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**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 **TUESDAY, 30TH JULY, 2019 at 7.30 p.m.**, and all Members of the Council, listed below, are hereby summoned to attend to transact the undermentioned business.

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

**Chief Executive**

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## **AGENDA**

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### **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 27th March 2019.
- Minutes of the meeting of the Annual Council held on 15th May 2019.
- Minutes of Special Council 17th July 2019.

**4. Mayor's Announcements**

The Mayor will report at the meeting.

- 5. Questions from members of the public of which Notice has been received**  
A question has been received from a member of the public and is attached.
- 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 2018/19**  
The Council is asked to consider the financial out-turn results and Statement of Accounts for 2018/19 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**

**27TH MARCH 2019**

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 27th March 2019.

### **PRESENT:**

Councillors, A.C.Walter, (The Worshipful the Mayor), C.G. Riley, (Deputy Mayor), 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, P.C. Greig, S.Hart, N.R. Harvey, Mrs P. Haunts, R.C. Howard, W. Johnson, N.E.Ladzrie, C.A. MacLean, P.J. May, C.E. Mumford, B.A. Palmer, Mrs. J. Payne, J.A.Payne, Mrs C.J Sach, W.K.Sharp, A.G. Sheldon, T.F. Skipp, J.A. Stanley, A. Taylor, P.E.Varker, Mrs L. Wass, Mrs G. Watson and N. Watson

Apologies for absence were received from Councillors, A.J. Acott, Mrs.J.A Blissett, Mrs W. Goodwin, G.I. Isaacs, A. Partridge, N.G. Smith and B.S. Wood.

### **61. MEMBERS' INTERESTS**

There were none.

### **62. MINUTES**

The Minutes of the Ordinary Council held on 12th December 2018 were taken as read and approved as a correct record The Minutes of Special Council meeting held on 27th February 2019, were taken as read and approved as a correct record. The Mayor signed the Minutes.

### **63. MAYOR'S ANNOUNCEMENTS**

The Mayor:

- Reported on two events which had taken place to raise funds for the Mayor's chosen charities the first was the Last Night of the Proms held on 8<sup>th</sup> March 2019 and raised a total of £750 .The Mayor thanked all those involved particularly the Salvation Army and the Holy Family School Choir.
- The second event an Old Time Music Hall was organised by Canvey Community Choir. The Mayor thanked the Canvey Community Choir and all involved in the event.

- Reported he was extremely impressed by the high calibre of the nominations for the Mayor's Business, Apprentice and Community Awards and was looking forward to presenting the awards at the Civic Dinner.

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

There was none.

**67. ANY EXPLANATIONS FOR URGENT DECISIONS TAKEN BY CABINET**

There were none.

**68. CONSIDERATION OF RECOMMENDATIONS FROM CABINET:**

There were none.

**69. ANY REFERENCES FROM THE SCRUTINY, POLICY & SCRUTINY OR REGULATORY COMMITTEE: GAMBLING LICENSING POLICY STATEMENT**

There were none.

**70. CHANGES TO MEMBERSHIP OF COMMITTEES**

Council noted the following changes had been made by the Leader of the Conservative Group to his Group's seats on Committees:

Audit Committee - Cllr CR Riley to replace Cllr W.K. Sharp, Cllr T.F.Skipp was appointed nominated substitute.

Development Control Committee – Cllr W Dick to replace Cllr Mrs Wass. Cllr Mrs Wass was to remain as nominated substitute.

Council noted the Leader of the Canvey Island Independent Group had made the following changes to his Group's seats on Committees:

Scrutiny Committee – Cllr Mrs Grace Watson and Cllr Neville Watson to be replaced by Cllrs Greig and Palmer.

**71. REPORT OF THE LEADER OF THE COUNCIL/CABINET MEMBER: GRANT FUNDING AWARDS**

Councillor Howard MBE Cabinet Member for Streets, Waste, Floods and Water Management was delighted to be able to formally report to Council on receipt of various grants awarded to the Council recently. Council was pleased to receive news of the awards.

£1.52 million of Coastal Communities Funding had been awarded for the regeneration scheme at Thorney Bay.

The proposed scheme included the following elements:

An enlargement of the public car park at Thorney Bay to help increase the visitor capacity of the area; Improvements to the access pathways between the car park, the new pavilion and the seafront; Construction of a new pavilion that would include public toilets, a retail kiosk, storage space to support the local volunteers, and a viewing terrace; Improvements to the footpath along the northern side of the seawall from Thorney Bay to Labworth Central. Additional amenity improvements such as the provision of an outdoor water tap, rinsing shower and wayfinding/public information signage were also included.

Regular reports would be made to Councillors. Once the funding agreement had been received, the Council would continue with delivering the scheme. The first step in this process would be to undertake a design review and progress with the submission of a full planning application. Works would be scheduled as much as possible to avoid disruption during the peak season. The project was required to be completed by the end of March 2021.

