CABINET

26 JUNE 2026

REPORT OF THE LEADER
(PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE)

A.2 CONSEQUENTIAL MATTERS IN RESPECT OF THE FORMATION OF NEW PARISHES FOR CLACTON-ON-SEA, HOLLAND-ON-SEA AND WEST CLACTON & JAYWICK SANDS

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
This report follows the decision by Council on 2 June 2026 to accept the recommendations from the Community Governance Review in respect of Clacton-on-Sea, Holland-on-Sea and West Clacton & Jaywick Sands. That decision approved the creation of three separate parishes for those communities with effect from 1 April 2027. As part of Council's decision, it was resolved: *"invites Cabinet to consider the next steps to be undertaken and allocation of resources and, as part of this, to determine the steps the Council considers sufficient to secure that persons who may be interested in the review are informed of the outcome and the reasons behind the Council's decisions in this matter."* The Council's Section 151 Officer specifically drew Council's attention to two of those 'next step' matters as being special expenses and initial precepts. This report addresses those matters and other 'next step' matters. In this report the generic term of 'parish' is used rather than specific styles approved for the three parishes concerned (town, village and community).

EXECUTIVE SUMMARY
With the decision of Council on 2 June 2026 to approve the establishment of the three separate parishes for Clacton-on-Sea, Holland-on-Sea and West Clacton & Jaywick Sands, the process that commenced on 17 September 2024 with the adoption of a motion to look at a community governance review for those areas has concluded. However, the decision on 2 June 2026 initiates a new process that will see the transition to those parishes, and their parish councils, being formed with effect from 1 April 2027. This report invites the Committee to consider the appropriate level of resource to be allocated to work with community groups, residents and District and County Councillors for the three separate areas to support the establishment of the new parish councils. It also addresses the necessary arrangement to ensure that the tax base for the three new parishes is as accurate as possible in the time available, the development of an initial budget for each of the three parish councils and, thereby, identify the appropriate initial precept for those three parish councils for 2027/28. The precepts will need to be determined by the District Council in early 2027 as they will need to be in place ahead of the parish councils being formed on 1 April 2027. Provisions under the Local Government Finance Act 1992 provide for different amounts of Council Tax to be calculated for different parts e.g. parished and unparished areas, of a district,

depending on what, if any, special items relate to those parts. A special item is an item (service) which relates only to part of the district council's area. The Council currently incurs certain costs in respect of Open Space, Playgrounds and Recreation across Clacton, Holland and Jaywick. These costs have been applied in a way that means all Band D properties in those three areas fund the special expenses equally. With the formation of the three separate parishes there is a need to review the incurred expenditure and the recovery of those costs from households in the three separate areas. In 2026/27, this Council allocated £714,519 as Special Expenses and £442,297 of that total related to the combined areas of Clacton-on-Sea, Holland-on-Sea and Jaywick Sands.

In the Community Governance Review for the area concerned there has been a good working relationship with the Essex Association of Local Councils (EALC). In the Phase II consultation (across December 2025-February 2026) EALC supported the various community meetings with senior representatives from their organisation and this assisted attendees to hear more about live experiences from parish councils across the county. Given the limited capacity of the District Council to continue the community-based activity (undertaken in the review) for the period to the new parish councils coming into existence on 1 April 2027, Cabinet is invited to consider commissioning EALC to undertake more of that activity in that period. EALC is also able to support the development of initial budgets for the three separate parish councils.

RECOMMENDATION(S)

It is recommended that:

- **(a) The content of the report be noted, including the reference to the Council (in due course) determining the budgets for the three new parish councils for Clacton-on-Sea, Holland-on-Sea and West Clacton & Jaywick Sands and the Council Tax precepts for 2027/28 for those new parish councils;**
- **(b) To authorise the Assistant Director (Corporate Policy & Support) to commission Essex Association of Local Councils (subject to an approval from the Leader and the Council's Section 151 Officer in relation to the Council's Procurement Procedure Rules) to undertake a range of work with the District Council to support the transition from the decision to create the three new parish councils to them commencing in existence from 1 April 2027 in the sum of £52,500 (on the basis that £25,000 would be recoverable from across the three new parish councils);**
- **(c) Subject to b) above, the required financial impact in 2026/27 of £27,500 is met from the Corporate Investment Fund (Revenue);**
- **(d) To note the associated work, including tax bases and special expenses that will be undertaken as part of the Council's wider annual budget setting processes for 2027/28 later in the year; and**
- **(e) To note that the costs incurred by the Returning Officer in administering the elections to the three new Parish Councils will be costs to be recovered from those Parish Councils.**

REASON(S) FOR THE RECOMMENDATION(S)

The recommendations set out requirements and good practice in respect of the move from a decision to establish new parish councils and those new parish councils coming into being.

