
**MINUTES OF THE MEETING OF THE CABINET,
HELD ON FRIDAY, 15TH DECEMBER, 2023 AT 10.30 AM
IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD, CLACTON-
ON-SEA, CO15 1SE**

Present: Councillors M E Stephenson (Leader of the Council & Portfolio Holder for Corporate Finance and Governance) (Chairman), I J Henderson (Deputy Leader of the Council & Portfolio Holder for Economic Growth, Regeneration & Tourism), A P H Baker (Portfolio Holder for Housing & Planning), M Bush (Portfolio Holder for the Environment), P Kotz (Portfolio Holder for Assets) and G R Placey (Portfolio Holder for Partnerships)

Group Leaders Present by Standing Invitation: Councillors J D Bray (Leader of the Tendring Residents' Alliance Group), J B Chapman BEM (Leader of the Independents Group) (except items 66 and 67) and G V Guglielmi (Leader of the Conservative Group)

Also Present: None

In Attendance: Ian Davidson (Chief Executive), Lee Heley (Corporate Director (Place & Economy)), Gary Guiver (Director (Planning)), Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Anastasia Simpson (Assistant Director (Partnerships)), Tim Clarke (Assistant Director (Housing and Environment)), Keith Simmons (Head of Democratic Services and Elections), Ian Ford (Committee Services Manager), William Lodge (Communications Manager), Keith Durran (Committee Services Officer) and Thomas Hills (Communications Apprentice)

55. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors M C Barry (the Portfolio Holder for Leisure & Public Realm) and G G I Scott (Leader of the Liberal Democrats Group).

56. MINUTES OF THE LAST MEETING

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

RESOLVED that the minutes of the meeting of the Cabinet, held on Friday 10 November 2023, be approved as a correct record and be signed by the Chairman.

57. DECLARATIONS OF INTEREST

There were no declarations of interest made by Members at this time.

58. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

Potential Noise Disruption

The Leader of the Council (Councillor M E Stephenson) reminded Members that the Christmas Pantomime was taking place that morning in the Princes Theatre attended by 500+ children and that therefore there would likely be some background noise disruption to the meeting.

59. ANNOUNCEMENTS BY CABINET MEMBERS

High Street Accelerator Fund Pilots

The Portfolio Holder for Economic Growth, Regeneration & Tourism (Councillor I J Henderson) announced that this Council had been successful in getting Dovercourt selected as one of ten areas to take part in a new national pilot scheme. Dovercourt's High Street had been chosen by the Department for Levelling Up, Housing and Communities (DLUHC) to be part of the new High Street Accelerator Pilot Programme.

Councillor Henderson placed on record his thanks to the Officers who had worked really hard to achieve this and had met DLUHC's requirements in a very short time. It had helped the Council's case that there was already a very good delivery vehicle in place in the form of the Harwich & Dovercourt Tourism Group who would act as the equivalent of a 'Town Centre Board'. He reported that under the chairmanship of Paul Milsom of the Milson Group that body would begin its work on this scheme in January.

The Leader of the Council (Councillor M E Stephenson) informed Members that he had attended the launch of the High Street Accelerator Pilot Programme held in Manchester. He stated that it was a testament to this Council's Officers that Dovercourt was the only pilot to be chosen from the southern half of the country.

Sunspot Christmas Market

The Portfolio Holder for Economic Growth, Regeneration & Tourism (Councillor I J Henderson) announced that he had been delighted to attend the first Christmas Market at the newly opened Sunspot in Jaywick Sands. It had been fantastic to see that community come together and it had demonstrated what an excellent investment the Sunspot was going to be for the future. It had been good to see local businesses thriving and already looking to expand.

Councillor Henderson stated that the Christmas Market had been a big hit with families, with almost 200 children eagerly awaiting their turn to enter Santa's grotto which had featured Santa's cabin, a sleigh, and free popcorn and candyfloss, kindly provided by the excellent volunteers from the Jaywick Sands Community Forum. Almost 300 presents and prizes had been handed out thanks to free donations from a range of organisations, including Clacton-on-Sea Lions Club, Colchester Zoo, HAT Projects, Jaywick Sands Community Forum, Rotary Club of Clacton-on-Sea, and Tesco.