The Council has been awarded £40,000 from the Coastal Revival Fund following re-evaluation of the bid. The funding was for the refurbishment of the Labworth and Lubbins toilet blocks and the re- painting of the seawall. The funding needed to be committed by 31 March 2019.

The Council had received £15,744 of funding made available by Government to local authorities and communities groups to clean up their high streets and town centres. The funding had to be spent by 31 March 2019 and was being used to purchase community litter picking kits suitable for use by adults and children along with new litter bins for the Borough's Town centres.

Finally the Council been awarded £14,098 which must be spent within three months of the grant award from the Ministry of Housing, Communities and Local Government to improve parks and open spaces.

**Resolved** to note the report.

## **72. NOTICE OF MOTION**

Councillor Dick had given notice of the following –

*'We call on Essex County Council to use its best endeavours to regularise the situation on street lighting on unadopted roads to that enjoyed by the rest of the residents of the Borough.'*

The Motion was seconded by Councillor Riley.

The Motion was amended in the following terms which was accepted:

*'We call on Essex County Council and our own Castle Point Borough Council to regularise in some way the situation on street lighting on unadopted roads to that enjoyed by the rest of the residents of the Borough.'*

Debate took place at the conclusion a vote was taken which was CARRIED Unanimously. **Resolved** accordingly.

**73. PETITIONS**

There were none.

**74. VOTE OF THANKS TO RETIRING COUNCILLORS**

As this was the last Council meeting before the Borough Elections the Mayor took the opportunity to wish good luck to those seeking re-election.

There were a number of Councillors who were retiring from office and not seeking re-election. The Mayor moved a vote of thanks to Councillor and Past Mayor Mrs Goodwin, Past Mayor Councillor Ladzrie, Councillor Partridge and Councillors Grace and Neville Watson in appreciation for their service as elected Members to the community and Council.

Councillors Blackwell, Sharp, Sheldon, Dick, Howard Stanley, May and the Mayor spoke in support and paid tribute to the retiring Councillors.

**Resolved unanimously** to formally record the Borough Council's thanks and appreciation to Councillor and Past Mayor Mrs Goodwin, Past Mayor Councillor Ladzrie, Councillor Partridge and Councillors Grace and Neville Watson for their long service to the Council.

**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 15th May 2019.

### **PRESENT:**

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

Apologies for absence were received from Councillors Mrs.J.A Blissett, S. Cole, P.J. May, G.St.J. Withers.

### **1. MEMBERS' INTERESTS**

There were no disclosures of interest.

### **2. MAYOR'S ANNOUNCEMENTS**

The Mayor was pleased to welcome to the Council five newly elected Councillors, Councillor Mrs Thornton, Councillor Cutler, Councillor Fuller, Councillor Thomas and Councillor Withers and to welcome back Councillor Tucker.

#### **2a. VOTE OF THANKS: FREEMAN OF THE BOROUGH RAY HOWARD MBE**

Following the recent Borough Elections the Mayor proposed a Vote of Thanks to former Councillor and Freeman of the Borough Ray Howard MBE.

**Resolved unanimously** to formally record the Borough Council's thanks and appreciation to Freeman of the Borough Ray Howard MBE for his long service to the Council.

### **3. ELECTION OF NEW MAYOR**

Moved by Councillor Isaacs seconded by Councillor Dick and -

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

Councillor Riley 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. The Mayor announced that his Chaplain would be the Reverend Marion Walford and he planned to raise funds for local charities during his year of office.

**4. VOTE OF THANKS TO RETIRING MAYOR**

Moved by Councillor Sheldon. The vote was seconded by Councillor Wood who paid tribute to the Past Mayor.

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

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

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

**5. ELECTION OF DEPUTY MAYOR**

Moved by Councillor Smith seconded by Councillor MacLean and –

**Resolved** - That unless she resigns or becomes disqualified, Councillor Pat Haunts be elected Deputy Mayor to continue in office until her successor becomes entitled to act as Deputy Mayor.

Councillor Mrs Haunts made her Declaration of Acceptance of Office and thanked the Council for her appointment.

**6. ELECTION OF LEADER OF THE COUNCIL**

Moved by Councillor Stanley seconded by Councillor Hart –

**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.

**7. APPOINTMENT OF DEPUTY LEADER OF THE COUNCIL**

Moved by Councillor Smith seconded by Councillor Dick –

**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 2nd May 2019:-

### (a) Result

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

<b>Appleton Ward</b>	
DUNHILL, Rosalind	239
EGAN, Eoin	795
MCCARTHY-CALVERT, Lynsey	487
Turnout:	29.5%

<b>Boyce Ward</b>	
BAILEY, Gwyn	594
BAILLIE, Robert Steven	300
MUMFORD, Chas	822
Turnout	33.0%

<b>Cedar Hall Ward</b>	
DUFFIELD, Brendan Peter	319
MACLEAN, Colin Alan	1025
Turnout	28.5%