ALTERNATIVE OPTIONS CONSIDERED

In respect of the recommendations set out in the report the option to not pursue the proposal (or to pursue it in an alternative way) was considered and discounted. The fact that the three separate parish councils will come into existence in little over 9 months from the date of this meeting, and prior to that the initial budgets and separate initial precepts need to be determined means that delay in acting would not be wise.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Corporate Plan 2024-28 has at its heart, Community Leadership with the commitment that the Council will listen to our residents and businesses. The community governance arrangements for the communities of Clacton-on-Sea, Holland-on-Sea and Jaywick Sands was an example of extensive community engagement over the period of the review. Like the Parish and Town Councils of Brightlingsea, Frinton & Walton, Harwich, Manningtree and others, the new Local Councils will be integral partners with the principal Council(s) for the area to work with and deliver for the residents and businesses in those areas.

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

The consultation to date, with local government electors and others with an interest in the community governance review, has led this Council to the point of approving the three new parish councils for Clacton-on-Sea, Holland-on-Sea and West Clacton & Jaywick Sands. This report concerns the transition between this point and 1 April 2027 when the parish councils come into existence (and the initial elections to those parish councils in May 2027).

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	**YES/~~NO~~**	**If Yes, indicate which by which criteria it is a Key Decision**	☑ **Significant effect on two or more wards** ☑ **Involves £100,000 expenditure/income** ☑ **Is otherwise significant for the service budget**
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	**26 May 2026**

☑	**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

Whilst functions relating to Community Governance Reviews pursuant to the Local Government and Public Involvement in Health Act 2007 are non-executive, the report highlights that following the decision of Council on 2 June 2026 – Minute 28) to approve the recommendations from the Community Governance Review, there are matters which now fall to the executive. The Executive Summary section of this report sets out the role of the District Council in this period in respect of establishing initial budgets for those three new parish councils and determining the initial precepts for them.

Support is also provided to the comments provided by the Section 151 Officer below in relation to future decision making.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Essex Association of Local Councils (EALC), who supported the community engagement work during the community governance review for Clacton-on-Sea, Holland-on-Sea and West Clacton & Jaywick Sands have provided indicative figures for additional work in this 'post-decision' period and beyond the commencement date for the new parish councils.

Based on 15 workshops with residents and others in the autumn 2026 and early 2027 across the three new parishes to be established and further meetings of the proposed interim parish councils (Ward Councillors and relevant County Councillors – and an identified nominee in respect of West Clacton & Jaywick Sands) in broadly the same two periods, the EALC consider the cost to the District Council being £14,100. This Council would benefit from EALC supporting initial and finalised budget requirements for the three parish councils that would be informed from the engagement activity described. An allocation of £8,400 is proposed to ensure this work can be progressed. In addition, there would be costs of approximately £25,000 in respect of registrations with HMRC and for VAT and initial payments to secure website addresses and undertake procurement of initial interim parish clerks for the three new parish councils to be established. These costs would, it is suggested be matters initially incurred by the District Council and to be recovered from the three parish councils once established. To provide for some element of contingency in respect of these costs, it is proposed that a further £5,000 be allocated. This would make an allocation of £52,500 for the work with EALC (£25,000 of which it would be proposed to recover across the three parish councils to be established). The net budgetary requirement in 2026/27 would therefore be £27,500. Given the timescales involved, it is proposed to identify the required funding within this report rather than the alternative of making a decision in principle and confirming the funding separately at a later date as part of the ongoing and wider development of the two-year financial plan. However, the funding approach is would effectively remain the same regardless of the timing of the decision and that is the use of the Corporate Investment Fund (Revenue) where £2.327M remains available.

The District Council will, as usual, provide services to the Returning Officer in respect of the delivery of elections to the three new parish councils. In addition, it will initially meet the cost of venue hire, staffing, print and postage charges etc for those elections. These will be recovered from the three parish councils once accounts have been finalised. As a working assumption, these costs are likely to in the region of £10,000 for West Clacton & Jaywick Sands, £16,000 for Holland-on-Sea and £70,000 for Clacton-on-Sea Parish Councils if all are contested elections. Obviously, much will depend upon the extent to which the elections are contested at the time and the division of costs with any combined elections on 6 May 2027 (e.g. District Council/Shadow Authority elections). In addition, the costs are based on current Royal Mail charges which could be increased ahead of the elections.