Orwell Place (formerly the Starlings site), Dovercourt

The Portfolio Holder for Economic Growth, Regeneration & Tourism (Councillor I J Henderson) informed Cabinet that 4th December had marked the Christmas lighting up and opening of this new open space. He further informed Members that very evening at Orwell Place an open air Christmas Carol Service would take place, complete with a 20 foot Christmas Tree supplied by Harwich Town Council (HTC) (for the public record, Councillor Henderson reminded Members that he was a member of HTC). Participating

in this event would be the Tendring Brass Band, the Choir from Harwich & Dovercourt High School, the Sea Scouts and the Police Cadets.

New Waste and Street Cleaning Contract for 2026 – Progress Update

The Environment Portfolio Holder (Councillor Bush) informed Cabinet that this Council had engaged with EELGA, as consultants, to develop a full business case and to provide a tender specification for the new contract.

Climate Action Plan

The Environment Portfolio Holder (Councillor Bush) informed Cabinet that this Council had appointed ACSE, as energy consultants in order to produce and evaluate the carbon and energy use data for 2023 as part of the Climate Action Plan for the period 2024 – 2027.

60. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

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

61. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE - A.1 - POST DELIVERY SCRUTINY OF THE SUNSPOT COMMERCIAL WORKSPACE

Cabinet was informed that, in accordance with the decision of Council on 11 July 2023 (minute 37 referred), the Resources and Services Overview and Scrutiny Committee ("the Committee") had undertaken a post decision scrutiny of the Sunspot commercial workspace in Brooklands, Jaywick Sands on 19 September 2023 (minute 29 referred). As part of its enquiry, and immediately prior to the Committee's meeting, its Members had been provided with a tour of the new premises and the adjacent community garden. During the tour the Committee's Members had met with the intended operator of the café on site.

The Portfolio Holder for Economic Growth, Regeneration and Tourism had spoke to the Committee and had expressed his gratitude for the support received and had provided an update on the Sunspot project, highlighting its positive progress. He had mentioned the availability of 24 affordable commercial units, with 14 businesses already signed up, surpassing the initial expectation set out in its business plan. The Operations and Facilities Manager, though absent for this meeting due to illness, had been employed to support tenants, and the Portfolio Holder outlined the diverse spaces within the building, including a covered market, committee room, and a cafe with an experienced operator.

The Portfolio Holder had also emphasized the potential for skills development and job opportunities within the project, citing the café's intention to take on apprentices. He had acknowledged the past challenges, including cost overruns and delays, attributing them to capital cost inflation and external factors such as the COVID-19 pandemic. Despite the challenges, he had likened the project's journey to overcoming a "perfect storm" and he had acknowledged the collective effort to reach the current stage. He had also acknowledged Essex County Council's funding support.

The Corporate Director for Place and Economy (Lee Heley) had then addressed concerns related to costs and he had provided a detailed timeline of the Sunspot

project. The feasibility study had commenced in January 2020, and the application for further funding to the Local Enterprise Partnership had been submitted in September 2020. The initial estimate had been for 13 units for £1.97 million. Changes, including an increase to 24 units and an additional £300,000, had been made after advisors had reviewed the scope of the project in February 2021.

Committee Members had heard that tenders had been sought in December 2021 for a £2.1 million project. Cost consultants had estimated a potential increase to £2.7 million, but the lowest tender had come in at £3.9 million. Despite challenges, including cost overruns and delays, the decision had been made to continue, securing investment from partners, including Essex County Council. The construction contract had been awarded in April 2022.

The Corporate Director (Place and Economy) had also highlighted the unique challenges faced, including unexpected ground conditions and the need for additional funding, leading to a total cost increase of £760,000. Refinancing had been necessary, involving discussions with partners around the refinance process. The speaker emphasized the importance of closely monitoring costs, refining project scopes, and considering potential challenges for future projects.

