



Council Offices, Kiln Road,
Thundersley, Benfleet,
Essex SS7 1TF.
Tel. No: 01268 882200
Fax No: 01268 882455



David Marchant LLB (Hons) BSc (Hons) CEng FICE FCMI
Chief Executive

A **MEETING OF THE COUNCIL** of the Borough of Castle Point will be held in the Council Chamber, Council Offices, Kiln Road, Thundersley, on **MONDAY, 30TH JULY, 2018 at 7.30 p.m.**, and all Members of the Council, listed below, are hereby summoned to attend to transact the undermentioned business.

Councillors, A.C.Walter, (The Worshipful the Mayor), C.G. Riley, (Deputy Mayor), A.J. Acott, J. Anderson, D.A. Blackwell, Mrs.J.A Blissett, B. Campagna, S. Cole, D.T. Cross, W.J.C. Dick, Ms.N.B.Drogman, Mrs B. Egan, E. Egan, Mrs W. Goodwin, P.C. Greig, S.Hart, N.R. Harvey, Mrs P. Haunts, R.C. Howard, G.I. Isaacs, W.Johnson, N.E.Ladzrie, C.A. MacLean, P.J. May, C.E. Mumford, B.A. Palmer, A. Partridge, Mrs. J. Payne, J.A.Payne, Mrs C.J Sach, W.K.Sharp, A.G. Sheldon, T.F. Skipp, N.G. Smith, J.A. Stanley, A. Taylor, P.E.Varker, Mrs L. Wass, Mrs G. Watson, N. Watson and B.S. Wood.

Chief Executive

AGENDA

PART I

(Business to be taken in public)

Before commencing the business of the meeting, prayers will be offered by the Chaplain.

1. Apologies for absence

2. Members' Interests

3. Minutes

To receive the following:

- Minutes of the meeting of the Ordinary Council held on 28th March 2018.
- Minutes of the meeting of the Annual Council held on 16th May 2018.
- Minutes of Special Council 6th June 2018.

4. Mayor's Announcements

The Mayor will report at the meeting.

5. **Questions from members of the public of which Notice has been received**
There are none.
6. **Questions from Members of the Council of which Notice has been received**
There are none.
7. **To deal with any business from the last Council Meeting**
There is none.
8. **Any explanations for urgent decisions taken by Cabinet**
There are none.
9. **Consideration of recommendations from Cabinet:**
There are none.
10. **Any References from the Scrutiny/Policy and Scrutiny or Regulatory Committees**
There are none.
11. **Financial Results and Statement of Accounts for 2017/18**
The Council is asked to consider the financial out-turn results and audited Statement of Accounts for 2017/18 submitted for approval by Council. A report is attached.
12. **Report from the Leader of the Council/Cabinet Member**
The Leader is to report at the meeting.
13. **Notices of Motion**
These are none.
14. **Petitions submitted by Members of the Council of which Notice has been given.**
No Notice has been received.



ORDINARY COUNCIL MINUTES

MINUTES of the Ordinary Meeting of the Council of the Borough of Castle Point held in the Council Chamber, Council Offices, Kiln Road, Thundersley on 28th March 2018.

PRESENT: Councillors B.S. Wood (The Worshipful the Mayor), A.C.Walter, (Deputy Mayor), A.J. Acott, J. Anderson, A.J.Bayley, D.A. Blackwell, B. Campagna, S.P.Cole, D.T. Cross, W.J.C. Dick, Mrs B.Egan, E. Egan, P.C. Greig, S.Hart, N.R. Harvey R.C. Howard, J. Hudson, R. Hurrell, G.I. Isaacs, Mrs.J.King, N.E.Ladzrie, C.A. MacLean, P.J. May, C.E. Mumford, B.A. Palmer, Mrs. J. Payne J.A.Payne C.G. Riley, Mrs C.J Sach, W.K.Sharp, A.G. Sheldon, T.F. Skipp, N.G. Smith, J.A. Stanley, A. Taylor, P.E.Varker, Mrs G. Watson and N. Watson

Apologies for absence were received from Councillors: Mrs W. Goodwin, A. Partridge and Mrs L. Wass.

60. IN MEMORIAM

At the beginning of the meeting all present stood in silence in memory of former members of the Council who had died since the last meeting of Ordinary Council former Councillors Belford, Wright and Edna Bowden were remembered.

61. MEMBERS' INTERESTS

Councillor May declared a non-pecuniary interest in respect of Minute 72a as Chairman of Age Concern which meets at the Paddocks.

62. MINUTES

The Minutes of the Ordinary Council held on 6th December 2017, the Minutes of the Special Council held on 17th January 2018 and the Minutes of the Special Council held on 14th February 2018 were taken as read and approved as a correct record. The Mayor signed the Minutes.

63. MAYOR'S ANNOUNCEMENTS

The Mayor thanked all those who had attended and supported the Proms night to raise funds for the Mayor's chosen charities.

The Mayor was delighted to present the Mayor's Business, Apprentice and Community Awards at the Civic Dinner held at the weekend.

The Mayor reminded everyone that his last Civic Event of his year was the Civic Service to be held on 13th May 2018 at St Nicholas Church Canvey Island.

64. QUESTIONS FROM MEMBERS OF THE PUBLIC OF WHICH NOTICE HAD BEEN RECEIVED

There were none.

65. QUESTIONS FROM MEMBERS OF THE COUNCIL OF WHICH NOTICE HAD BEEN RECEIVED

There were none.

66. ESSEX POLICE CASTLE POINT

The Mayor had agreed that this item should be considered as urgent business under Section 100B(4)(b) Local Government Act 1972 so that prompt action may be taken.

The Mayor had also agreed to vary the order of the agenda and bring forward the item for consideration.

A report had been circulated informing the Council of the Essex Police Castle Point Project.

Essex Police Castle Point would be a locally based working partnership between all agencies and partners responsible for the delivery of the local Community Safety Partnership Action Plan which would be provided to residents in conjunction with Essex Police.

Castle Point Borough Council, Rochford District Council and Essex Police had been working together to develop this strategic vision of establishing a unified approach to community policing.

Castle Point Borough Council would host the Community Policing Team and partners in a newly created zone within the Council Offices at Benfleet. Police staff will be located within the Council Offices and carry out their community policing duties in Castle Point and Rochford from this location.

It was anticipated that Essex Police Castle Point would become fully functional in July 2018.

A Briefing Note on the Local Policing Support Unit produced by Essex Police containing relevant background information was appended to report.

Assistant Chief Constable Andy Prophet was present at the meeting and outlined the work of the community policing teams and responded to Councillors' questions.

Members welcomed and supported the project.

Resolved:

To agree the establishment of the new Essex Police Castle Point partnership arrangements to be located at the main Council Offices in Kiln Road, Thundersley, Benfleet within the administrative area of Castle Point.

67. TO DEAL WITH ANY BUSINESS FROM THE LAST COUNCIL MEETING

At the last Council meeting on 6.12.2017 Councillor Blackwell agreed to defer to this meeting this notice of Motion:

'We call upon Castle Point Borough Council to adopt the public law partnerships guidelines for Members when using social media.'

The Motion was to be seconded by Councillor Mrs Grace Watson.

Since the last meeting all Councillors had been provided with a second copy of the Social Media Guidelines referred to a copy of which was also attached to the report before the Council.

Members have had the opportunity to reflect on the guidelines and there was general consensus and support for them.

Accordingly the Council was recommended to adopt as good practice the Guidelines for Members when Using Social Media.

Discussion took place at the conclusion a vote was taken.

Resolved:

To adopt as good practice the Guidelines for Members when Using Social Media.

68. ANY EXPLANATIONS FOR URGENT DECISIONS TAKEN BY CABINET

There were none.

**69. CONSIDERATION OF RECOMMENDATIONS FROM CABINET:
CORPORATE PEER CHALLENGE**

The Cabinet had considered the feedback report on the outcome of the Corporate Peer challenge undertaken by the Local Government Association Peer Challenge Team between the 5th and 8th February 2018 and referred the report to this meeting for consideration.

The Chief Executive presented the report to Council.

With the abolition of the nationally imposed inspection and assessment regime a new approach to sector led improvement had been developed by local government led by the Local Government Association (LGA). The current LGA sector-led improvement support offer includes an expectation that all councils would have a Corporate Peer Challenge every 4 to 5 years. This was Castle Point Borough Council's second Corporate Peer Challenge, their first being in February 2013.

The Peer Challenge was delivered by a Peer Challenge Team comprising six – LGA Peers who are experienced Elected Members or Officers led by a LGA Improvement Manager.

Peer Challenges were improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement.

Council was referred to the full feedback report attached as an Appendix. The report was very positive about Castle Point as place, a Council and the services the Council delivers commissions and facilitates.

The report supported the South Essex vision for 2050 as clearly the right thing to do for Castle Point as a Council as a part of the wider South Essex area.

The following are the Peer Team's key recommendations to the Council:

1. **Continue to commit fully to South Essex Vision 2050 as a groundbreaking initiative.** This is the agreed way ahead for CPBC and its South Essex council partners, all of which have committed to and are progressing this work. So stick to it!
2. **Develop your vision for Castle Point as a place through your emerging Corporate Plan as well as within the South Essex Vision 2050.** Whilst the latter is your foremost priority, your draft corporate plan provides a more in-depth opportunity to set the council's business model and communicate its identity and make the most of the Council's unique assets for your residents.
3. **Continue to use your strong political leadership and engagement in the next phases of South Essex Vision 2050.** Political leaders need the authority and confidence to make decisions with your partners in the meetings ahead.
4. **Build your strategic approach internally.** Use the skills of staff including those showing great promise within CPBC to harness and drive change in areas including: housing, communications, ICT, commercialisation and regeneration.

There were a range of suggestions and observations within the report which after time had been taken to reflect on the report and its findings would inform the development of an Action Plan on which a report would be made to Cabinet.

A recommendation was Moved and Seconded 'To congratulate all concerned on the excellent outcome and request that action be taken to take forward the key recommendations and actions identified in the report to build on the Council's success.'

Council considered the report and recommendation, a number of Councillors asked questions regarding the Peer Challenge process. Members acknowledged the report was positive and took the opportunity to recognise and applaud the hard work and contribution in particular of senior officers of the Council.

Resolved

To congratulate all concerned on the excellent outcome and request that action be taken to take forward the key recommendations and actions identified in the report to build on the Council's success.

70. ANY REFERENCES FROM THE SCRUTINY, POLICY & SCRUTINY OR REGULATORY COMMITTEES

There were none.