As highlighted earlier, the setting of budgets, council tax bases and precepts in respect of the three new Parish / Town Council areas would form part of and run alongside this Council's wider budget setting processes for 2027/28. The associated requirements / processes are underpinned by a statutory framework and well-established practices. At a high level, the indicative process would include the following key actions:

Key Action	Description	Responsibility
Calculate parish tax bases	Determine the council tax base for each new area as part of the annual tax base process.	Tendring District Council
Council Tax Special Expenses	Review and determine options and opportunities relating to special expenses not only for the three new Council areas but within the context of the wider position for the District.	Tendring District Council
Develop draft budgets	Prepare initial budget estimates for each new council area	Tendring District Council
Finalise precepts	Determine the required precept for each new parish/town Council.	Tendring District Council
Integrate into council tax setting	Include agreed precepts within the 2027/28 council tax resolution and billing process	Tendring District Council
Implement and monitor	Put billing, payment and support arrangements in place for year one	Tendring District Council
Develop draft budgets	Note / accept / consider the budget inherited from above process	New Town / Parish Councils
Implement and monitor	Consider and reimburse costs incurred by Tendring District Council in terms of relevant all implementation activities	New Town / Parish Councils

The principle financial risk emerging from the above key activities is the determination of the initial budgets / precepts for the three new areas. Once set via this Council's formal budget setting process they cannot be revisited during the year, and costs will therefore have to be managed within this 'base' funding position before year 2 budgets and precepts are independently developed by the new Council's for 2028/29. This will therefore form an important element of the work supported by EALC.

☑ **The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

There are no significant comments over and above those set out elsewhere within this report, and the various steps indicated within the finance and resource section above form an important element of this Council's own budget and council tax setting process for 2027/58 that will form part of the separate decisions later in the year.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	Through this report, the Council is seeking to address issues of special expenses which itself concerns the costs incurred in respect of Open Space, Playgrounds and Recreation across Clacton, Holland and Jaywick.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The content of this report seeks to support informed decision making and, thereby, good decision making.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Open Space, Playgrounds and Recreation across Clacton, Holland and Jaywick. Through the process of establishing the three new parish councils there is the opportunity to consider economy, efficiency and effectiveness of services and functions delivered in the area of Clacton-Holland-Jaywick.

MILESTONES AND DELIVERY

Key milestones in the delivery of the new parishes and their respective parish councils are:

September 2026 – conclude the drafting of the Reorganisation Order to put in place the decisions of Council on 2 June 2026

15 October 2026 – The reference date for residence in respect of the electoral register and the canvass the electoral registration officer must conduct. This will support the republication of the register.

1 December 2026 – The publication date for the electoral register that will need to take account of the prospective parishes of Clacton-on-Sea, Holland-on-Sea and West Clacton & Jaywick Sands.

11 December 2026 – Cabinet meeting where the draft budget for 2027/28 would be considered (including any special expenses).

29 January 2027 - Cabinet meeting where the budget proposals for 2027/28 (following overview and scrutiny process) would be considered (including any special expenses).

16 February 2027 – Council meeting for Budget and Council Tax setting

1 March 2027 – Deadline of parish council precepts for 2027/28 to be set by virtue of section 41 of the Local Government Finance Act 1992. The initial precepts will be set by the District Council.

1 April 2027 – the three parishes are formally created and their parish councils come into existence with interim appointments.

As soon as possible after 1 April 2027 – meetings of the interim parish councils to agree such things as:

- Approving Interim Banking Option
- VAT Registration
- HMRC Registration
- Procuring website
- Procuring insurance
- Procuring Interim Clerk arrangements
- Procuring Internal Auditor
- Approving an initial Code of Conduct
- Approving initial privacy statements
- Approve arrangements for first parish meeting and parish council meeting to be held following the elections

