thanked the Members of Cabinet and the officers who assisted the process of the review over the days leading up to the meeting, and on the day of its meeting in considering the questions posed by the Committee and providing responses.

Having considered all of the information that had been provided, including the responses to the questions posed to Cabinet Members and Officers referred to in the Appendix, it was **RESOLVED** that the **CABINET** be **RECOMMENDED** that:

- a) Requests a comprehensive piece of work be undertaken to assess the true costs of services subject to discretionary Fees and Charges (including full on-costs) to ensure that cost recovery is being achieved and that inadvertent subsidy of services from Council Tax income does not exist where those full costs should be met through relevant Fees and Charges;
- b) Requests that progress be made (at pace) in the coming months to ensure that Zero Based Budgeting is applied consistently to all major net expenditure areas for the Council and that this process should involve robust challenges to ensure efficiency, effectiveness and economy of those service based budgets;
- c) Makes any necessary arrangements so that, particularly while the current economic conditions prevail, strict caution is observed around estimates of costs of proposed projects/schemes (provided in support of decisions around those projects/schemes) with a view to supporting realistic budgetary allocations being made that more closely align with the costs identified for the projects/schemes following procurement in respect of those projects;
- d) Records that the failure of the External Auditors (to conclude in a timely fashion the Audit of the Council's accounts for 2020/21) is an impediment to good governance, including through this Overview and Scrutiny process, and to support the sterling efforts by the Council's Audit Committee to address this failure with the External Auditors;
- e) Concurs that, for future years, the Community Leadership Overview and Scrutiny Committee, shall be requested to examine and enquire into the spend in relation to grants to statutory and voluntary sector partners and to submit its findings to the Resources & Services Overview and Scrutiny Committee in time for its budget scrutiny process;

- f) Takes measures (without delay) to ensure that the Housing Stock Survey of the Council's homes is commenced at the earliest opportunity (with a view to it being completed within 2023/24), that regular updates on the Survey be made to all Councillors and that steps be taken to dispose of vacant Council homes that have particular long term maintenance issues with a view to the disposal sum being re-invested in properties that are easier to maintain and, potentially, meeting housing need locally more closely;
- g) Supports the statements to the Resources & Services Overview and Scrutiny Committee, that the New Homes Bonus for 2023/24 be held without being allocated until after the 4 May 2023 elections;
- h) Proposes to Council that the shortfall between income and expenditure which would otherwise occur in 2023/24 be met by utilising the Forecast Risk Fund and that the use of the Corporate Investment Plan 'Reserve' and Building for the Future Use be applied to balance the budget in 2024/25 if required; and
- i) Arranges that an update on the approved and pipeline schemes within/through the Corporate Investment Plan, since its creation, being submitted to the Resources & Services Overview and Scrutiny Committee's meeting on 21 February 2023 to enable that Committee to undertake an enquiry into the process around that Plan.

The meeting was declared closed at 4.00 pm

**Chairman**

**Resources and Services Overview and Services Committee – 11 January  
2023**

**Questions to Portfolio Holders on the Budget**

<u>Question to which Portfolio Holder</u>	<u>Question from Member of the Committee</u>	<u>Question to be asked (followed by supplementary question(s) based on response – initially from questioner – and others only if time permits)</u>	<u>Answer from Portfolio Holder (If time is tight the question and the response may be read into the record rather than spoken)</u>
Cllr Porter, Portfolio Holder for Leisure and Tourism (from 12 noon to 12.30pm)	Cllr Barry	We have heard about the severe financial challenges for the Council corporately over the next three years. From the Outturn Report submitted to Cabinet on 15 July 2022, the actual expenditure in your Portfolio area was £7.062m. This is the second largest budgeted net expenditure of any Portfolio Holder. So how do you plan to support the Council meet the budget challenges we face next financial year and the two years after that?	<p>I thank Cllr Barry for his question. Due to the significant financial pressure faced by the Council, I have asked Officer's to prepare a full review of options to reduce subsidies and make savings. It is prudent at this stage that we consider every option available to us, based on their respective cost and subsequent impact on Council priorities. That will allow a balanced decision to be taken about the future direction. Significant procurement processes have taken place over recent months</p> <p>You will be aware that the Council has already taken the difficult decision to no longer invest in joint use facilities, owned by an external organisation. A decision on how to allocate respective budgets for these facilities has yet to be taken.</p>
	Cllr Barry	If not answered in the	I thank Cllr Barry for his