It was reported to the Committee that the cost increases in the project were due to capital costs going up globally due to COVID and the war in Ukraine.

The Committee had resolved to recommend to Cabinet:-

- "a) that the positive news about occupancy rates for the Sunspot Centre, Jaywick Sands and the intentions around the on-site market be noted; and*
- b) that the capacity and expertise of the Council in costing and programme managing major capital schemes of the Council be strengthened to avoid or minimise unforeseen "mission creep" in schemes and unrealistic cost assessments being presented as part of approval mechanisms (that then needing to be repeated when true market costings are subsequently identified).*

The Committee had further resolved:-

- c) that delivery against the business plan compared with the experience in the first six months operation of the Sunspot Centre, Jaywick Sands be confirmed in the Committee's Work Programme for April 2024."*

Cabinet had before it the following comment submitted by the Portfolio Holder for Economic Growth, Regeneration and Tourism:-

"The Sunspot is a great success for Jaywick, for the Tendring District and the Council. The building is already occupied with 15 of the 24 business units with a tenant in place. Another four units will be occupied in January 2024. That will leave 5 units vacant and just under 80 percent occupancy. Officers are going to start advertising one of the empty units as a 'rent a desk space' in the new year. The café is busy, and the market is popular.

While capital costs rose across the World during the period the Council completed the Sunspot, the Council worked closely with partners including Essex County Council to ensure the project had sufficient funds to complete.

The success of the project has received positive reviews in the local and national press, and has been used as an exemplar of good practice as far afield as Stockton.

As with any major project, the Council has learnt during the process of completing the Sunspot, and will be able to apply those lessons to future capital schemes. We have increased the capital delivery capacity of the organisation with the appointment of an expert contractor in support of the levelling up schemes.”

Having duly considered the recommendation submitted to Cabinet by the Resources and Services Overview & Scrutiny Committee, together with the response of the Economic Growth, Regeneration and Tourism Portfolio Holder thereto:-

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

RESOLVED that the recommendation made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Portfolio Holder for Economic Growth, Regeneration and Tourism thereto be endorsed.

62. LEADER OF THE COUNCIL'S ITEMS - A.2 - DELIVERING AGAINST THE COUNCIL'S CORPORATE PLAN 2024-28 - INITIAL PROPOSALS FOR HIGHLIGHT PRIORITIES FOR 2024/25

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.2). The report reminded Members that the Council's strategic direction was set out in its Corporate Plan which was a fundamental element of the Council's Policy Framework. The Corporate Plan ('Our Vision') had been adopted unanimously by Council on 28 November 2023 (Minute 76 referred) and covered the period 2024-28 (and was reproduced at Appendix A to the Portfolio Holder's report). Key elements of delivering against the adopted Corporate Plan would be through annual highlight priority actions approved by the Cabinet. The 2024/25 initial proposals for highlight priorities were set out at Appendix B to the Portfolio Holder's report. Through that report, Cabinet was invited to adopt these for consultation purposes before finalising its highlight priorities for 2024/25; which would involve consideration of the outcome of the consultation undertaken.

Recognising that the rationale for the Portfolio Holder's recommendations was to set out openly for all concerned the initial proposals for highlight priorities for 2024/25 and that this supported the openness agenda of the Council and provided an opportunity for engagement with the public, businesses and partners on those initial proposals. Through consultation it was hoped that the views received could help shape the priorities that would finally be adopted (within the reality of the Council's budgetary position).

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

RESOLVED that Cabinet resolves that -

- (a) the initial highlight priorities for 2024/25, as set out at Appendix B to report A.2, be approved for consultation;
- (b) all Councillors, other partners and the public be invited to consider the initial priorities referred to in (a) above; and
- (c) the outcome of the consultation referred to in (b) above be reported to Cabinet on 15 March 2024 in order that Cabinet can formally adopt its finalised highlight priority actions for 2024/25.