6 May 2027 – election day for the new parish councils (alongside elections to this Council/the Shadow Authority for North East Essex Unitary and parish council elections elsewhere in the District).
ASSOCIATED RISKS AND MITIGATION
The risks associated with establishing new parishes (and their respective parish councils) are great and the Council is, through the steps it is proposing through this report intended to mitigate against those risks being realised.
EQUALITY IMPLICATIONS
The Council will be continually mindful of the requirements of the public sector equality duty in the decisions it takes in respect of the establishment of the three new parish councils.
SOCIAL VALUE CONSIDERATIONS
While not expressly relevant to this report, the potential social value to the communities in the three parishes referred to in this report from the actions of their respective parish councils (including their procurement) could deliver great benefit to the communities they serve.
IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION
The establishment of parish councils for the three communities in Clacton-Holland-Jaywick areas could ensure that the voice of those communities is not dulled by moving to unitary authorities that are significantly smaller that Essex County Council but significantly larger than the current Tendring District Council.
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050
Not applicable to this report.
IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT
There are no direct implications for this Council in respect of devolution and/or local government reorganisation. The role that the three new parish councils can play in ensuring the voices of the communities in the relevant areas are heard will be important and support democratic engagement locally.
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder	There are no direct implications arising from this report.
Health Inequalities	There are no direct implications arising from this report.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	There are no direct implications arising from this report.
Area or Ward affected	There are no direct implications arising from this report.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The background to this matter relates to decisions to establish a community governance review and the key role of community engagement in that review. The conclusions from the separate stages of the review were overseen by the Community Leadership Overview and Scrutiny Committee who developed initial draft recommendations and then the final recommendations as submitted to Council on 2 June 2026. This report concerns itself with the period now to 1 April 2027 when the new parishes will be formally constituted, an interim phase between then and the parish councillors taking up office on 10 May 2027 and the period after that when the newly elected parish councillors take on the decision making for those new parish councils.

Echoing the points made in the 'Finance and other resource implications' section of this report, the proposals worked on with EALC, as a continuation of the work they supported this Council with as part of the Community Governance Review, would specifically see 15 community-based workshops across the three new parish council areas, nine meetings with existing Councillors for the review area (three meetings per new parish council). Through this process, draft budget proposals for the three new parish councils will be developed to then be submitted to this Council. The cost of providing this specialist support is £22,500 which, with a £5,000 contingency, underpins the £27,500 referenced in recommendation (c) above as expenditure to be met by this Council. Up to a further £25,000 of work by EALC would be undertaken for the three new parish councils to support the envisaged matters for the first meeting of the interim parish councils as referenced in the 'Milestones and delivery' section of this report (e.g. Approving Interim Banking Option). Together, these sums amount to the £52,500 identified in recommendation (b) above.

The Executive Summary section of this report sets out the role of the District Council in this period in respect of establishing initial budgets for those three new parish councils and determining the initial precepts for them.

At Appendix A to this report are some details of base costings for the three new parish councils. As referenced above, further work would be required to move these from the current position to initial budget proposals for the three parish councils to support the precepting decisions required for 2027/28. This Council is grateful for the assistance of EALC in developing the base costings set out in the Appendix. The base costings at Appendix A together with the budgets and Band D Council Tax equivalent for 2025/26 were shared during the community governance review.

In respect to the steps the Council considers sufficient to secure that persons who may be interested in the review are informed of the outcome and the reasons behind the Council's decisions on 2 June 2026, Officers will determine a communications plan and then implement that plan over the coming months. This will build on an email sent to 24,810 electors that the Electoral Registration Officer holds email addresses for in the areas of the three new parishes alerting them to the decisions from 2 June 2026, the supporting material around those decisions and inviting them to look out for ways to be involved with the next period as the new parish councils are established. This email alone will reach approximately 56% of electors in the relevant area.

PREVIOUS RELEVANT DECISIONS

Council on 17 September 2024 (Minute 50 refers) requested the submission of proposals for a Community Governance Review to enable Council to determine whether to proceed with such a review.

Council on 26 November 2024 (Minute 75 refers) sets out the decision of Council following consideration of the proposals for a community governance review. Community Leadership Overview and Scrutiny Committee on 17 June 2025 (Minute 6 refers) – ahead of the publication of the updated Terms of Reference by the Chief Executive Chief Executive on 1 July 2025 – publishing the Terms of Reference for the review (as approved in draft by Council on 26 November 2024 and received by the Community Leadership Overview and Scrutiny Committee on 17 June 2025. Community Leadership Overview and Scrutiny Committee on 17 November 2025 (Minute 23 refers) – authorising the draft recommendations for the Phase II consultation. Community Leadership Overview and Scrutiny Committee on 30 March 2026 (Minute 46 refers) – authorising the final recommendations for consideration by Council. Council on 2 June 2026 – Minute 28 refers – To approve the recommendations from the Community Governance Review.
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
The reports supporting the above decisions set out the background to the community governance review and the process leading to the decision by Council on 2 June 2026 to implement the recommendations from that review and establish three new parish councils.