		<p>response to the above:</p> <p>What specifically has been implemented/spent this year to reduce energy usage in leisure and tourism facilities? What plans are there to help reduce energy use in those facilities next year?</p>	<p>question.</p> <p>The following has been implemented in our Sport and Leisure Facilities to reduce our energy consumption and reduce costs:</p> <ul style="list-style-type: none"> <li>- Sensor Lighting in Sports Facilities and Princes Theatre</li> <li>- LED Lighting in Sports Facilities and Princes Theatre</li> <li>- New Air Handling Unit in the Clacton Leisure Centre Wellbeing Zone</li> <li>- Timers have been installed to the Theatre heating and air movement systems to restrict to essential use</li> <li>- Variable Speed Drive Pumps in Swimming Pool Circulation Systems</li> </ul> <p>Subject to funding and respective decisions, the follow projects are being considered for next year:</p> <ul style="list-style-type: none"> <li>- Swimming Pool Covers at the Council's Sports Facilities</li> <li>- Quotations are being sought for a company to design a heat pump system for Clacton</li> </ul>
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			<p>Leisure Centre and Building Management Systems for Walton on the Naze Lifestyles.</p> <ul style="list-style-type: none"> <li>We are looking at a proposal to remove the oil fired boiler at Clacton Leisure Centre</li> <li>A consultant is developing the business case for solar power on TDC estate, including our leisure facilities</li> </ul> <p>Further to the above, the service is resolved to consider energy efficiency in all its technical procurement processes and moving forward, will not be purchasing any lighting fixtures that have an LED alternative.</p>
	<p>Cllr Barry</p>	<p>Can you outline the events the Council put on/financially supported in 2022/23, with the expenditure on each and whether you regard this as providing a good return on that investment? Will those events be repeated in 2023/24?</p>	<p>I thank Cllr Barry for his question.</p> <p><b>Clacton Airshow</b> Cost: £138,000</p> <p>An Economic Impact Evaluation Report prepared by an external organisation using nationally</p>

			<p>recognised modelling data estimated that the 2022 Airshow contributed a net value of approximately £12,155,000 net income to the area with 166 jobs sustained. During a recent Town Centre survey, 40% of businesses suggested they did more trade during events like the Airshow</p> <p><b>Illuminate Festival (Harwich)</b> Cost: £65,000</p> <p>At this stage an economic impact assessment has not been commissioned for Illuminate, there is no formal value for money assessment. Feedback from local businesses suggests that the several thousand visitors bought significant local business to the area. The presence of regional news crews and wider regional media, will have raised</p>
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			<p>the profile of Tendring.</p> <p><b>Tour Series</b> Cost: £90,000</p> <p>At this stage an economic impact assessment has not been provided for the Tour Series. In addition to the regional media (as per Illuminate), this event received national and international television coverage, via a highlights programme on ITV4 and Eurosport.</p> <p>We were pleased with the outcome of all events, particularly after an extremely challenging two years, where mass participation events were not possible. That being said, it is only right that we now review everything the Council does, which will include the events programme</p> <p>A decision on which events take place in 2023 will take place imminently and following that, a longer term review of the Council's events programme will be carried out, together with wider scrutiny of the Council's budgets before the end of 2023.</p>
	<p>Cllr Stephenson</p>	<p>What direction have you given officers in reviewing fees and</p>	<p>I thank Cllr Stephenson for his question. I have directed Officers to</p>

		<p>charges for services/functions you are responsible for?</p>	<p>undertake a root and branch review of all fees and charges under my portfolio. An evaluation of that work is currently taking place, so balanced decisions can be taken prior to the decision being published.</p> <p>In some cases the direction to Officers has been to consider how the service subsidy can be reduced through prudent setting of charges, e.g. Sports Facilities, Clacton Airshow. In others, I have asked Officers to make recommendations as to how fees and charges can contribute towards essential expenditure in that particular service area, e.g. Beach Huts.</p> <p>We must be mindful of the impact of an increase in fees and charges on our residents, which the review currently taking place will do. Of course, we are charging not trading: we are setting fees to best cover our costs, or manage the level of service subsidy, we are not seeking to make a surplus.</p>
	<p>Cllr M Stephenson</p>	<p>What is known of the probability of cliff slippages at the sea front in Clacton-on-Sea and/or Holland-on-Sea over the next three years and what funding is</p>	