63. LEADER OF THE COUNCIL'S ITEMS - A.3 - PROPOSED MINOR AMENDMENTS TO THE COUNCIL'S CONSTITUTION

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.3), which sought its approval for the recommended changes to the Constitution (Council Procedure Rules) for referral onto Full Council following a review undertaken by the former Portfolio Holder for Corporate Finance and Governance (Councillor Guglielmi) through the Councillor Development Portfolio Holder Working Party. The proposals covered amendments to the Council Procedure Rules 33.3, 34.3 and 34.4, in order to ensure the Council's Constitution remained effective, efficient and consistent at an operational level and to be an expression of best practise and to meet expectations of Members. In addition, this report set out an update in relation to proposals for amendments to the terms of reference and delegated powers of the Human Resources & Council Tax Committee and its sub-committee.

It was reported that the Councillor Development Portfolio Holder Working Party (CDWP) had met on 23 January 2023. At that meeting the Working Party, inter alia, had considered existing areas of mandatory training together with whether such mandatory training should be expanded to cover other areas such as for members of the Council's overview and scrutiny committee.

In addition, Cabinet was made aware that the review of the terms of reference and delegated powers of the Human Resources and Council Tax Committee and its sub-committee to be conducted in accordance with Full Council's decision taken on 29 March 2022 would be undertaken as part of this year's annual review of the Constitution.

A summary of the proposed changes compared to the existing CPRs 33.3, 34.3 and 34.4 was provided in the background section of the Portfolio Holder's report.

Having considered the outcome of the review of the mandatory training of Members carried out by the Councillor Development Portfolio Holder Working Party and the Portfolio Holder's recommendation arising therefrom, and in order to enable that recommendation to be submitted to the Full Council for approval and adoption:-

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

RESOLVED that Cabinet RECOMMENDS TO COUNCIL that the Council's Constitution be amended to reflect the proposed changes as set out in Appendix 1 attached hereto report A.3.

64. LEADER OF THE COUNCIL'S ITEMS - A.4 - UPDATED GENERAL FUND FINANCIAL FORECAST / BUDGET 2024/25

Cabinet considered a report of the Leader of the Council & Portfolio Holder for Corporate Finance and Governance (A.4), which enabled it to consider the updated financial forecast and budget proposals for 2024/25 for consultation with the Overview and Scrutiny Committees.

Cabinet was aware that a 'live' forecast was maintained and reported to Members throughout the year. The most up to date position in December each year was translated into the detailed budget for the following year for consultation with the Overview and Scrutiny Committees. As part of maintaining a 'live' forecast, this report 'built' on the last position that had been presented to Cabinet on 10 November 2023.

It was reported that, despite the challenging financial and economic environment, confidence in the long term approach to the forecast remained, which was supported by the forecast risk fund. The Council had maintained a prudent and sustainable approach to its long term plan, which provided the 'platform' against which it could consider its financial position in response to the very challenging economic outlook it continued to face.

Members were informed that further changes to the forecast had been made since 10 November 2023, with a revised position set out in Appendix A to report A.4. The changes required broadly reflected updates to cost pressures and savings. Those cost pressures included to date reflected unavoidable items. Work remained on-going in consultation with Services and it was likely that additional cost pressures would need to be included in later iterations of the forecast before final budget proposals were recommended for presenting to Council in February 2024.

Cabinet was advised that, in terms of the savings identified to date, those could be considered as 'secured' and not projections, given the nature of the budgets they related to. Although the income from treasury activities would be subject to various changes during 2024/25 the estimated saving included was based on a prudent approach and assumptions on likely cash balances and projected interest rates.

Taking the above into account and in comparison with the position reported to Cabinet on 10 November 2023, the net overall position reflected a forecasted annual deficit of £2.674m (an increase from £2.422m).

Members were told that an annual review of reserves had also been undertaken, which highlighted the need to continue to maintain a number of reserves to support key actions / activities as part of the Council's overall prudent and sustainable approach to managing its finances.