71. REPORT OF THE LEADER OF THE COUNCIL/CABINET MEMBER

As the Council year moved to a close the Leader of the Council thanked the Mayor and Deputy Mayor for the manner in which they had fulfilled the duties of the office of Mayor.

The Leader recorded his thanks and appreciation of the officers who support and deliver the Council services.

The Leader acknowledged the challenges faced by the Council the most recent and serious being the delivery of the Local Plan.

The Leader expressed confidence that the recent letter sent in reply to the Minister's intervention would demonstrate the Council's commitment to deliver a local plan as quickly as possible. Discussions were continuing with Chief Planner which would present the opportunity to reconfirm the council's determination to deliver a local plan meeting the Government's requirements and the demands of the community.

The Leader drew attention to the continuing ground breaking work being undertaken by the Association of South Essex Councils and the need to support this.

The Leader highlighted the work of the Council's finance officers and referred to the example of how the Council managed to enhance services at a time of reduced funding from central government.

The Leader acknowledged and thanked the voluntary services, partners and community organisations for their valuable work .The Leader drew attention to the arrangements being put in place following the closure of Castle Point's CAB.

The Leader took the opportunity to thank the Deputy Leader for his continuing support throughout the year and that of Members.

The Leader concluded his report by extending his best wished to those seeking re- election at the forth coming Borough Elections.

71.a REPORT OF THE LEADER OF THE COUNCIL/CABINET MEMBER – LEISURE AND RECREATION STRATEGY UPDATE

Councillor Skipp Cabinet Member for Environment and Leisure presented his report to Council which had referred for consideration. The report provided an update on progress against the objectives and actions in the Leisure and Recreation Strategy.

In presenting the report to Council, Councillor Skipp highlighted among other matters progress on increasing access to open spaces for elderly and disabled users; delivery of activity programmes; marketing; opportunities to take part in sport and recreation ;the provision of the new soft play area at Waterside Farm and the improved swimming programme .

Councillor Skipp announced that the car park at Waterside Farm had achieved disabled parking accreditation .In concluding his report Councillor Skipp thanked the leisure staff for their hard work.

Members questioned Councillor Skipp. Members acknowledged the good progress made in delivering the Leisure and Recreation Strategy

Resolved

To note the content of the report and the progress made against the Leisure and Recreation Strategy Action plan.

72. NOTICES OF MOTION

Councillor Blackwell had given notice of the following

We the Canvey Island independent party calls upon Castle Point Council to arrange a public meeting for residents of Canvey Island to discuss the future of the Paddocks Community Centre.'

The Motion was moved and seconded.

The following amendment was moved and seconded

'We call upon Castle Point Council to arrange a public consultation for residents of Castle Point to advise Castle Point Council on the future of the Paddocks Community Centre following the production of a design brief. This consultation will allow residents to have their views in the final design.'

Debate took place at the conclusion a request was made for voting on the Motion to be recorded under Council Procedure Rule 16.4. Members present voted as follows:

For:

Councillors: Cole, Cross, Dick, Mrs B Egan,E Egan,Hart,Howard,Hudson,Isaacs, Ladzrie, Maclean, Mumford, Riley, Sharp, Sheldon, Skipp, Stanley, Varker, Walter and Wood (20)

Against:

Councillors:Acott, Anderson, Bayley, Blackwell,Campagna,Greig,Harvey, Hurrell, Mrs King, Palmer, Mrs J Payne ,J.Payne, Mrs Sach, Taylor, Mrs G.Watson, and N.Watson.(16)

The Amendment was CARRIED and RESOLVED accordingly

72.a NOTICES OF MOTION

Councillor Neville Watson had given notice of the following:

'We the Canvey Island independent Party Call upon Castle Point Council to reinstate the community forums to 4 a year, to the same format they were before.

This will ensure better communication with our residents as we have a small percentage of replies during any consultations.'

The Motion was moved and seconded and referred without debate under Council Procedure Rule 13 for consideration by Cabinet.

.

73. PETITIONS

There were none.

Mayor



ANNUAL COUNCIL MINUTES

MINUTES of the Annual Meeting of the Council of the Borough of Castle Point held in the Council Chamber, Council Offices, Kiln Road, Thundersley on 16th May 2018.

PRESENT:

Councillors: B.S. Wood, (The Worshipful the Mayor), A.C.Walter (Deputy Mayor), A.J. Acott, J. Anderson, D.A. Blackwell, B. Campagna, S. Cole, D.T. Cross, W.J.C. Dick, Ms.N.B.Drogman, Mrs B. Egan, E. Egan, Mrs W. Goodwin, S.Hart, N.R. Harvey, Mrs P. Haunts, R.C. Howard, G.I. Isaacs, W.Johnson, N.E.Ladzrie, C.A. MacLean, P.J. May, C.E. Mumford, B.A. Palmer, Mrs. J. Payne, J.A.Payne, C.G. Riley, Mrs C.J Sach, W.K.Sharp, A.G. Sheldon, T.F. Skipp, N.G. Smith, J.A. Stanley, A. Taylor, P.E.Varker, Mrs L. Wass, Mrs G. Watson, N. Watson and.

Apologies for absence were received from Councillors Mrs.J.A Blissett, P.C. Greig and A. Partridge.

1. MEMBERS' INTERESTS

There were no disclosures of interest.

2. MAYOR'S ANNOUNCEMENTS

The Mayor was pleased to welcome to the Council four newly elected Councillors Jay Blissett, Pat Haunts, Nikki Drogman and Wayne Johnson.

3. ELECTION OF NEW MAYOR

Moved by Councillor Sharp seconded by Councillor Wood and -

Resolved – That unless he resigns or becomes disqualified, Councillor Clive Walter be elected Mayor to continue in office until his successor becomes entitled to act as Mayor.

Councillor Walter made his Declaration of Acceptance of Office and left the Chamber to robe and assume the Chain of Office. On returning to the Chamber the Mayor thanked the Council for his appointment.

4. VOTE OF THANKS TO RETIRING MAYOR

Moved by Councillor Riley. The vote was seconded by Councillor Howard who paid tribute to the Past Mayor.

Resolved – That a vote of thanks be accorded to Councillor Wood on his retirement from the office of Mayor.

Councillor Wood responded on his term of office during the past year.

The Mayor presented Councillor Cole with his 'Past Mayor's Badge'.

5. ELECTION OF DEPUTY MAYOR

Moved by Councillor Isaacs seconded by Councillor Dick and –

Resolved - That unless he resigns or becomes disqualified, Councillor Colin Riley be elected Deputy Mayor to continue in office until his successor becomes entitled to act as Deputy Mayor.

Councillor Riley made his Declaration of Acceptance of Office and thanked the Council for his appointment.

6. ELECTION OF LEADER OF THE COUNCIL

Moved by Councillor Riley seconded by Councillor Stanley –

Resolved - That unless he resigns, is no longer a Councillor, or is removed from office by resolution of the Council or otherwise becomes disqualified, Councillor Norman Smith be appointed Leader of the Council in accordance with the Localism Act 2011 for the Council year.

The Leader of the Council thanked the Council for his appointment and outlined plans as leader.

The Leader of the Council and other Councillors thanked Councillor Riley the former Leader of the Council.

7. APPOINTMENT OF DEPUTY LEADER OF THE COUNCIL

Moved by Councillor Smith seconded by Councillor Sharp –

Resolved - That unless he resigns or becomes disqualified, Councillor Jeffrey Stanley be appointed Deputy Leader of the Council for the Council year.

8. BOROUGH ELECTIONS – REPORT OF THE RETURNING OFFICER

The Council received the following report on the result of the Borough Council Elections held on 3rd May 2018:-

(a) Result

The number of votes for each candidate was as follows:-

Annual Council 16.5.2018

Appleton Ward	
BAYLEY, Alan John	237
JOHNSON, Wayne	1,055
WEST, Frederick George	345
Turnout –	31%

Boyce Ward	
BAILEY, Gwyneth Ann	307
BAYLEY, Linda Mary	159
SMITH, Norman George	1,241
Turnout –	32.7%

Cedar Hall Ward	
DUFFIELD, Brendan Peter	367
HAUNTS, Patricia	987
HUDSON, Alan John	177
Turnout –	31.2%

St George's Ward	
COOKE, Joseph Patrick	480
LEE, Brian	181
WOOD, Brian Sidney	739
Turnout –	30.9%

St James' Ward	
ISAACS, Godfrey Ian	1,112
PRANKERD, Henry Arthur	246
ROWE, Leah	358
Turnout –	32.2%

St Mary's Ward	
AUBREY, Michael Ivan	127
MADDISON, Ian David	486
SHELDON, Andrew Graham	1,035
Turnout –	32.9%

St Peter's Ward	
DROGMAN, Nikki Bianca	914
HURRELL, Ronald	259
SHAW, Christine Marie	311
Turnout –	29%

Victoria Ward	
HARRISON, Thomas Francis	441
VARKER, Paul Edward	1,075
Turnout –	33.5%

Annual Council 16.5.2018

Canvey Island Central	
MAY, Peter James	790
TERRY, Jessica Mai	287
YOUNG, Abbie May	219
Turnout –	25.4%

Canvey Island East	
ACOTT, Alan James	756
MCARTHUR-CURTIS, Margaret Edith	144
RICHARDSON, Susan Caroline	466
Turnout –	28.4%

Canvey Island North	
CUTLER, James Matthew	345
HARVEY, Nigel Robert	975
REILLY, Jacqueline Constance	128
Turnout –	27.8%

Canvey Island South	
ANDERSON, Elizabeth	130
GRAVES, Barry Michael	396
PALMER, Barry Alan	890
Turnout –	28.1%

Canvey Island West	
BLISSETT, Jeanette Ann	445
KING, Jane Elizabeth	444
SMITH, Kieran	158
Turnout –	27.9%

Canvey Island Winter Gardens	
DOVER, Reginald Alfred	317
GREIG, Peter Charles	663
MAGUIRE, Mark Jonathan	201
Turnout –	24.2%

Overall turnout 29.7%

(b) Postal Voting

The number of postal voters on the register was 9,797 and papers to this number were despatched. Up to the close of the poll 6,863 (70.05%) had been returned and the number of votes recorded in (a) above included the postal votes which were found to be in order.

(c) Return of Expenses

These returns were required from candidates and election agents within 35 days of the election.

(d) Declaration

Declarations of acceptance of office had been made as required by statute.

(e) Commentary on the conduct of the Elections

The poll for the Borough Elections was held in all of the fourteen Wards of the Borough and for the first time since 2008 that due to electoral cycles these elections were not combined with another election type on the same day.