		<p>provided for in the Council's budget to address the costs of remedial action at those slippage sites in each of those three years?</p>	
	<p>Cllr M Stephenson</p>	<p>What is known of the levels of beach erosion and the need for recharge in Clacton-on-Sea and/or Holland-on-Sea over the next three years and what funding is provided for in the Council's budget to address the costs of remedial action at those beach erosion sites in each of those three years?</p>	

<p><u>Question to which Portfolio Holder</u></p>	<p><u>Question from Member of the Committee</u></p>	<p><u>Question to be asked (followed by supplementary question(s) based on response – initially from questioner – and others only if time permits)</u></p>	<p><u>Answer from Portfolio Holder (If time is tight the question and the response may be read into the record rather than spoken)</u></p>
<p>Cllr Michael Talbot, Portfolio Holder for Environment and Public Space <i>(from 12.30pm to 1.00pm)</i></p>	<p>Cllr Barry</p>	<p>We have heard about the severe financial challenges for the Council corporately over the next three years. From the Outturn Report submitted to Cabinet on 15 July 2022, the actual expenditure in your Portfolio area was £9.701m. This is the largest budgeted net expenditure of any Portfolio Holder. So how do you plan to support the Council meet the budget challenges we face next financial year and the two years after that?</p>	<p>The largest expenditure area within the Portfolio is the collection of domestic refuse. As a statutory responsibility the Council cannot escape the costs involved or the increasing costs brought about by changing government requirements. The officer team is already working on the re-procurement of this service for future years as the Committee knows. Part of that exercise will include member and market engagement, aimed at optimising the value compromises within that. Additionally the government has indicated the provision of additional burdens funding in relation to changes in waste and recycling requirements. We remain vigilant in order to ensure that appropriate provision is made.</p> <p>Outside of the</p>

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			<p>statutory service there are likely to be some very tough choices ahead.</p> <p>The officer teams have already been active in:</p> <p>Seeking, maximising and using grant and other funding such as s106 monies, Levelling up Parks, tree planting and other funding sources. The volunteering programme in open spaces is gathering strength with the material benefit of promoting wellbeing in the communities.</p> <p>The officer teams are engaged in a range of small initiatives, subject to decisions and approvals to reduce costs such as: Partial switching from bedding to perennial planting, rewilding of some areas, developing charging and control policies for events, offering direct cremations, introducing charges for recycling container replacements and developing options for revised waste and recycling collections.</p> <p>There are also more wide ranging options for developing new income streams to the Council under</p>
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			<p>consideration that may require closer examination of risk, but with greater potential rewards. This includes:</p> <ul style="list-style-type: none"> <li>• The development of a second chapel along with wake room facilities at Weeley Crematorium,</li> <li>• partnership with EV charge point operators for the use of Council land for electric vehicle charging points.</li> <li>• Charging for use of some public conveniences,</li> <li>• partnerships for green waste disposal / composting.</li> <li>• Beach hut construction and sale / lease.</li> <li>• Potential provision of services to partner organisations.</li> </ul> <p>Care is needed in these areas in order to work within restrictions and to manage risk.</p>
	<p>Cllr Scott</p>	<p>On 11 October, I read a press release from the Council indicating that a small fee was to be introduced for replacement recycling boxes provided by the Council and increased charges for brown bins and for the garden waste</p>	<p>The charges for containers will start in April 2023. My decision to implement that was made earlier and published in the last few days. The fee for the garden waste service has not been reviewed since it</p>

		<p>service itself. Can you help the Committee with the approval process for those fees and whether they are to be introduced from 1 April 2023?</p>	<p>was introduced and the proposed increase reflects increased costs of delivering the service over time. The provision of containers for recycling has been ongoing since introduction and a large number of free containers has been issued. It is appropriate now to introduce fair charging for new containers seeking to recognise budgetary issues while acknowledging that a saturation of containers necessary for recycling purposes may have been reached and that households can use any container (in which the contents can be identified) to present recycling.</p>
	<p>Cllr Scott</p>	<p>Other than the fees and charges mentioned just now, what direction have you given officers in reviewing fees and charges for services/functions you are responsible for?</p>	<p>My request to the officer teams was to prepare proposals that fairly compromise between objectives to reflect rising service and overall costs, avoid compromising the affordability of services to users while having regard to the overall financial position of the organisation.</p>