Cabinet also heard that any changes emerging from the Local Government Finance Settlement for 2024/25 would be reflected in the forecast that would be reported to Cabinet in January 2024 when it considered its final budget proposals for recommending to Full Council in February 2024. That budget included a Council Tax levy increase of 3%, with this level of increase expected to be confirmed as part of the Government's wider finance settlement announcements.

Members were made aware that, once the final position for 2024/25 was determined, the remaining years of the forecast would also be revised along with the consideration of extending the forecast period, which would be reported to Members later on in the budget setting process.

It was reported that both Appendices and C included related in-year adjustments for 2023/24. Those would be subject to further review before being finalised for inclusion in the Quarter 3 Financial Performance Report that would be presented to Cabinet later on in the financial year.

In order to set out the latest financial forecast as part of the process of developing the budget proposals for 2024/25:-

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

RESOLVED that Cabinet -

- a) approves the updated Financial Forecast and proposed budget position for 2024/25 as set out in report A.4 and its appendices; and
- b) requests the Overview and Scrutiny Committees' comments on this latest financial forecast and proposed budget position for 2024/25.

65. CABINET MEMBERS' ITEMS - REPORT OF THE ECONOMIC GROWTH, REGENERATION & TOURISM PORTFOLIO HOLDER - A.5 - GOVERNMENT FUNDING OPPORTUNITIES FOR TENDRING

Cabinet considered a report of the Economic Growth, Regeneration & Tourism Portfolio Holder (A.5), which updated it with an overview of the different funding streams totalling up to £40,237,000 made available to the Council by Central Government, and to set out their purpose in regeneration opportunities for the District. The report also set out the implications to resourcing and managing those significant projects, and the decisions to accept the funding for the High Street Accelerator, the Long-Term Plan for Towns, and to establish the management of Town Boards for the respective funds.

The three funding streams are detailed below; a table that illustrated each funding stream and its link to this Council's priorities and outcomes for residents was provided as Appendix A to report A.5.

Levelling Up Partnerships

Cabinet recalled that, at the Budget Speech on 15 March 2023, the Government had announced 20 areas which would be selected to form Levelling Up Partnerships (LUP) with the Department of Levelling Up, Housing and Communities, which had included Tendring on the list at number eight. This had been considered at Cabinet on 23 June 2023.

It was reported that Government officials would visit Tendring between January and March 2024 in order to carry out a 'Deep Dive'. This would be a review of data, documents, and meetings with key partners. To prepare for that process, a capital pipeline of projects would be developed. Government had requested projects which required funding within 12 months of March 2024, for example, purchasing land or property or implementing capital projects that had already been developed.

Government Ministers would make the ultimate decision on what the £20m would fund, and their officials would complete the business cases for the funding to demonstrate that they were value for money.

Long Term Plan for Towns Funding

Cabinet was reminded that on 1 October 2023 Government had announced that Clacton-on-Sea would be one of 55 towns across the UK to receive a ten-year endowment-style fund, with £20 million of funding and support to give towns long term certainty to deliver projects over multiple years. Government had confirmed that the Long-Term Plan for Towns Funding would be 25 percent resource, 75 percent capital.

The Council would be required to establish a Town Board, to be chaired by a local business or community leader, and then to develop a plan setting out priorities for investment and regeneration, aligned to themes of safety and security, high streets, heritage and regeneration, and transport and connectivity. Towns would be required to demonstrate how they had developed plans in consultation with local people.

High Street Accelerators Pilot Programme

Members further recalled that, on 13 September 2023, the Council had been advised by the Department for Levelling Up Housing and Communities (DLUHC) that Tendring had been identified as one of 10 Districts nationally selected to pilot the Government's new High Street Accelerator Pilot Programme. This programme looked to fund the establishment of a Town Centre Board and would pilot projects selected in partnership, making £237,000 in total available over the next two financial years.