Official polling cards were delivered to all registered electors between 24th March and 8th April in an A5 format and the content as prescribed in election rules. The poll cards at this year's elections were again hand delivered by members of staff employed as delivery agents, to ensure that residents received their cards in a timely fashion and before key deadlines e.g. the closing date for applications for postal votes.

In terms of polling stations, no new locations were used this year to provide some stability for electors and as a periodic review of all polling places in the Borough was to commence later this year.

The elections were delivered under the system of Individual Electoral Registration (IER) introduced in June 2014. One of the effects being seen as a consequence of this system with the onus now on the individual to register is a reduction in the number of residents not registered to vote.

As section (b) of this report states, 9,797 postal votes were issued. The preparation of the postal ballot paper packs was outsourced to a mailing house and these arrangements were both efficient and effective. Accuracy in preparation of the main issue of postal votes was excellent. The delivery by Royal Mail both in respect of the initial mailing of the postal vote packs and the re-issued packs where postal votes had either been spoilt or packs had not been received by electors went smoothly this year. The receipting of the postal votes was, as in previous years, undertaken in house and I am pleased to report that these arrangements worked well with candidate's representatives able to attend to oversee the process if they wished.

Finally, the verification and counting of the votes was carefully planned by the Returning Officer's elections team and the Returning Officer was delighted to advise the Council that verification accuracy was exceptional and the declarations for all fourteen Wards were completed and announced in a record time. This was achieved by the use of a fresh team of staff and by placing emphasis once again on accuracy throughout the verification process and the counting of the votes between candidates. The relatively low overall turnout also contributed to the speed of the processes.

The numbers of votes between the first and second placed candidates in Canvey Island West Ward was very close, and the elections team followed correct process when a re-count was requested.

In conclusion, the Returning Officer was pleased to report that the measures implemented by his elections team worked successfully and contributed to the delivery of timely and robust election results which should have the confidence of the Council, political parties, candidates and the electorate of the Borough. The Returning Officer thanked in particular his elections team and staff involved on the Election Day and at the Count.

Resolved – to note the report.

9. POLITICAL PROPORTIONS OF THE COUNCIL AND APPOINTMENTS TO COMMITTEES ETC

The Council considered a report which reviewed the allocation of seats to the Political Groups on the Council. The report also addressed the appointment of members to serve on the Committees and the appointment of the Chairmen of the Committees under the structure approved by Council designed to respond to the obligations and duties placed on the Council by the Localism Act 2011.

Details of the allocations were set out in the report. As a result of the Borough Elections this year the allocation of seats to the political groups had changed.

The allocation of memberships on the Committees had to be on the basis of the political proportions of the Council.

Throughout the calculations on proportions, the figures had therefore been based on the proportions of the groups to the membership of the Council as it was at present i.e. 41 as shown in the following table.

Party	Seats	Proportions for allocation purposes
Conservative	27	66% (65.85%)
Canvey Island Independent	14	34% (34.14%)

In the remainder of this item relating to the appointment of Committees etc, the above political proportions had been applied and the allocations rounded to ensure compliance with the political balance requirement.

The Council also had to look at the overall allocation across all Committees etc. to ensure the individual Committee roundings did not distort the overall balance.

As a result to correct an imbalance caused through the roundings the Licensing Committee had been used as the balancing committee.

The table following showed the total number of seats allocated to each Group:-

Party	Actual Allocation	
Conservative	52 (52.14)	66%
Canvey Island Independent	27 (26.86)	34%
Total	79	100%

Council was asked to appoint the Committees of the Council.

With regard to membership of the Development Control Committee the report before Council drew Members' to advice contained in statutory guidance that full exchange of information between the Executive and the Committee taking the development control decisions was essential and that the Council should consider including a member of the Executive on the membership of the Committee taking development control decisions although he or she should not be the Chairman of the Committee. The Council's Constitution stated that the Cabinet Members shall not be eligible to be the Chairman or Vice Chairman of the Committee.

Details of the Groups' wishes concerning the appointments had been circulated in an informal memorandum.

The recommendations were formally Moved and duly Seconded, and –

Resolved:

1. To make the appointments as set out in the following resolutions.
2. To appoint the following Committees shown below.
3. That the membership and the appointment of the Chairmen on Committees shall be as follows:

Scrutiny Committee

Conservative:

Councillors Mrs Blissett, Dick, Hart, Sharp, Skipp

Canvey Independent:

Councillors Blackwell, Mrs Grace Watson, Neville Watson.

Chairman: Councillor Blackwell.

Policy & Scrutiny Committees

Environment

Conservative:

Councillors: Cross, E Egan, Mrs Haunts, Partridge, Riley, Walter, Mrs Wass.

Canvey Independent:

Councillors: Anderson, Mrs J Payne, Palmer.

Chairman: Councillor Cross.

Wellbeing

Conservative:

Councillors: Mrs Blissett, Dick, Ms Drogman, Mrs. Goodwin, Johnson, Ladzrie, Wood.

Canvey Independent:

Councillors: Acott, J.A Payne, Taylor.

Chairman: Councillor Dick.

Place & Communities

Conservative:

Councillors: Cole, Cross, Hart, Mrs. Haunts, Ladzrie, Sharp, Wood.

Canvey Independent:

Councillors: Campagna, Mrs G. Watson, Mrs. Sach

Chairman: Councillor Ladzrie.

Audit

Conservative:

Councillors: Cole, Hart, Sharp.

Substitutes: Mumford, Riley.

Canvey Independent:

Councillors: Blackwell, May

Substitutes: Acott, Greig.

Chairman: Councillor Cole.

4. To appoint the following Regulatory, Standing Committees and that the membership and the appointment of the Chairmen be as follows:

Development Control

Conservative:

Councillors: Cole, Cross, Hart, Mrs. Haunts, Johnson, Ladzrie, Mumford, Sharp, Mrs Wass.

Substitutes: Mrs Blissett, Dick.

Canvey Independent:

Councillors: Acott, Anderson, Blackwell, Taylor.

Substitutes: Palmer, Mrs Sach.

Chairman: Councillor Hart

Vice Chairman: Councillor Mumford

(And two non-voting members of the Canvey Island Town Council)

Licensing

Conservative:

Councillors: Mrs Blissett, Cross, Ms Drogman, E.Egan, Mrs. Haunts, Isaacs, Ladzrie, MacLean, Skipp.

Canvey Independent:

Councillors: Acott, Blackwell, Greig, May, Palmer, Taylor.

Chairman: Councillor E.Egan

(The Licensing Sub Committee will consist of any three members of the Committee.)

Review

Conservative:

Councillors: Cole, Mrs Egan, Hart, Mumford, Varker.

Canvey Independent:

Councillors: Blackwell, May, Mrs G. Watson.

Chairman: Councillor Cole.

(And two non-voting members of the Canvey Island Town Council and independent persons appointed pursuant to Localism Act 2011)

10. REPORT OF THE LEADER OF THE COUNCIL REGARDING APPOINTMENTS TO CABINET

The Leader presented a report to Council which set out details of his appointment of Members to the Cabinet and outlined their responsibilities.

Resolved – to note the report and the following appointments:

Councillor Smith	Chairman	Leader of the Council
Councillor Stanley		Finance, Policy and Resources
Councillor Mrs Egan		Housing and Council Homes
Councillor Howard		Streets, Waste, Floods and Water Management

Councillor Isaacs	Neighbourhoods & Safer Communities
Councillor MacLean	Health & Wellbeing
Councillor Mumford	Regeneration & Business Liaison
Councillor Sheldon	Commercial Contracts and Commercial Opportunities
Councillor Varker	Environment & Leisure

11. APPOINTMENT OF MEMBERS TO SERVE ON OUTSIDE BODIES

Moved by Councillor Smith and duly seconded, and –

Resolved - That the following Members be appointed representatives on outside bodies

Name of Body	Councillor
Age Concern	Cllr B.S Wood
Air Training Corps (Canvey Squadron)	Cllr J. Anderson
Air Training Corps (Thundersley Squadron)	Cllr G.I. Isaacs
Arts Ministry	Cllr S. Cole
British Red Cross Society (Essex Branch)	Cllr C. Mumford
Castle Point Association of Voluntary Services (2)	Cllr C.G.Riley Cllr Vacant TBA
Southend Hospital Trust	Cllr Sharp
Castle Point Sports Club for the Disabled (Executive Committee)	Cllr P.J. May
Carers Choice (Castle Point Branch) Management Committee	Cllr Mrs W.Goodwin
Jubilee Training and Welfare Centre Trust	Cllr R.C. Howard MBE
Local Government Association	Leader of the Council
London Southend Airport Consultative Committee	Cllr S. Hart Cllr R.C.Howard
Castle Point Local Action Group	Cllr Mrs G. Watson
Essex Pension Fund Strategy Board	Cllr C.G Riley

Annual Council 16.5.2018

Relate South Essex	Cllr G.Isaacs
Royal National Lifeboat Institution (Canvey Island Branch)	Cllr N. Harvey
Opportunities South Essex	Leader of the Council
Royal Voluntary Service	Cllr Mrs Liz Wass
Wyvern Community Transport	Cllr W. Johnson
Essex Police & Crime Panel	Cllr G.I. Isaacs
South Essex Children's Partnership Board	Cllr C.G.Riley

12. DAY AND HOUR OF MEETINGS

Resolved – to approve the Calendar of Meetings for the Council year 2018/2019

Mayor



SPECIAL COUNCIL MINUTES

6TH JUNE 2018

MINUTES of the Special Meeting of the Council of the Borough of Castle Point held in the Council Chamber, Council Offices, Kiln Road, Thundersley on 6th June 2018.

PRESENT:

Councillors, A.C.Walter, (The Worshipful the Mayor), C.G. Riley, (Deputy Mayor), A.J. Acott, D.A. Blackwell, B. Campagna, S. Cole, D.T. Cross, W.J.C. Dick, Ms.N.B.Drogman, E. Egan, P.C. Greig, S.Hart, N.R. Harvey, Mrs P. Haunts, G.I. Isaacs, W.Johnson, N.E.Ladzrie, C.A. MacLean, P.J. May, C.E. Mumford, B.A. Palmer, J.A.Payne, Mrs. J. Payne, A. Partridge, Mrs C.J Sach, A.G. Sheldon, T.F. Skipp, N.G. Smith, J.A. Stanley, A. Taylor, P.E.Varker, Mrs G. Watson, N. Watson and B.S. Wood.

Apologies for absence were received from Councillors J. Anderson, Mrs.J.A Blissett, Mrs B. Egan and A. Partridge.

Apologies for absence for reason of their interest were received from Councillors Mrs W. Goodwin, R.C. Howard, W.K.Sharp and Mrs L. Wass.