<u>Question to which Portfolio Holder</u>	<u>Question from Member of the Committee</u>	<u>Question to be asked (followed by supplementary question(s) based on response – initially from questioner – and others only if time permits)</u>	<u>Answer from Portfolio Holder (If time is tight the question and the response may be read into the record rather than spoken)</u>
<p>Cllr Paul Honeywood, Portfolio Holder for Housing <i>(from 2.00pm to 2.30pm)</i></p> <p><b><i>(online to be arranged)</i></b></p> <p><i>Housing Revenue Account</i></p>	<p>Cllr Stephenson</p>	<p>Page 47 of the papers for today: Line 5 references Utility costs. For 2023/24 this is showing as costing ££505K. Can you set out detail about the utilities and the facilities that they relate to and the extent to which these are offset in service charges?</p>	<p>These charges relate in the main to communal power supplies and heating in our blocks of flats and sheltered housing schemes.</p> <p>Service charges are levied to tenants and leaseholders having regard to statutory caps on the total rents that can be charged. We anticipate that £164k will be recovered in 2023/24.</p> <p>Whilst the costs recovered are much lower than the costs incurred, we must be mindful of the current cost of living crisis and have limited the increase in service charges to 7% in line with the statutory cap on social housing rent. There is also a large degree of volatility in the energy markets and we hope that the anticipated expenditure is the worst case scenario.</p>
	<p>Cllr Scott</p>	<p>Pages 39 and 47 of the papers for today:</p>	<p>The Council has responsibilities both</p>

		<p>Line 3 – Revenue Contribution to the major repairs allowance – This includes the replacement of kitchens in Council Homes. Are you confident that this expenditure is being spent efficiently? I have reports of certain properties with no new kitchen and others where there are multiple replacements in the same period.</p>	<p>to review kitchens at least as frequently as 20 years in line with the Decent Home Standard. They also have to be replaced in shorter timescales if they are in disrepair for any reason. Of course it is regrettable if components do not reach their full lifetimes for whatever reason but the Council cannot avoid the need for replacement if it exists.</p>
	<p>Cllr Scott</p>	<p>Can you update the Committee for 2022/23 to date as to how many Right to Buy properties have come out of the Council's Housing Stock and how many homes have been acquired through the different routes of being gifted, built or bought? What is the net gain/loss so far this year?</p>	<p>During the financial year to date the Council has sold eight homes through the Right to Buy scheme and one further property was sold as it was no longer considered suitable to retain in our housing stock.</p> <p>In total 16 homes have been acquired</p>
	<p>Cllr Stephenson</p>	<p>What direction have you given officers in reviewing fees and charges for services/functions you are responsible for?</p>	<p>My request to the officer teams was to prepare proposals that fairly compromise between objectives to reflect rising service and overall costs, avoid compromising the affordability of services to users while having regard to the overall financial position of the organisation.</p>