Cabinet was informed that, following a meeting between Officers and DLUHC on Monday 9 October 2023, DLUHC had indicated they would be supportive of an application for Dovercourt to be a pilot area for the programme. The deadline for submission had been 16th October 2023. The existing Harwich and Dovercourt Tourism Group would meet the requirement for a 'board' to discuss and deliver potential projects under the scheme. Dovercourt had been formally announced by the Government as a participating location in the pilot, on Wednesday 6th December 2023.

Members were advised that the objective of the High Street Accelerators Pilot Programme was for local stakeholders to work in partnership to support the long-term revival and regeneration of declining high streets. The work could be focused on reinventing the high street as a community hub that local people could be proud of, and the projects underpinning it could range from the repurposing of spaces, (such as the building of new park lets and gardens), to projects which improved the energy efficiency of high street buildings, or tackle vacancy rates by helping match community groups and small businesses with empty properties.

In addition to those Government funded schemes, the Council could also consider appropriate existing Section 106 contributions in those areas, to support the work being undertaken and increase the outputs for local people.

It was considered that the key to making the most significant impact on local ambitions was to ensure a considered choice of the most appropriate blend of projects in order to deliver transformational change against local priorities and the criteria for each funding stream.

Existing Council strategies included a range of exciting ambitions which could be developed into a project pipeline and form the basis of planned improvements to the towns identified. There would not be sufficient funding to implement all projects, so

careful consideration would be required with partners in Central Government and Council partners to identify the most appropriate course of action.

It was reported that, over the next six months, the Council would work with partners, including Central Government and residents, to develop a suite of projects in each location. This would culminate in a funded plan for each funding stream, to maximise the opportunities they provided. The plan for LU Partnerships would be developed through the 'deep dive' process signed off by Ministers. The Council would produce a Long Term Plan for Clacton by July 2024, in consultation with a newly constituted towns board, to be in place by April 2024. Given the helpful timing, the Council would be able to draw on the work of the Levelling Up Partnership as an input of information to support the plan for Clacton.

Cabinet was advised that a further report would be brought to it in April 2024, setting out further detail on projects to be funded, and the respective funding streams which would support them, and timescales for delivery.

As those funding streams would enable the Council to accelerate progress towards further achieving the Council's ambitions and delivering for local people against the newly adopted Corporate Plan, offering a chance to support a range of opportunities across the District's largest towns, as Government had targeted interventions to specific locations in Tendring and acknowledging that many of the funding streams had a short timeline to achieve their objectives and the Portfolio Holder's recommendations would allow delivery to continue at pace:-

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

RESOLVED that Cabinet –

- (a) accepts the High Street Accelerator Funding offered by the Department for Levelling Up, Housing and Communities and authorises the Corporate Director (Place and Economy) and the Section 151 Officer to enter into a Memorandum of Understanding on behalf of the Council, which sets out the agreement;
- (b) delegates the forming of the High Street Accelerator Board, and acceptance of its Terms of Reference, to the Portfolio Holder for Economic Growth, Regeneration & Tourism;
- (c) accepts the Long Term Plan for Towns Funding offered by the Department for Levelling Up, Housing and Communities and authorises the Corporate Director (Place and Economy) and the Section 151 Officer to enter into a Memorandum of Understanding on behalf of the Council, which sets out the agreement;
- (d) delegates the forming of the Towns Board, and acceptance of its Terms of Reference, to the Portfolio Holder for Economic Growth, Regeneration & Tourism;
- (e) delegates the authorisation of the spending of the £45,000 Levelling Up Partnership Capacity Payment to the Portfolio Holder for Economic Growth, Regeneration & Tourism; and
- (f) delegates entering into any agreements with the Department for Levelling Up, Housing & Communities for the funding streams set out in this report (LU Partnership, Long Term Plan For Towns, High Streets Accelerator) to the Corporate Director (Place and Economy), in consultation with the Section 151 Officer.