13. LEAVE OF ABSENCE – COUNCILLOR PARTRIDGE

The Mayor had agreed to take a request for leave of absence as an item of urgent business. Council considered a request from Councillor Partridge for leave of absence for a period of six months to recover from illness which was agreed.

14. MEMBERS' INTERESTS

Councillor Riley declared a prejudicial/discloseable interest under Part 2 of the Code of Conduct for Councillors as his home address is adjacent to a housing site identified in the Draft new Local Plan 2014. The report to be considered by the Council was explicit in relating to the sites referred to in that plan. He left the Chamber and took no further part in the meeting.

15. NEW LOCAL PLAN 2018

This Special Meeting of the Council had been convened for the Council to approve the preparation of a new local plan for Castle Point, agree a new Local Development Scheme (LDS) (which sets out the timetable for the New Local

Plan 2018) and the Council's continuing contribution to Joint Strategic Plan for South Essex. A report was before the Council.

The report set out the background. In 2014 the Council had prepared a draft local plan supported by technical evidence. In response to the consultation process, an updated local plan was produced in 2016. Council approved this version for publication and submission to the Secretary of State for examination. In March 2017 following concerns expressed by the Planning Inspector regarding the "duty to co-operate", this plan was withdrawn.

Since then planning policy making had focused on strategic planning, with the Council fully engaged with neighbouring and nearby authorities in South Essex to address the "duty to co-operate" and to follow a more co-ordinated approach to strategic planning in the area. This had resulted in agreement to prepare a Joint Strategic Plan (JSP) for South Essex, to provide for new growth but aligned with place-making ambitions and improvements to infrastructure.

In November 2017, the Secretary of State for Housing Communities and Local Government wrote to fifteen councils expressing concerns regarding delays to local plan making. Castle Point Borough Council was one of three councils located in South Essex to receive the letter. In its response to the Secretary of State's concerns in January 2018, the Council pointed out that it had been working to address the Planning Inspector's concerns regarding the "duty to co-operate" with neighbouring and nearby authorities in South Essex, as well as seeking to improve housing delivery through other means by for example the publication of its Brownfield Land Register.

The Secretary of State responded in March 2018 by expressing concern at the further delay in preparing a local plan, and continued his intervention. The Secretary of State instructed the Chief Planner and a team of consultants to review the Council's previous local plan work, and its capability to prepare a new local plan, with a view to direct intervention if evidence of rapid progress in plan making with a particular focus on housing delivery cannot be achieved.

Since the start of April 2018, the Chief Planner and his team had requested information to support their review to give confidence that the Council can deliver a local plan, including the following: An accelerated delivery programme for a local plan, including a draft LDS; A draft consultation strategy and plans; Capacity and resourcing; The approach to the assessment and technical analysis of key pieces of evidence; All evidence supporting the local plan in 2014, 2016 and any new evidence commissioned since then, to support the local plan and the JSP; and an understanding of the progress, timetable and coverage of the JSP.

The Leader of the Council together with the Chief Executive had directly engaged in discussions with the Chief Planner on a number of occasions. Each time they had asserted the Council's position that a new local plan can be prepared by the Council to an accelerated timetable without the need for direct intervention.

A final report on Intervention from the Secretary for State was expected at the end of June. At the end of May, to help the Secretary of State with his final decision, the Chief Planner had encouraged the Leader and Chief Executive not to delay the delivery of a new local plan, and to consider agreeing a new timetable in early June.

Against the background the report addressed the actions required if the Council was to retain control over plan-making for the Borough.

It was essential that the Council now commits to the preparation of a New Local Plan for Castle Point 2018.

Council was therefore recommended to approve the commencement of work on a New Local Plan 2018 in accordance with the programme as seen by the Secretary of State.

This decision would be actioned and formal consultation would be carried out under Regulation 18 of the Town & Country Planning (Local Planning) (England) Regulations 2012. Regulation 18 required the Council to notify consultation bodies, local residents and businesses of its intention to prepare a plan and invite comments as to what this plan should contain. The Consultation Strategy and Plan attached as Appendix B to the report described the approach to be followed.

Preparation of a New Local Plan would use the evidence prepared to support the draft New Local Plan 2014, including all those sites identified in the draft New Local Plan 2014 for development.

Key areas of evidence would be updated and refreshed, as required. For example a “call for sites” was issued in May 2018, in order to inform the preparation of this year’s Strategic Housing Land Availability Assessment (SHLAA), and Brownfield Land Register. Assessment of all sites would be carried out in accordance with the National Planning Policy Framework (NPPF) as revised, and the National Planning Practice Guidance (PPG) – “assessing the suitability, availability and achievability of sites including whether the site is economically viable....”

The New Local Plan 2018 would put in place up-to-date planning policies, in accordance with the NPPF, and the PPG. The new Local Plan would have a timeframe of at least 15 years: however the housing delivery policies and site allocations would have a shorter timeframe of between 5 to 10 years. This shorter timeframe for the housing policy elements would ensure an upturn in housing delivery in the short term. In the longer term, the JSP aimed to pick up any unmet need to support the aims of the South Essex 2050 vision. Work on the JSP for South Essex would continue in parallel to the development of the New Local Plan 2018.

The New Local Plan 2018 would need to provide policies and proposals to deal with high housing pressure. In 2017, the Government consulted on a standardised methodology for calculating housing needs, and this identified a

need for 342 dwellings per annum in Castle Point. It was likely that the standardised methodology would become part of national planning policy/guidance through the new NPPF in summer 2018. Therefore the objectively assessed housing need (OAN) for Castle Point would be 342 dwellings per annum and previous evidence suggested that only approximately 100 dwellings per annum can be identified on brownfield sites. Whilst the plan must recognise nationally important physical and policy constraints, it was clear both from the evidence and from advice from the Chief Planner and consultants acting for the Secretary of State that some land in the Green Belt would need to be considered for housing.

As part of the arrangements described in the revised NPPF, under the “duty to co-operate”, formal requests would then need to be made to other authorities in the housing market area for assistance with unmet housing provision. Since all South Essex authorities were constrained by Green Belt, concerns were likely to be expressed again by those authorities if the Council had not taken difficult decisions on some Green Belt release.

The accelerated timetable for the preparation of the New Local Plan 2018 was formally described in the Local Development Scheme attached as Appendix A to this report. However, Council’s attention was drawn to the following key stages to be completed in 2018 in order that the plan was submitted for examination in April 2019:

Date	Activity
July 2018	Regulation 18 Consultation Formal commencement of plan preparation
August 2018	Site evaluation and draft SHLAA 2018
September 2018	Review evidence base to reflect draft SHLAA
October 2018	Formal “duty to co-operate” engagement
November 2018	New Local Plan approved by Council for publication
January 2019	Regulation 19 Consultation Formal consultation on New Local Plan 2018
April 2019	Formal submission of New Local Plan 2018 to Planning Inspectorate

Corporate Implications were considered in the report including five key issues set out in Section 6 and reproduced below.

Key Issues

- 6.1 The most important issue to bear in mind is that the Secretary of State needs confidence that the Council will prepare a local plan. If he detects that there is an unwillingness to commit to an accelerated timetable to have a plan prepared quickly, or to commit to difficult decisions

regarding the allocation of sites for housing (including those in the Green Belt), then he will direct that others (either a County Council, or consultants) prepare a plan for him, at cost to the Council. If that were to occur the Council will then play no further part in plan-making.

- 6.2 Accordingly the benchmark against which all decisions must be taken on the local plan is to ensure that the Council follows exactly the same timetable, approach to the assessment, technical analysis, engagement, public consultation and plan-making process that the Secretary of State or his agents would follow. The timetable, resources, process (including revisiting recent plans) and governance arrangements for sign off have all been discussed with the Ministry and the Leadership, and so deviation from these arrangements now will place the Council at risk. There is no scope for discretion on matters such as changes to the programme of engagement, public consultation or processes that will be determined by technical pieces of work and evidence bases.
- 6.3 The objective is to ensure that the new Local Plan is technically and legally compliant so that on examination the risk of failure is significantly reduced.
- 6.4 The second key issue concerns housing. As referred to above, the OAN for Castle Point, as per the new standardised methodology in the revised NPPF will be 342 dwellings per annum. Previous evidence suggests that only approximately 100 dwellings per annum can be identified on brownfield sites.
- 6.5 The Council is keen to ensure that brownfield sites have been fully considered and further work is underway to maximise the contribution that can be achieved from brownfield sites. The recent “call for sites” will inform the preparation of this year’s Strategic Housing Land Availability Assessment (SHLAA), and Brownfield Land Register. The Member Brownfield Land Register Working Group will be convened later in the year to consider the annual refresh of Part 1 of the Register and consider suitable brownfield sites.
- 6.6 Notwithstanding this work, and acknowledging that the plan must recognise nationally important physical and policy constraints, it is nonetheless clear that some land in the Green Belt will need to be considered for housing. Informal indications from emerging evidence and technical assessments, as well as discussions with Ministry officials and consultants, suggest that the figure in the new Local Plan will need to be significantly closer to the OAN as a reasonable and appropriate target. In order to assess and provide an accurate target justified by evidence, further work will need to be undertaken to analyse latest projections and site supply data.
- 6.7 For this reason, sites indicated for development in the draft New Local Plan 2014 will need to be considered again. For the avoidance of doubt

these will include all those sites identified in the draft New Local Plan 2014 for development.

- 6.8 The third key issue concerns the “duty to co-operate.” Under the “duty to co-operate”, formal requests will need to be made to other authorities in the housing market area for assistance with unmet housing provision. Since all South Essex authorities are constrained by Green Belt, concerns are likely to be expressed again by those authorities if the Council has not taken difficult decisions on some Green Belt release. In future the question of unmet housing needs will be resolved through the JSP process, but the Ministry has indicated that the Council must be seen to make progress now on a local plan and short term housing delivery, at the same time as progressing with the JSP work.
- 6.9 The “duty to co-operate” process is continuous and ongoing and will now include a new local plan in June 2018. A programme of co-operation will be ongoing throughout the preparation of the New Local Plan and there will be a need to formally discuss strategic priorities and unmet housing provision.
- 6.10 The fourth key issue concerns Member involvement. As mentioned above, the Brownfield Land Register Working Group will be convened later in the year to consider the annual refresh of Register. For the local plan, Members of the Council will receive regular briefings from July until November on the progress with the evidence being assembled, and on the technical work necessary to prepare the New Local Plan 2018. Decisions on the Local Plan will be made by Council only, in June and in November.
- 6.11 The fifth key issue concerns the inclusion of potentially appropriate sites in the draft plan. It is highly likely that almost all suitable, available and achievable sites will be required for the plan, including those in the Green Belt, to achieve a target which is likely lower than the OAN but which would be acceptable at Examination. As with the draft New Local Plan 2014, the assessment of potential sites will be carried out in accordance with a methodology consistent with the requirements in the NPPF and PPG and supported by technical appraisals of matters such as flood risk, viability and access. Any deviation from the nationally recommended process of site evaluation will be unacceptable to the Secretary of State, and eventually brings the risk of the plan being found unsound. The overarching objectives will be to prepare a plan which promotes sustainable development for the benefit of the community as a whole.