	<p>Cllr Stephenson</p>	<p>This time last year you advised this Committee that “A budget has also been included for a Stock Condition Survey, with a budget of £100k, the results of which will assist in setting future budgets.” Can you update the Committee with the use of that £100K and the stock condition survey? I ask this given the tragic circumstances in Rotherham where a 2 year old boy lost his life with the contribution mould in his Council home. The importance of knowing the full extent of the condition of Council Homes (as a landlord) is vital.</p>	<p>Work is under way to procure the condition survey. The organisation needs to refresh information on property condition, integrate existing data held in various formats, capture ongoing incoming data as well as combining all into a functional database. It is impossible to complete a physical survey of all of the stock can be achieved within the budget. A system of surveying archetypical or beacon properties is an industry standard way to address this. It is planned to combine such information with other data held and information to be gathered during the course of the various scheduled and routine visits and inspections carried out by the team and contractors.</p> <p>Naturally the teams are saddened to hear of the tragic events in Rotherham. The Corporate Director is leading a task group with the objective of reducing the risk of damp and mould in our stock not being properly addressed.</p>
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	Cllr Stephenson	<p>Pages 37 and 47 of the papers for today:</p> <p>Where Council Homes are vacant, the Council picks up the cost of Council Tax liability. It is therefore in the interests of the Housing Revenue Account (and therefore our tenants) that we reduce the amount and length of time Council Houses are vacant. I see that Council Tax on empty properties has been reassessed back to £130K for this financial year rather than the anticipated £76K. What assurances can be given that the £78K figure for next year will be achieved given the experience this year?</p>	<p>Indeed. There are also utility costs, lost rent and risk of damage or intruders. The Chief executive has chaired an officer group during the course of the year which has supported other officers to substantially reduce void times. The officer teams have also brought forward work on a small number of long term void properties which has brought them back into use.</p> <p>Void properties and the costs of them are a fact of life and I can't make promises to eliminate them but I am certain that the team has taken positive steps to address an issue and that further initiatives and ongoing effort will minimise the cost and lost opportunities.</p>
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<u>Question to which Portfolio Holder</u>	<u>Question from Member of the Committee</u>	<u>Question to be asked (followed by supplementary question(s) based on response – initially from questioner – and others only if time permits)</u>	<u>Answer from Portfolio Holder (If time is tight the question and the response may be read into the record rather than spoken)</u>
<p>Cllr Carlo Guglielmi, Portfolio Holder for Corporate Finance &amp; Governance (Deputy Leader of Council) (from 2.30pm to 3.00pm)</p>	<p>Cllr Stephenson</p>	<p>From page 27 of the papers for today: As Portfolio Holder for Corporate Finance, your report to Cabinet on 16 December identified (before the use of balances, reserves etc.) a deficit in the General Fund of £3.433m for 2023/24, £3.722m for 2024/25 and a need for savings of £4.150m in 2025/26 to avoid a deficit in that year. I accept that Government funding through the Revenue Support Grant of £1.2m in 2023/24 was not known when these figures were prepared. But should residents be worried about the services they rely upon over the coming years?</p>	<p>As I have mentioned before, the long term plan has given us a really strong platform against which we can consider our longer term financial position. We have in effect given the new Administration from May this year the time to carefully consider what actions are required to deliver the long-term financial stability of the Council. Given the speed in which the current shortfall has materialised, as nobody could have forecasted the toxic combinations of events which have led to it, it is without doubt that the New Administration will face some tough decisions in terms of the current forecast and any financial framework that is established to manage the associated process. It will, of course, need to include the consultation with our residents as</p>

			necessary, to make sure we can continue to reflect their expectations as far as is reasonably possible.
	Cllr Stephenson	I believe that the last point at which the Corporate Investment Plan list of approved and pipeline schemes was last published for Cabinet's meeting in March 2022. Are you in apposition to provide us with an update on those schemes and any subsequently approved or pipeline schemes added to the Plan since?	As set out in a report to Cabinet in July, it was highlighted that further reporting of the Corporate Investment Plan would be delayed until such time as the Council had a clearer position on its future financial position, given the scale of the challenges emerging during the year. This still remains the case. However, a number of urgent items have been subject to separate decisions during the year along with the unavoidable items set out in the budget report that was considered by Cabinet at its meeting on 16 December.  I am happy to provide an update in due course as part of 'relaunching' the Corporate Investment Plan process going into 2023/24.
	Cllr Stephenson	From page 25 of the papers today: I see that in 2023/24 there is a proposal to apply £1.433m from the Corporate Investment	In terms of the 4 remaining years of the current forecast period, I have affectively looked at 2023/24 and 2024/25

		<p>Plan Reserve and £2.339m from the Building for the Future Reserve to 'balance' what would otherwise be the General Fund deficit in that year. However, the Forecast Risk Fund exists to provide that type of support for the General Fund and that is not proposed to be used in 2023/24. I understand that it is then proposed to be used in 2024/25. But my question is why the Forecast Risk Fund was not used first. Local Government Finance changes year to year – just look at the change from last year to this one – so would it not have been better to propose to use the Forecast Risk Fund first before exhausting the Corporate Investment Plan and Building for the Future Reserves?</p>	<p>together, with the proposed use of funding simply reflecting a practical approach. However given the funding that has recently been announced as part of the Government's Local Government's Financial Settlement, this will be reviewed in terms of updating financial position for reporting to Cabinet later in January.</p>
	<p>Cllr Stephenson</p>	<p>From page 25 of the papers today: I note that the former Council Offices in Weeley are still costing this Council £60K in this financial year and a projected £50K in next financial year. Could you remind the Committee of the decision to dispose of the Offices, when the Council ceased to use the offices for operational purposes and when the offices will be disposed of? The question is then</p>	<p>While I fully understand, and share the same frustration, as we too very much hoped that the disposal of the former Council Offices site in Weeley would have taken place by now, the decision was a rather complex one than simply an open market transaction. The Council has a duty of care to maximise the value of the site via</p>