66. **CABINET MEMBERS' ITEMS - JOINT REPORT OF THE HOUSING AND PLANNING PORTFOLIO HOLDER AND THE CORPORATE FINANCE & GOVERNANCE PORTFOLIO HOLDER - A.6 - UPDATED HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET PROPOSALS 2024/25**

Cabinet considered a joint report of the Housing & Planning Portfolio Holder and the Corporate Finance & Governance Portfolio Holder (A.6), which set out and sought approval of an updated Housing Revenue Account (HRA) Business Plan, which included proposed changes in 2023/24 along with budget proposals for 2024/25.

Members were aware that, similarly, to the General Fund's long-term forecast, a 'live' HRA Business Plan was maintained on an on-going basis, with the most up to date position in December each year being 'translated' into the detailed budget for the following year for consultation with the Resources and Services Overview and Scrutiny Committee. It was reported that a number of changes had been made to the business plan for 2024/25 onwards that largely reflected increased inflationary pressures. Some of those pressures were also being experienced in 2023/24, with corresponding adjustments set out accordingly.

Cabinet was informed that, unlike last year when the Government had intervened and had set a rent increase 'cap', and unless the Council heard to the contrary, it was proposed to increase rents in-line with the formula set out by the Regulator for Social Housing which allowed rents to increase by up to CPI+1% each year. Although Councils could set lower increases, this would be a very difficult approach to adopt in terms of the future sustainability of the HRA business plan, given the 'telescopic' impact this would have and the imbalance it would create as expenditure would be increasing ahead of income. Such an impact had been experienced when the Government had required Councils to reduce rents by 1% over the 4 year period from 2016/17 to 2019/20 and that continued to have an impact over the long-term life of the business plan.

Members were advised that, based on the above, the average weekly rent proposed for 2024/25 was £100.89 (£93.68 in 2023/24). After taking into account the various adjustments set out in Appendix A to report A.6, there was an estimated budget deficit of £0.764m in 2023/24 and an estimated surplus of £0.180m in 2024/25. In respect of 2023/24, this was £0.484m more than the budgeted deficit.

Cabinet heard that it was proposed to fund the estimated deficit for 2023/24 by calling money from HRA balances as an alternative to reducing expenditure, which was partly offset by the proposal to transfer the estimated surplus in 2024/25 to the same reserve. HRA General Balances were currently estimated to total £3.572m at the end of 2024/25 (after taking account of the use of balances highlighted above) that would remain available to support the 30 year Business Plan and associated risks to the forecast.

Members were told that there would undoubtedly be further changes required to the forecast before the detailed estimates were finalised for reporting to Cabinet in January 2024, which would provide the opportunity to revisit the above proposals accordingly.

It was further reported that the proposed HRA Capital Programme for 2024/25 reflected the commitment to maintain the necessary investment in the existing tenant's homes. HRA debt continued to reduce year on year as principal was repaid with a total debt position at the end of 2024/25 forecast to be £32.535m, which also took into account the refinancing of an historic loan via an internal borrowing approach.

Cabinet was made aware that, in addition to requesting comments from the Resources and Services Overview and Scrutiny Committee, it was also proposed to consult with the Tenant's Panel during January 2024, with the outcome reported to Cabinet later that month, when the final HRA budget proposals would be considered for recommending onto to Full Council in February 2024.

In order to enable Cabinet to approve the most up to date HRA Business Plan which set out a revised position for 2023/24 along with the proposed HRA budget for 2024/25 for consultation with the Resources and Services Overview and Scrutiny Committee:-

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

RESOLVED that Cabinet -

- (a) approves the updated Housing Revenue Account (HRA) 30 year Business Plan, which includes the proposed revised position for 2023/24 along with budget proposals for 2024/25; and
- (b) requests the Resources and Services Overview and Scrutiny Committee's comments on this latest HRA financial forecast.

67. MANAGEMENT TEAM ITEMS

There were no items submitted by the Council's Management Team on this occasion.

The Meeting was declared closed at 12.01 pm

Chairman