APPENDICES
A – base costings information for the three parish councils to commence on 1 April 2027.

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Appendix A

Base costings for new Parish Councils in the Review Area

With the help of the Essex Association of Local Councils, some very broad base costs for new parish councils in Clacton-on-Sea, Holland-on-Sea and West Clacton & Jaywick Sands have been developed. These are just the base costs and the new parish councils would not be required to keep to them. They do not cover services, activities, events and other responsibilities of those parish councils. All costs would be something for the parish councils themselves to agree upon addressing the needs and requests from the communities they serve.

The base costs for possible new parish councils have been developed by the Essex Association of Local Councils using that organisation's knowledge of parish councils and has drawn on published information from existing similar sized local councils, such as:

West Clacton and Jaywick Sands – Lawford, Writtle, Galleywood, Hatfield Peverel, Ingatestone, St Osyth, Broomfield and Danbury.
Holland-on-Sea – Stansted, Brightlingsea, Chelmer, Heybridge, Springfield and Wivenhoe.
Clacton-on-Sea – Rayleigh, Canvey Island and Maldon.

The Essex Association of Local Councils base costs for the three possible parish councils in this review are as follows:

Base cost description	For a parish council the size of		
	West Clacton & Jaywick Sands	Holland-on-Sea	Clacton-on-Sea
Staff resource - assumes no services delivered e.g. play areas, events etc	Part time Clerk - 28hrs a week	Full time Clerk – 37 hrs a week	Full time Clerk - 37 hrs a week Full time administrative support
Office hours	Part time public opening	Part time public opening	Part time public opening
Staff costs - no assets (including NI/Pension)	£28,000.00	£35,000.00	£65,000.00
Office expenses - rent, utilities, internet, IT equipment, payroll etc	£14,000.00	£20,000.00	£30,000.00
IT Services – e.g. financial software (such as Rialtus, Scribe), website, gov.uk emails	£3,500.00	£3,500.00	£3,500.00
New IT equipment	£1,000.00	£1,000.00	£2,000.00
Audit cost	£1,000.00	£1,200.00	£1,850.00
Insurance cost - assumes no assets such as buildings, play equipment, benches	£1,000.00	£1,000.00	£2,000.00

Room hire - if no suitable room available in office	£1,000.00	£1,000.00	£1,000.00
Training Budget - all councillors and untrained Clerk	£5,500.00	£6,000.00	£7,000.00
Subscriptions - NALC, EALC, SLCC	£1,500.00	£1,500.00	£3,000.00
Election reserve in case of by-elections	£1,500.00	£3,500.00	£8,000.00
Total Costs from above	**£58,000.00**	**£73,700.00**	**£123,350.00**

Based on indicative Council Tax bases, the above would mean Council Tax Band D elements for the three parish councils (if established) of between £8.63-£36.25 per year. As set out in the Terms of Reference for this review, the average parish council - Council Tax charge at Band D across the District of Tendring was £75.94 (£1.46 per week) in 2025/26. If this average was applied to the three areas, those parish councils would have the following income amounts from Council Tax in their respective areas:

	West Clacton & Jaywick Sands	Holland-on-Sea	Clacton-on-Sea
Indicative (only) Council Tax base (equivalent number of Band D properties)[1]	1,600	2,400	14,300
Precept for/Income from Council Tax (to fund local services, activities events etc) using the parishes average of £75.94 per year	**£121,504**	**£182,256**	**£1,085,942**

[1]Provided by Tendring District Council's Chief Finance Officer

The above table does not mean that the precept/Band D charge for the three possible new parishes would be set at £75.94. However, at that level they would cover more than the respective base costs identified by the Essex Association of Local Councils for the three possible parish councils and there is an indication of the levels of flexibility to take on additional services and costs with no other income source (in response to the wishes of the local community) up to the average Band D amount for parish councils in the District of Tendring.

The Tendring District Council applies a special charge to households in the three communities of £23.13 (at Council Tax Band D) in 2025/26 for the provision and upkeep of open spaces, recreational areas and playgrounds across the three areas on the basis of specific calculations associated with the relationship between services provided by Tendring District Council and parish councils each year. If parish councils are established, there would be a reassessment of the costs across the new parish areas. Rather than £23.13 being applied to all households across the three communities there would be separate charges for the distinct communities based on actual District Council costs of open spaces, recreational areas and playgrounds in those three individual areas.