		<p>whether these costs were in any way avoidable?</p>	<p>development to deliver new homes, including new and high quality Council housing for local people. Such decisions include the appropriation of land for planning purposes, planning permission, procurement, the requirements of the Council's Housing Acquisitions and Development Policy along with detailed negotiations with relevant parties.</p> <p>The various activities have remained on-going throughout 2022 and will continue in 2023 with the aim of concluding the disposal this year.</p> <p>In terms of complexities, it is also worth highlighting that the sequence of events have to be carefully considered to protect the Council as far as possible such as securing / receiving consideration for the land ahead of the land transfer, which in this case will be homes rather than monetary.</p>
	<p>Cllr Griffiths</p>	<p>From page 41 of the papers today: A budget of £0.6m was included in the HRA Capital programme for the redevelopment of the Spendells site.</p>	<p>As with any capital investment decision, an estimate of the likely project costs would be determined as part of the various steps in the decision</p>

		<p>However, the current estimate is that it will cost £1.4m. Is the Council's pricing strategy fit for purpose? Otherwise the Council will be approving schemes on one basis that then turns out to be a fraction of the actual cost.</p>	<p>making process. The actual cost of a project can only really be determined once the associated procurement process has been undertaken. It is also important to highlight that if a scheme is approved based on an estimated cost that is subsequently higher, then a further decision would be required as to whether to continue or not with the project, which would involve the usual value for money / business case considerations.</p> <p>Based on the above, it is not necessarily a question of a 'pricing strategy' not being fit for purpose, but rather around the strength of the wider governance processes that protect the Council's overall position.</p> <p>Notwithstanding the above, the accuracy of initial estimates is an important point to raise, which I will highlight as part of future investment decisions going forward; we must however all be very mindful that the current turbulent situation from an inflation point of view</p>
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			has caused havoc in many areas, especially with the raw cost of materials spiralling almost out of control.
	Cllr Stephenson	The Council is nearly half way through its 10 year financial strategy. I cannot see that the report references that strategy. Accepting that any forecast can only reflect what is known, but will Cabinet receive an updated or extended 10 year financial strategy which includes a review of what has occurred in the earlier years of that strategy?	The review of the long-term strategy is effectively undertaken each year as part of the wider budget setting cycle. As set out in earlier reports, it is proposed to review the long-term approach during 2023, which will be a key considered for the New Administration after May.
	Cllr Stephenson	What direction have you given officers in reviewing fees and charges for services/functions you are responsible for?	This high level direction was set out in the report considered by Cabinet on 16 December 2022 – hopefully you are therefore happy for me to reference page 145 of that agenda rather than reproduce the detailed information here.  In terms of the services / functions I am responsible for we have applied a 12% increase which will produce an extra £10k of income, with the exception of Solicitor’s hourly rate which has been capped at 6% as this is an area where the Council cannot

			<p>make a profit but to recover costs only, therefore a lower increase around the rate of the pay award, which Unison averaged at 7% is justifiable. The 12% increase also applies to any external hire of the Connaught Room, the Whitelaw Room, and the Committee Room.</p>
	Cllr Stephenson	<p>The Council has entered into the agreement with Essex County Council to provide procurement services for it. What other areas for shared services with other Councils are being considered?</p>	<p>As discussed previously, shared services have been recognised as a potential element of the Council's wider response to the financial challenges that it faces rather than an issue that has been explored in any detail at the present time.</p>
	Cllr Stephenson	<p>For 2022/23, the Council introduced a premium for Council Tax on empty homes with a view to encouraging occupation of those homes. Can you tell me how many empty homes in the District there were at the start of the year (subject to the premium) and how many there are currently? And do you regard the introduction of the premium to be working?</p>	<p>The most recent position was set out in the reported to Full Council in November 2022, so hopefully you are happy for me to reference page 142 of that agenda rather than reproduce that information here.</p> <p>In terms of second homes, the Council does not have the power to levy such premiums at the present time. As set</p>