The report considered the financial implications and Council was asked to approve the provision of a further £273,500 for plan - making. The report dealt with the legal implications arising from the recommendations in the report concerning the powers available to the Council to prepare plans, and to the Secretary of State to intervene in plan-making.

Under the timescale for implementation and risk factors Member were advised that the preparation of this plan would need to follow an accelerated timetable in line with the programme as already shared, to give the Secretary of State confidence that the Council was committed to the process, was committed to planning for growth, and that the plan would be in place as quickly as possible.

If the Secretary of State detected that the Council was unable or unwilling to follow the necessary steps for the preparation of the plan he had indicated that he would intervene, and direct that the plan was prepared by others for him, but at the Council's expense. The Council would have no role in that scenario.

Even if the Council avoided direct intervention by committing to the decisions and actions now required, the Secretary of State would continue to monitor the Council's progress on a regular basis until the submission and examination of the draft plan.

The report concluded repeating the actions required if the Council wished to retain its plan-making powers.

In presenting the report to Council, the Chief Executive gave further back ground and set the context for the meeting.

The Council's response in January 2018 to the Secretary of State letter in November set out what was considered to be Castle Point Borough Council's own special circumstances; that we were following the advice of the Planning Inspectorate; and setting the context of the ground-breaking collaboration that was emerging across south Essex.

When the Secretary of State wrote to the Council again in March 2018 Castle Point Borough Council was now one of only three planning authorities of concern.

The Secretary of State had instructed the Chief Planner and appointed a team of consultants to review the Councils previous local plan work and to determine the best way to **accelerate** the delivery of the local plan.

That review had now been completed and the Chief Planner was due to report on his findings to the Secretary of State very shortly. The decision of the Secretary of State on intervention was anticipated by the end of June.

The Chief Executive had explained to the Council before that intervention by the Secretary of State could take a variety of forms but this could involve removing plan making powers from the Council with the Secretary of State appointing consultants to undertake the work directly. If that happened the Council would have no say in plan making and the Council would have no influence over the outcomes.

The Chief Executive confirmed that at the recent meetings with the Government Chief Planner and his expert team the Leader, the Deputy Leader and the Chief Executive had been left in no doubt that intervention was a very real possibility.

The Council's failure to deliver a plan and the repeated missed timetables particularly in an area of very high unmet housing need was no longer acceptable.

Consequently the Chief Planner had encouraged the Council not to delay the delivery of a new Local Plan and consider a new timetable as soon as possible. The Chief Planner had made it clear the Government was seeking a visible demonstration of the Council's commitment to make progress.

On a more positive note the Chief Executive reported that Government were aware of the ground-breaking collaboration taking place across South Essex. Visible evidence of the collaboration was before the Council in The Statement of Common Ground, set out in Appendix C to the report.

This was an important moment as this would be the first Statement of Common Ground to be agreed in the country and paved the way for a joint strategic plan across south Essex.

Over the next few weeks each authority would take its turn in supporting the new agreement which was a testament to the political and professional leadership across south Essex to have achieved such a complex agreement so quickly.

The Chief Executive clarified the decisions being made by Council. Council was not agreeing the new local plan but was agreeing to start the process. This would involve bringing forward all of the evidence contained in earlier plans together with the consultation responses that the Council had received. Some of that evidence including the SHLAA required updating and that work has already started – including the recent call for sites. That work would take place over the summer.

Subject to the decision on intervention in June, the Council would then need to enter a formal 'duty to co-operate' engagement with our neighbouring authorities. The work already undertaken across south Essex would be an important starting point but our neighbouring authorities have already indicated that they expect the Council to play its part in the delivery of housing.

In November the Council will be asked to agree a new local plan but its ultimate test (and one which it cannot fail for either technical or legal reasons) would be before the Planning Inspectorate by the middle of next year, 2019.

It is extremely important that the Council maintained its focus and commitment to the timetable set out before it.

In agreeing the recommendations Council will be

- Setting out the timetable for the delivery of a new local plan and committing to the deadlines, set out **at Appendix A**
- Agreeing the start of the formal consultation on the commencement of the preparation of the new local plan 2018, set out as **Appendix B**
- Approving the resources necessary to deliver the plan

- And finally approving the Statement of Common Ground, set out at **Appendix C**

The Chief Executive concluded that while the Secretary of State might yet still decide to intervene in the Council's local plan process by agreeing the recommendations the Council would send a strong signal to the Secretary of State that the Council wished to remain firmly in control of the plan making process.

In moving the Recommendations in the report the Leader of the Council among other matters emphasised the importance of the Council remaining in control of the plan making process. The Deputy Leader seconded the Motion.

The Leader of the Canvey Island Independent Group made a statement on behalf of his Group acknowledging that the Council needed to take action to put in place a new local plan. However given the fifth issue outlined in Section 6 of the report the Canvey Island Independent Group could not support the recommendations. However the Group would abstain from the vote to allow the matter to proceed unopposed.

The vote was taken.

Resolved:

1. The Council wishes to retain its plan making powers and must now respond to the Secretary of State's concerns by committing to put in place a new Local Plan 2018 to an accelerated timetable and programme as shared with the Secretary of State with an emphasis on planning for growth in an area of high housing demand.
2. That Council notes and accepts the advice on the Key Issues set out in Section 6 of the report and agrees to progress work on a technical and legally compliant New Local Plan 2018 for Castle Point on those terms.
3. That Council approves the provision of a further £273,500 to earmarked reserves for the purpose of plan making.
4. That Council approves the publication of the Castle Point Local Development Scheme 2018, attached as Appendix A to the report, as required by Section 15 of the Planning & Compulsory Purchase Act 2004 (as amended) - which incorporates both the New Local Plan 2018, and the Joint Strategic Plan for South Essex - and agrees that this supersedes all previous versions.
5. That the Council expressly commits to the milestones set out in the Castle Point Local Development Scheme 2018.
6. That Council agrees that formal consultation on the commencement of the preparation of the New Local Plan 2018 be carried out as required by Regulation 18 of the Town & Country Planning (Local Planning)

(England) Regulations 2012, and in accordance with the Consultation Strategy and Plan attached as Appendix B to this report;

7. That Council approves the Statement of Common Ground prepared by the Association of South Essex Local Authorities, attached as Appendix C to this report, to guide the preparation of a Joint Strategic Plan for South Essex.

Mayor

ORDINARY COUNCIL

30th July 2018

Subject: Financial Results and Statement of Accounts for 2017/18

Note for Members: Questions on the Statement of Accounts are invited in advance of the meeting in order to ensure that replies are available at the meeting. Please submit questions to Chris Mills – Strategic Director (Resources).

1 Purpose of Report

- 1.1 This report submits the financial results and audited Statement of Accounts for 2017/18, for approval by Council.
- 1.2 The statement of accounts is supported by separate annexes intended to aid interpretation.

2 Links to Council's priorities and objectives

This report is linked to the Council's priority of Efficient and Effective Customer Focused Services. Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.

3 Recommendations:

That following scrutiny:

- 1. The financial results for 2017/18 and explanations of budget variances and significant items are noted.
- 2. The audited Statement of Accounts is formally approved.

Resolution required.

4 Background

- 4.1 The Council has a duty to approve and publish an Annual Statement of Accounts within statutory timescales. The regulations require that:

31st May

The un-audited Statement of Accounts is signed by the Council's responsible financial officer to certify that the accounts give a true and fair view of the Council's financial position and financial performance, and published.

31st July

Subsequent to the independent audit by the Council's external auditors, the accounts are re-certified by the responsible financial officer, approved by Council Members (by way of resolution at a meeting) and subsequently published.

- 4.2 The Statement of Accounts must be prepared in accordance with International Financial Reporting Standards (IFRS) and proper accounting requirements, as set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, and the associated Guidance notes for Practitioners, both published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

5 Public inspection, audit and publication of the Statement of Accounts

- 5.1 The Council's external auditors, Ernst and Young, undertook their audit of the Statement of Accounts during July 2018. There were also rights of public inspection of the accounts and relevant supporting documents during the period 1 June to 12 July 2018. Draft unaudited accounts were published on the Council's website prior to the start of the inspection period. Subsequent to formal approval at this meeting, the final audited Statement of Accounts will be published on the Council's website.

- 5.2 At the time of preparing this report the external audit was still in progress. An update on the outcome of the audit will be made at the Council meeting.

6 Scrutiny of the Statement of Accounts

- 6.1 The Statement of Accounts is an important document and is subject to a robust process of scrutiny prior to approval. It is recognised that the accounts and supporting notes are complex and therefore to assist Council Members in fulfilling the process of scrutiny, Officers have produced the following additional guidance:

- **Annexe A** - A summary of 2017/18 financial results for the Council's three main funds: the General Fund, the Housing Revenue Account and the Capital Programme, including details of unspent budgets carried forward to 2018/19 and comments on budget variances. The Annexe is split into 5 separate sections.
- **Annexe B** - Supporting information for the benefit of Members including an analysis of figures and disclosures presented in the accounts. It is recommended that this annexe is considered alongside the full Statement of Accounts to aid interpretation.

- 6.2 The actual Statement of Accounts 2017/18 is the final annexe of this report.

- 6.3 A separate report already presented to Audit Committee in July 2018, and also to be subsequently presented to Cabinet in September 2018, summarises the Council's Treasury Management activity for 2017/18.

7 Corporate Implications

a) Legal implications

As set out in sections 4 and 5 above. The Council's Constitution and Financial Procedure Rules require approval of the Statement of Accounts by Council.

b) Financial implications

Prompt closure of the accounts gives the major advantage of knowing last year's out-turn at an early stage in the new financial year, usually around late May. It is most important that the General Fund underspend achieved in 2017/18 is

considered in relation to the Financial Planning Strategy and Medium Term Financial Forecast. The same requirement applies to the Housing Revenue Account underspend, in relation to the long term HRA business plan.

c) Human resource and equality implications

No new implications.

d) Timescale for implementation and risk factors

The timescale for approval and publication of the 2017/18 Statement of Accounts is summarised as follows:

- May 2018 – Un-audited Statement of Accounts signed and certified by the Strategic Director (Resources), and published on the Council's website.
- June and July 2018 – Ernst and Young external audit of the Statement of Accounts performed.
- July 2018 – Audited Statement of Accounts re-certified by the Strategic Director (Resources).
- 30 July 2018 – Audited Statement of Accounts approved by Council.
- By 31 July 2018 – Audited Statement of Accounts published.