		<p>As an addition to the above, would it be possible to introduce a similar premium for second homes in the District where individuals live elsewhere and only visit the District occasionally?</p>	<p>out in the report Full Council highlighted above, the Government are however considering this and so it will be kept under review.</p>
	<p>Cllr Griffiths</p>	<p>On page 25 of the papers for today: I note the proposal to reduce the budget to support the Tendring-Colchester Borders Garden Community from £1.3m to £0.8m. Is Cabinet confident that this reduced level is sufficient to meet the need for support for the project? I ask this given the fact that the delivery timetable for the Garden Community will span, maybe, several general elections and Government policy will no doubt change. And how does the Cabinet consider that the costs of public open space and public buildings/facilities in the Garden Community will be met.</p>	<p>As part of reducing the budget from £1.3m to £0.800m, the issues raised were discussed with the relevant Service. The Council's involvement in the project largely reflects its planning authority / local plan responsibilities with an additional and on-going local plan budget available to potentially support the project moving forwards.</p> <p>It is also important to highlight that as part of the on-going development of the project, 'Stewardship' options to provide the necessary funding to support the on-going costs of assets such as open space and public facilities will be explored, with the aim of ensuring that such costs do not fall to the Council.</p> <p>The Members Steering Group has been very clear with</p>

			<p>Officers to task them to bring forward Stewardship options in the very near future so that a strong and sustainable model is put in place at the earliest opportunity.</p>
	<p>Cllr Stephenson</p>	<p>On page 14 of the papers for today: I note the statement about the New Homes Bonus. As I understand it, there is anticipated to be £1.4m to be received in 2022/23. What are your intentions around allocating the use of that funding?</p>	<p>I have referred to the New Administration several times above and I think it is important that they have financial flexibility to respond to the challenges that lie ahead. I therefore believe that it is important that the current Administration provides a strong financial foundation for the New Administration, and I propose setting this funding aside so that it forms part of the associated handover process in May.</p>

<u>Question to which Portfolio Holder</u>	<u>Question from Member of the Committee</u>	<u>Question to be asked (followed by supplementary question(s) based on response – initially from questioner – and others only if time permits)</u>	<u>Answer from Portfolio Holder (If time is tight the question and the response may be read into the record rather than spoken)</u>
Cllr Neil Stock OBE, Leader of the Council <i>(from 3.00pm to 3.30pm)</i>	Cllr Stephenson	We have heard about the severe financial challenges for the Council corporately over the next three years. What is your assessment of those challenges and the plans to meet those challenges?	
	Cllr Stephenson	Do you still believe in the value of Freeport East and the financial gain this is supposed to bring?	
	The Committee may have further questions of the Leader based on the questioning/responses from individual Portfolio Holders during the day.		

In writing, with responses written into the record of the meeting, the question below to be sent to:

Cllr Jeff Bray, Portfolio Holder for Planning

Cllr Lynda McWilliams, Portfolio Holder for Partnerships

Cllr Mary Newton, Portfolio Holder for Business & Economic Growth

“What direction have you given officers in reviewing fees and charges for services/functions you are responsible for?”

**The response to this question are as follows:**

Cllr Lynda McWilliams, Portfolio Holder for Partnerships

*“I regularly meet with the Assistant Director, Partnerships and other senior managers across the Department to review all high-level performance priorities and targets, including budgets. Each of the managers provide me with a regular update about progress across their service areas. We discuss budgets, income, bids that are being considered for various projects, that link to priorities. I encourage all of my Officers to seek funding opportunities where possible to deliver priorities that support the residents of Tendring. As part of my advice and direction, I also ensure that the Council’s governance processes are followed.”*

Cllr Mary Newton, Portfolio Holder for Business & Economic Growth

*“There are no published fees and charges which fall under the jurisdiction  
of Business and Economic Growth”*

*Cllr Jeff Bray, Portfolio Holder for Planning  
“Awaited”*