Report Author: Ian Stapleton, Financial Services Manager

Background Papers:

CIPFA: Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, and associated Guidance Notes.

2017/18 Summary financial results

1 Overview

1.1 Annexe A provides a summary of the 2017/18 financial results for the Council's three main funds: the General Fund, the Housing Revenue Account and the Capital Programme.

1.2 The annexe has the following sections:

Section 1 A summary of the year end position for each main Fund.

Section 2 A summary of budgets approved by the Strategic Director (Resources) for carry forward into the 2018/19 financial year or transfer into earmarked reserves.

Section 3 Variances on the General Fund in excess of **£10k**, including comments on the variances.

Section 4 Variances on the Housing Revenue Account in excess of **£10k**, including comments on the variances.

Section 5 Variances on the Capital Expenditure programme in excess of **£10k**, including comments on the variances.

2 General Fund Revenue Account (GF)

2.1 The General Fund Revenue Account is the account that is charged with expenditure incurred on delivering the Council's services except those relating to the Housing Revenue Account (as described below), and credited with income generated through those services. The net of this expenditure and income is funded by grants and contributions from Central Government, Council Tax collected from residents and Business Rates from organisations in the borough.

2.2 The year end position on the General Fund after unspent budgets approved to be carried forward was an underspend of **£163k** compared to the revised budget for the year. The balance on the main General Fund reserve at 31 March 2018 was **£5.673m**. Any allocation of reserves above the recommended minimum level of **£1.9m** must be considered in the context of the Financial Planning Strategy and Medium Term Financial Forecast.

2.3 Annexe A Section 3 shows General Fund variances in excess of plus or minus **£10k** after approval of budgets transferred into earmarked reserves or carried forward into the 2018/19 financial year, including comments on the variances.

3 Housing Revenue Account (HRA)

3.1 The Housing Revenue Account records the income and expenditure relating to the Council's stock of dwellings and garages. Income received from tenants of these properties is receipted into the HRA. The Council is required to maintain the HRA as a separate account, distinct from the General Fund.

- 3.2 The final year end position on the HRA after unspent budgets approved to be carried forward was an underspend of **£15k** compared to the revised budget for the year. The balance on the main HRA reserve at 31 March 2018 was **£3.499m**. Any allocation of reserves above the recommended minimum level of **£505k** must be considered in the context of the long term HRA business plan.
- 3.3 Annexe A Section 4 shows HRA variances in excess of plus or minus **£10k** after approval of budgets carried forward into the 2018/19 financial year, including comments on the variances.

4 Capital Programme

- 4.1 The Capital Programme records the acquisition or enhancement of non-current (long term) assets, which are assets with a usable life of greater than 1 year, such as property, land, vehicles and equipment. The programme covers non-current assets relating to both the General Fund and Housing Revenue Account.
- 4.2 The year end position on the Capital Programme after unspent budgets approved to be carried forward was an overspend of **£116k** on General Fund capital expenditure. This was due to additional works being carried out as part of the Runnymede Leisure Centre project, funded from the leisure Planned Preventative Maintenance earmarked reserve. HRA capital expenditure was underspent by **£56k**.
- 4.3 Annexe A Section 5 shows variances in excess of plus or minus **£10k** after approval of budgets carried forward into the 2018/19 financial year, including comments on the variances.

Summary financial results statement 2017/18

General Fund (GF) revenue expenditure	£	
Actual net expenditure	1,771,084	
Budget carried forward to 2018/19 (Annexe A section 2)	312,700	
Budget transferred to earmarked reserves (Annexe A section 2)	164,200	
Other transfers to / (from) earmarked reserves	(2,081,500)	
Net total	166,484	
Net revised budget	329,968	
Final variance	(163,484)	Underspend
Variance as a percentage of the gross expenditure and gross income budgets (£130.0m).	-0.13%	
See annexe A section 3 for an explanation of the General Fund variances.		

Housing Revenue Account (HRA) expenditure	£	
Actual net expenditure	(1,170,620)	
Budget carried forward to 2018/19 (Annexe A section 2)	187,700	
Other transfers to / (from) earmarked reserves	778,000	
Net total	(204,920)	
Net revised budget	(189,900)	
Final variance	(15,020)	Underspend
Variance as a percentage of the gross expenditure and gross income budgets (£15.9m).	-0.09%	
See annexe A section 4 for an explanation of the HRA variances.		

Capital Expenditure Programme - GF	£	
Actual gross expenditure	3,908,846	
Budget carried forward to 2018/19 (Annexe A section 2)	78,700	
Gross total	3,987,546	
Gross revised budget	3,871,700	
Final variance	115,846	Overspend
Variance as a percentage of the GF Capital Programme budget	2.99%	
See annexe A section 5 for an explanation of the General Fund capital variances.		

Capital Expenditure Programme - HRA	£	
Actual gross expenditure	2,007,136	
Budget carried forward to 2018/19 (Annexe A section 2)	324,900	
Gross total	2,332,036	
Gross revised budget	2,387,800	
Final variance	(55,765)	Underspend
Variance as a percentage of the HRA Capital Programme budget.	-2.34%	
See annexe A section 5 for an explanation of the HRA capital variances.		

Budgets carried forward to 2018/19

In accordance with the Council's Financial Regulations, the following budgets have been approved by the Strategic Director (Resources) for carry forward into 2018/19 or transfer into earmarked reserves.

General Fund		
Central and Corporate Services		
1	Corporate Costs	5,500
		<u>5,500</u>
Communities and Housing		
2	Revenue Services and Benefits	38,900
3	Partnerships and Community Engagement	18,700
		<u>57,600</u>
Environment		
4	Street Scene and Operational Services	11,700
5	Refuse and Recycling Collection	8,700
6	Parks and Open Spaces	24,400
7	Leisure Centres, Golf Course and Halls	188,200
		<u>233,000</u>
Governance, Law, Planning and Regeneration		
8	Planning and Regeneration	90,500
9	Civic Governance and Elections	24,000
		<u>114,500</u>
Resources		
10	Financial Services Unit	3,100
11	Facilities Management	8,400
12	Human Resources	200
13	Audit and Investigations Unit	9,600
		<u>21,300</u>
Other Operating Income and Expenditure		
14	Other Operating Income and Expenditure	45,000
		<u>45,000</u>
Total		
General Fund total:		<u><u>476,900</u></u>
Of the above total £52,200 (10.9%) relates to unspent external grant funding.		

Housing Revenue Account		
Income		
Expenditure		
1	Repairs and Maintenance	187,700
		187,700
Total		
Housing Revenue Account total:		187,700

Capital Programme		
GENERAL FUND		
Street Scene and Operational Services		
1	Vehicle replacement programme	16,400
2	Disabled Facility Grants	37,300
Resources		
3	IT Hardware & software	25,000
General Fund total:		78,700
HOUSING REVENUE ACCOUNT (HRA)		
4	Total annual programmes for replacement and repair	324,900
HRA total:		324,900
Total		
Capital Programme total:		403,600

Annexe A – Section 3

General Fund		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2018/19, or transferred into earmarked reserves.		
	Variance Over/(under) £	Commentary
Central and Corporate Services		
1 All Corporate Costs	146,402	Mainly from a large increase in the provision for bad debts based on debtor balances as at 31 March 2018, in particular those debtors relating to homelessness.
Communities and Housing		
2 Homelessness & Housing Advice	115,895	This area also had an increase in the provision for bad debts, for debtor balances relating to leased properties. Other costs on leasing properties were significantly higher than budgeted levels.
3 Revenue Services, Benefits and Tax Collection	(35,772)	Staff restructures and changes across the teams have resulted in an underspend. A full team should be in place for 2018/19. Debt recovery costs were less than expected this year but costs recovered (via Baliffs) for previous years exceeded the income target. These savings and additional income offset a Housing Benefits and Subsidy variance of £49k overspent, which is partly down to a reduction in bad debt provision not being quite as favourable as initially expected.
4 Land Charges	(37,124)	Income levels were higher than expected due to two items at the end of the financial year: New Burdens grant funding from Central Government and the return of an unused provision balance from prior years.
5 Partnerships, Licensing and Community Engagement	(22,859)	Additional income seen on all types of drivers (Private Hire/Hackney Carriage and Combined Licenses), since the Licensing Knowledge Test was been dropped as a requirement of applying to be a taxi driver, generating a higher influx of new applicants than anticipated.
Environment		
6 Environmental Health Services	17,814	This reflects an increase in salary costs within the Environmental Health team.
7 Refuse and Recycling Collection	(39,647)	Combination of variances resulting from a small salary overspend mostly offset by a direct transport cost underspend, a small surplus on trade waste income and additional materials recycling facility income during March.

Annexe A – Section 3

General Fund (continued)		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2018/19, or transferred into earmarked reserves.		
	Variance Over/(under) £	Commentary
Governance, Law, Planning and Regeneration		
8 Planning Services and Regeneration	(75,036)	Higher levels of income/fees and charges received (£13k) due to higher demand for services than budgeted for. Restructures of cost centres and changes in staff have created underspends which should be a one off for 2017/18 now the new structures are in place.
Resources		
9 Information Technology Unit	84,323	Some projects were brought forward and costs incurred in 2017/18 which were originally expected to take place in 2018/19. This variance is offset by a corresponding draw down from the ICT projects earmarked reserve.
10 Facilities Management	(24,826)	This reflects salary savings on budgets for overtime and cover as well as additional income received for the Canvey Island council offices following an extension of the current rental agreement.
Other Operating Income and Expenditure		
11 Other Operating Income and Expenditure	47,645	Overall effect of variations in interest receivable, contributions to capital, recharges to and from the HRA and growth income from the Essex business rates pool.
Net total of all other variances		
Net General Fund over / (under) spend		(340,300) Note - this predominantly consists of variations in movements to and from earmarked reserves
		<u><u>(163,484)</u></u>

Housing Revenue Account		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2018/19.		
	Variance Over/(under) £	Commentary
Income		
1 Charges for Services and Facilities	(28,922)	Leasehold income generated was above the anticipated level, whilst recovery action increased resulting in additional court costs to be recovered. Also previous adjustments due to deficits on supporting people grant were no longer required due to the termination of this grant.
Expenditure		
2 Supervision and Management	39,163	Predominantly an increase in agency and severance costs (£47k) during the year offset by savings on cleaning and equipment purchase and maintenance (£11k)
Other Operating Income and Expenditure		
3 Capital items and other adjustments	(26,516)	Mostly variance on recharges between the General Fund and the HRA.
Net total of all other variances		
Net HRA over / (under) spend		1,254
		<u>(15,020)</u>

Capital Expenditure Programme		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2018/19.		
	Variance Over/(under) £	Commentary
General Fund		
Environment		
1 Runnymede Leisure Centre project	114,108	Additional works were identified and incorporated into the Runnymede project which have been fully funded by a draw down from the Leisure Planned Preventative Maintenance earmarked reserve. Underspend and additional income within leisure related revenue budgets of £96k have been rolled forward into the same reserve to offset the majority of the draw down.
Housing Revenue Account		
New developments and annual programmes for replacement and repair		
2 New developments and annual programmes for replacement and repair	(55,765)	The development at Lawns Court came in under budget. Estimated costs were based on previous development experience and the final total expenditure was lower.
Total of all other variances		
Capital Programme over / (under) spend		1,738
		60,082

Supporting information for the benefit of Members

Introduction and overview

The Statement of Accounts has been prepared in accordance with proper accounting practices. These practices primarily comprise The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, based on International Financial Reporting Standards (IFRS) (“the Code”), and the associated Guidance Notes for Practitioners, both published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

These accounting practices are not optional and are intended to ensure that similar transactions are treated in the same manner within the accounts of all organisations.

The Statement of Accounts is a lengthy and extremely detailed document, therefore the purpose of this document is to:

- Provide answers to potential items of interest arising from the accounts;
- Present information in a less technical way to aid understanding; and
- Explain the purpose of each of the key financial statements.

It is intended that this document be referred to alongside the full Statement of Accounts, which includes supporting notes required by the code as well as the Summary of Significant Accounting Policies, on pages 32 to 45 of the Statement of Accounts. These policies set out the accounting treatments which have been adopted by the Council in producing the Statement of Accounts. The Narrative Report that opens the main Statement of Accounts document also provides further supporting information to assist users of the accounts.

Changes of significance shown within the Statement of Accounts

For the 2017/18 accounts there is only one change to note:

The Council’s internal reporting structure was changed in January 2018. The 2017/18 accounts reflect the new structure and information for 2016/17 has been restated to ensure comparability between years. This primarily affects the Comprehensive Income and Expenditure Account and Expenditure and Funding Analysis note, but some other notes are also affected.

Key financial statements

There are 4 core financial statements and 3 supplementary financial statements included within the full Statement of Accounts.

Core financial statements:

- Comprehensive Income and Expenditure Statement (CI&ES) – pages 22 and 23;
- Movement in Reserves Statement (MIRS) – pages 24 and 25;
- Balance Sheet – pages 26 and 27, and the
- Cash Flow Statement – pages 28 and 29.

Supplementary financial statements:

- Housing Revenue Account (HRA) Income and Expenditure Statement – page 94;
- Movement on the Housing Revenue Account (HRA) Statement – page 95, and
- Collection Fund Income and Expenditure Account – pages 98 and 99.

The statements are supported by a series of notes as prescribed by the Code and these notes are indexed on the face of each core and supplementary financial statement as appropriate.

Comprehensive Income and Expenditure Statement (CI&ES) - Pages 22 and 23

This statement reports the net cost for the year of the revenue functions for which the Council is responsible, and shows how that cost has been financed from general government grants, Council tax and Non-domestic rates.

For all of the Council's revenue services, on both the General Fund and the Housing Revenue Account, the surplus or deficit for the financial year represents the degree to which income is greater or less than expenditure. The total surplus or deficit amount includes accounting entries such as:

- those representing the use of Non-current assets (land and property) in the provision of services;
- revaluation and impairment losses and adjustments of those assets, and
- the projected value of retirement benefits earned by employees in the year.

These entries are required in order to comply with the Code, and to represent the financial results for the year on an accounting basis. However, as these items do not form part of the charge made to local taxpayers and rent payers, they are removed for the purposes of calculating Council Tax. These reversals, along with other statutory entries are reported through the "Adjustments between accounting basis and funding basis under regulations" line on the Movement in Reserves Statement. They are also analysed in full in note 10 to the Core Financial Statements, on pages 58 to 61 of the Statement of Accounts.

The tables on the following pages of this annexe provides an analysis of high level summary movements between 2016/17 and 2017/18 on the amounts reported on the CI&ES. A summary of variances against revised budgets for 2017/18 with explanations can be found in Annexe A.

Members are advised that the changes mentioned below relating to capital accounting entries, internal recharges and pension costs generally have no impact on the charge made to Council Taxpayers for the General Fund and to Housing Rents for the Housing Revenue Account.

Environment:	£000s
This includes Refuse and Recycling, Open Spaces, Leisure Centres, Halls, Car Parks, Street Scene and Environmental Health.	
• Changes in staffing costs, including agency and pension costs	567
• Changes in premises and land costs, including utilities and repairs / maintenance	676
• Changes in travel and transport costs	34
• Changes in supplies, services, equipment and similar costs	120
• Changes in computer and ICT related costs	10
• Changes in contracts and other external payments	(32)
• Changes in grants and donations to voluntary and other organisations	42
• Changes in grounds maintenance and street cleansing contract costs	47
• Changes in internal recharges to and from other services	153
• Changes in capital related costs	411
• Changes in income from fees and charges, rents, etc.	(233)
• Changes in grants and contributions and other income received	10
Total net increase/(decrease) from 2016/17 to 2017/18	1,805

Governance, Law, Planning and Regeneration	£000s
This includes Building Control, Development Control, Planning Policy, Regeneration, Civic Governance, Elections and Law.	
• Changes in staffing costs, including agency and pension costs	(4)
• Changes in premises and land costs, including utilities and repairs / maintenance	(3)
• Changes in travel and transport costs	(7)
• Changes in supplies, services, equipment and similar costs	(2)
• Changes in computer and ICT related costs	(22)
• Changes in contracts and other external payments	13
• Changes in grants and donations to voluntary and other organisations	0
• Changes in election expenses	(26)
• Changes in internal recharges to and from other services	7
• Changes in capital related costs	74
• Changes in income from fees and charges, rents, etc	(42)
• Changes in grants and contributions and other income received	(78)
Total net increase/(decrease) from 2016/17 to 2017/18	(90)

Housing and Communities – General Fund:		£000s
This includes Homelessness and Housing Advice, Revenues, Benefits, First Contact, Land Charges, Partnerships and Licencing.		
• Changes in staffing costs, including agency and pension costs		(20)
• Changes in premises and land costs, including utilities and repairs / maintenance		(37)
• Changes in travel and transport costs		(1)
• Changes in supplies, services, equipment and similar costs		(5)
• Changes in computer and ICT related costs		25
• Changes in contracts and other external payments		(4)
• Changes in grants and donations to voluntary and other organisations		(2)
• Changes in net homelessness costs		163
• Changes in net housing benefits expenditure and subsidy		189
• Changes in bad debt provisions		(102)
• Changes in internal recharges to and from other services		(15)
• Changes in capital related costs		1
• Changes in income from fees and charges, rents, etc		(31)
• Changes in grants and contributions and other income received		(267)
Total net increase/(decrease) from 2016/17 to 2017/18		(106)

Housing and Communities – Housing Revenue Account (HRA):		£000s
This includes all costs and income relating to the Council's housing stock.		
• Changes in staffing costs, including agency and pension costs		145
• Changes in premises and land costs, including utilities and repairs / maintenance		324
• Changes in travel and transport costs		2
• Changes in supplies, services, equipment and similar costs		(1)
• Changes in computer and ICT related costs		(6)
• Changes in contracts and other external payments		(75)
• Changes in bad debt provisions		45
• Changes in internal recharges to and from other services		(59)
• Changes in capital related costs		4,664
• Changes in income from fees and charges, rents, etc		(140)
• Changes in grants and contributions and other income received		0
Total net increase/(decrease) from 2016/17 to 2017/18		4,899

See pages 22 to 23 of this annexe for further commentary on the HRA.

Resources:		£000s
This includes Facilities Management, Financial Services, Human Resources, Internal Audit and Information & Communication Technology, as well as the cost of some Council assets such as the main Council Offices.		
• Changes in staffing costs, including agency and pension costs		17
• Changes in premises and land costs, including utilities and repairs / maintenance		(6)
• Changes in travel and transport costs		(1)
• Changes in supplies, services, equipment and similar costs		11
• Changes in computer and ICT related costs		(1)
• Changes in contracts and other external payments		47
• Changes in internal recharges to and from other services		(138)
• Changes in capital related costs		(9)
• Changes in income from fees and charges, rents, etc		72
• Changes in grants and contributions and other income received		9
Total net increase/(decrease) from 2016/17 to 2017/18		1

Central and Corporate Services:		£000s
This includes the Chief Executive, Members and also other miscellaneous corporate costs.		
• Changes in staffing costs, including agency and pension costs		(505)
• Changes in premises and land costs, including utilities and repairs / maintenance		(4)
• Changes in travel and transport costs		1
• Changes in supplies, services, equipment and similar costs		3
• Changes in computer and ICT related costs		0
• Changes in external auditor fees		2
• Changes in bad debt provisions		119
• Changes in members allowances and other members costs		3
• Changes in contracts and other external payments		(11)
• Changes in internal recharges to and from other services		53
• Changes in capital related costs		0
• Changes in income from fees and charges, rents, etc		(9)
• Changes in grants and contributions and other income received		0
Total net increase/(decrease) from 2016/17 to 2017/18		(348)

Other operating expenditure:**(Gain) / loss on disposal / derecognition of non-current (long term) assets:**

Two types of transaction are reported in this line:

- The first is the gain or loss on disposal of non-current assets, for example properties sold to residents through the Right to Buy scheme. These transactions take into account the carrying value of the asset sold compared with the sale proceeds.
- The second type of transaction relates to a specific requirement under IFRS. When carrying out works to enhance non-current assets, the Council must remove (de-recognise) from the asset an estimated amount equal to the previous value recorded for that part of the asset that has had enhancement works performed.

These adjustments are recorded in 2017/18 in relation to works which took place during the year on the Council's housing stock.

The above transactions are reversed through the Movement in Reserves Statement (MIRS) and therefore have no impact on Council Taxpayers or Housing rents.

Payment of Housing Pooled Capital Receipts to the Government Pool:

The Council is required to pay part of the capital receipts received from the sale of council houses to the Government. The transaction is reversed through the MIRS and therefore has no impact on Council Taxpayers, or Housing rents.

Financing and Investment income and expenditure:**Interest payable on debts and finance leases, and similar charges:**

This is primarily interest paid by the Council in respect of debt held with the Public Works Loans Board (PWLb), but also includes the interest element of re-payments made for leases on three refuse and recycling freighters.

Interest and investment income receivable, and similar income:

The average interest rate for 2017/18 was 0.28%. The average funds invested during the year were £29.9m. A separate item to Audit Committee in June and Cabinet in July reported on Treasury Management activity for the financial year.

Investment Properties - income, expenditure, changes in the fair value of assets, and (gains)/losses on disposal or derecognition:

Investment properties are those assets of the Council which are rented out under leasing and similar arrangements, or are being held for capital appreciation purposes, as opposed to those used by the Council in the provision of services. The expenditure relates to structural repairs undertaken by the Council as part of the relevant rental agreements. Investment properties are revalued on an annual basis, and the changes in value are also reported in this line, as well as disposal and derecognition adjustments similar to those included in the Other Operating Expenditure category above for non-current assets. These amounts are reversed through the Movement in Reserves Statement.

Pensions – net interest on the defined benefit liability:

This line reflects the interest costs of financing the pension deficit for the Council, partly offset by the expected return on pension investment activities throughout the year (based on information provided by Essex County Council and the pension fund actuaries). These transactions are reversed through the Movement in Reserves Statement and therefore have no impact on Council Taxpayers and Housing rents.

Taxation and non-specific grant income and expenditure:

The Council's income from Council Tax, Non-domestic Rates (NNDR), and general Central Government grants are reported in this section. (Central Government grants which are specific to an individual service are reported within the relevant service line). Tariffs and levies to Central Government on NNDR are also charged here as well.

This section also includes Capital grants. However these grants are reversed through the Movement in Reserves Statement and therefore have no impact on Council Taxpayers and Housing rents.

Other comprehensive income and expenditure:

The two items reported in this section represent other gains and losses that impact on the net worth of the Council as shown in the Balance Sheet. However although both are required to be reported on the Comprehensive Income and Expenditure Statement neither is actually recognised in the General Fund or Housing Revenue Account, so as a result neither directly affects the level of Council Tax or Housing rents.

Movement in Reserves Statement (MIRS) – Pages 24 and 25

The Movement in Reserves Statement summarises the changes in the financial year across each of the reserves and balances held by the Council. These arise both from incurring expenses and generating income through the Council's services, as well as from changes in the fair values of assets held by the Council, and changes in the pension fund liability.

The MIRS is split between Usable and Unusable Reserves. The difference between these 2 categories is described on page 21 of this annexe.

Balance Sheet - Pages 26 and 27

The Balance Sheet summarises the assets and liabilities held by the Council as at the end of the financial year, i.e. at 31 March 2018. It shows the value of the assets in the Council's ownership, the money owed to and by the Council and the level of reserves held by the Council at that date.

Non-current (long term) assets:

Revaluations of non-current assets (excluding council houses and investment properties) are carried out on a rolling five-year programme, and some Property, Plant and Equipment (PPE) assets were revalued as at 1 April 2017, with other specific assets also revalued at 31 January and 31 March 2018. Investment Properties and Council Houses were re-valued as at 1 April 2017. Council Houses were revalued again as at 31 March 2018. Changes in the values of the Council's non-current assets are reflected in this section of the Balance Sheet as well as in the Total Reserves section of the statement. They represent unrealised gains, so form part of Unusable Reserves, until such time as any assets are disposed of. Revaluations do not impact on the charge made to Council Taxpayers or Housing rents.

Current assets:**Short term investments:**

Within the day-to-day cash management no distinction is made between revenue cash and capital cash. Investments held by the Council at the end of the financial year decreased by £2.8m, including accrued interest.

Short term debtors:

The amounts included in short term debtors are analysed into categories in note 13 on page 75 of the Statement of Accounts.

The Council follows prudent procedures for the recovery of debt and does not write any debt off until it has exhausted all options for recovery. The Council maintains a provision for bad debts in line with best recommended practice.

Current and non - current liabilities:**Short term creditors:**

The amounts included in short term creditors are analysed into categories in note 15 on page 76 of the Statement of Accounts.

Revenue and Capital Grants Receipts in Advance:

This line represents grants received or receivable by the Council that have outstanding conditions which could require the grants to be repaid back to the grant providers if those conditions were not complied with. When the grant conditions are satisfied the grants are transferred into either the relevant service line or Taxation and Non-Specific Grant Income.

Current and non - current liabilities (continued):**Provisions:**

Current provisions primarily consist of Non-Domestic Rates appeals. Further information can be found in Note 19 on page 90 of the Statement of Accounts.

Short Term and Long Term Borrowing and Finance Lease Liabilities:

Borrowing is divided between long and short-term debt on the Balance Sheet and represents amounts borrowed from the Public Works Loan Board (PWLb), and accrued interest payments.

Liability related to defined benefit pension scheme:

This line shows the underlying commitment that the Council has in the long run to pay future retirement benefits. It is offset by the Pensions Reserve line within the Total Reserves section of the Balance Sheet. There is no impact on Council Taxpayers or Housing Rents.

Total Reserves:

Reserves are reported in two categories:

- **Usable Reserves** are those reserves that the Council may use to provide services and meet future expenditure, both revenue and capital in nature. These are subject to the need to maintain a prudent level of reserves for the current and future financial years, and also any statutory limitation on the use of specific reserves (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The total Usable Reserves as at 31 March 2018 is £23.0m.
General Fund and HRA reserves represent those sums set aside to cushion the Council against future possible events based on the strategic, operational and financial risks facing the Council and should be viewed on a medium to longer term basis.
- **Unusable Reserves** are those reserves that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations." These represent the differences between the outcome of applying proper accounting practices, and the requirements of statutory arrangements for funding expenditure from Council Tax and Housing Rent receipts. The total Unusable Reserves as at 31 March 2018 is £87.8m.

Cash Flow Statement - Pages 28 and 29

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

Cash and cash equivalents, as shown on the Cash Flow statement and also within Current Assets on the Balance Sheet, are those sums held for the purposes of meeting short term cash commitments, as opposed to those sums held for investment and other purposes. There are no strict criteria set in the Code for local authorities to follow relating to the nature and maturity of items treated as cash equivalents. Therefore it is down to local authorities to determine a suitable policy themselves. The Council's policy for determining the composition of cash and cash equivalents is as follows:

- Cash and cash equivalents shall include the Council's net balance or overdraft on its current and call accounts with Lloyds Bank. These play an integral part in the Council's cash management procedures; and
- Cash and cash equivalents shall also include any amounts held in petty cash floats.

The total movement in cash and cash equivalents during 2017/18 was a decrease of £27k.

Housing Revenue Account (HRA) Income and Expenditure Statement – Page 94 & Movement on the Housing Revenue Account (HRA) Statement – Page 95

The HRA Income and Expenditure Statement details the income and expenditure on HRA services, expenditure in accordance with accounting practices. These items are generally also included in the whole Council Comprehensive Income and Expenditure Statement, as described above. The Movement on the HRA Statement reports the adjustments necessary to arrive at the final balance on the HRA for the year.

Income:

Gross dwelling rents and non-dwelling rents:

The year on year decrease in income from dwelling rents is primarily due a reduction in average weekly rents of £0.90 to £89.01. Void loss also increasing to 1.04% contributed to the reduction in income, as did sales through the Right to Buy scheme.

Charges for services and facilities:

Direct income from charges for services and facilities in 2017/18 increased from 2016/17. This was as a result of changes to recover the full cost of sheltered housing and a £148k insurance claim for fire damage

Expenditure:

Repairs and maintenance:

Repair and maintenance expenditure was £342k higher than the previous year, due to additional Void and Reactive repairs by the council's repairs contractor, commencement of the 5 yearly stock condition survey and £148k for repairing two properties following fire damage.

Supervision and management:

The cost of supervision and management for the year rose by £117k reflecting predominantly an increase in staffing cost during the year offset by a reduction in central support costs (net £82k) along with an increase in premises insurance of £20k and general supplies and services of £13k.

Rents, rates, taxes and other charges:

There was a reduction in costs of £76k on rents, rates and taxes compared to the previous year, as a result of the removal of sheltered housing transitional protection costs (£86k) due to the charges becoming eligible for Housing Benefit, whilst utility costs were higher in 2017/18.

Interest Payable:

This represents the annual interest cost of the debt taken out in March 2012 as part of the self financing reform of HRA.

Depreciation, revaluation and impairment of non-current (long term) assets:

This category represents the capital cost of providing housing assets for the year, and consists of annual depreciation charges as well as any revaluation or impairment increases or decreases which have been applied to the HRA rather than to the revaluation reserve. The valuer advised a 3.5% increase in the value of the Housing Stock at 31 March 2018 and this increase is reflected within this line.

Changes in valuation are currently reversed through the Movement in Reserves Statement, and do not therefore impact on HRA reserves or Housing rents.

Within the full Statement of Accounts further information can be found in Note 3 to the HRA, on page 97.

Change in provision for bad debts:

The value of this provision is recalculated annually on tenant's arrears and for 2017/18 has prudently been increased by £134k with the provision for current tenant arrears rising substantially and that for former accounts also rising but to a lower extent.

Housing Revenue Account surplus carried forward:

The minimum level of reserves recommended by the Strategic Director (Resources) at 31 March 2018 was £505k. At that date HRA reserves exceeded this level, at £3.5m, with an overall increase of £392k during the year.

HRA reserves represent those sums set aside to cushion the Council against future possible events based on the strategic, operational and financial risks facing the Council and should be viewed on a medium to longer term basis.

A summary of HRA variances to revised budget for the year with explanations may be found in Annexe A section 4.

Collection Fund Income and Expenditure Account – Pages 98 and 99

The Collection Fund is an agent's statement that reflects the statutory obligation for the Council, as a billing authority, to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and Central Government of Council Tax and National Non-domestic Rates (NNDR).

At the end of 2017/18 the Collection Fund reported a surplus on Council Tax of £1.5m and a deficit on National Non-Domestic Rates of £322k. These amounts will be shared between the Council, Central Government and the other major precepting authorities (Essex County Council, Essex Fire Authority and the Police and Crime Commissioner for Essex) in subsequent years. Any balance on the fund is restricted to being used to lower or increase the amount required from local Taxpayers in future years.