<b>St George's Ward</b>	
COLE, Steven Paul	789
COOKE, Joe	387
Turnout	27.7%

<b>St James' Ward</b>	
ALLARS, Brian Charles	344
DUNMOW, Milton Richard	227
HOPKINS, Miles Sheridan Mark	224
LEE, Brian	310
THORNTON, Jacqui	732
Turnout	34.3%

<b>St Mary's Ward</b>	
CUTLER, James Matthew	985
SHAW, Christine Marie	387
Turnout	29.3%

<b>St Peter's Ward</b>	
DICK, Bill	1004
TOBIN, Christopher John	331
Turnout	27.4%

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<b>Victoria Ward</b>	
DUFF, Geoff	127
GIBSON, David Robert	281
HARRISON, Tom	280
RILEY, Colin George	807
Turnout	33.3%
<b>Canvey Island Central</b>	
BLACKWELL, Dave	897
SMITH, Kieran	134
STONE, John Andrew Nicol	228
Turnout	25.1%
<b>Canvey Island East</b>	
REILLY, Jackie	100
RICHARDSON, Susan Caroline	362
TUCKER, Martin John Albert	855
Turnout	27.9%
<b>Canvey Island North</b>	
CARTEY, Owen Westley	271
FULLER, Michael John	1002
MCCARTHUR-CURTIS	120
Turnout –	27.0%
<b>Canvey Island South</b>	
ANDERSON, Elizabeth	71
GRIFFIN, Scott John	247
LETCHFORD, Colin William	604
PAYNE Janice	607
Turnout	31.0%
<b>Canvey Island West</b>	
HOWARD, Ray	468
SCOTT, Bill	72
THOMAS, David James	516
Turnout	28.1%
<b>Canvey Island Winter Gardens</b>	
MANCLARK, David George	160
QUATERMAINE, Sean Douglas Brian	254
WITHERS, Graham St John	844
Turnout	25.89%
Overall turnout	29.2%

(b) Postal Voting

The number of postal voters on the register was 9,562 and papers to this number were despatched. Up to the close of the poll 6,280 (65.68%) 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 and was taken together with the Canvey Island Town Council Elections.

Official polling cards were delivered to all registered electors between 23rd March and 7th April in an A5 format with 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 stated in section (b) of this report 9,562 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 in respect of the mailing of the postal vote packs went smoothly this year. Only two postal packs were re-issued where postal votes had either been spoilt or packs had not been received by electors.

The receipting of the postal votes was, as in previous years, undertaken in house and 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 delivered timely declarations for each of the fourteen Wards. 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 South Ward was very close, and the elections team followed correct process to ensure the accuracy of the result. The Returning Officer thanked the political agents for their co-operation.

In Cedar Hall, St George's, St James', St Mary's and St Peter's Wards there were an unusually high number of spoilt votes. It was considered that this was due to current national politics and voter frustration.

In conclusion, the Returning Officer was pleased to report that the measures implemented by his elections team had 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.

**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.

<b>Party</b>	<b>Seats</b>	<b>Proportions for allocation purposes</b>
Conservative	25	61% (60.97%)
Canvey Island Independent	16	39% (39.02%)

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.

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

<b>Party</b>	<b>Actual Allocation</b>
Conservative	48
Canvey Island Independent	31
Total	79

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, Cutler, Dick, Sharp, Skipp

Canvey Independent:

Councillors Blackwell, Greig, Tucker

Chairman: Councillor Blackwell.

**Policy & Scrutiny Committees**

**Environment**

Conservative:

Councillors: Cross, Ms Drogman, E Egan, Mrs Haunts, Skipp, Walter

Canvey Independent:

Councillors: Anderson, Palmer, Mrs J Payne, Thomas

Chairman: Councillor Ms Drogman.

**Wellbeing**

Conservative:

Councillors: Mrs Blissett, Cutler, Mrs Haunts, Mrs Thornton, Walter, Wood.

Canvey Independent:

Councillors: Acott, Campagna, Mrs J Payne, Withers.

Chairman: Councillor Walter.

**Place & Communities**

Conservative:

Councillors: Cole, Cross, Mrs. Haunts, Skipp, Mrs Thornton, Wood.

Canvey Independent:

Councillors: Harvey, J Payne, Mrs. Sach, Withers.

Chairman: Councillor Wood

**Audit**

Conservative:

Councillors: Cole, Sharp, Mrs Thornton.

*Substitutes:* Mumford, Skipp

Canvey Independent:

Councillors: Blackwell, May

*Substitutes:* Acott, Thomas.

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, Dick, Hart, Mrs. Haunts, Johnson, Mumford, Sharp, Mrs .Wass.

*Substitutes:* Cutler, Mrs Thornton

Canvey Independent:

Councillors: Acott, Anderson, Blackwell, Fuller, Taylor.

*Substitutes:* Palmer, Tucker

Chairman: Councillor Dick  
Vice Chairman: Councillor Sharp

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

### **Licensing**

Conservative:

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

Canvey Independent:

Councillors: Acott, Blackwell, Fuller, Harvey, 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, Campagna, May.

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 Hart		Streets, Waste, Floods and Water Management
Councillor Isaacs		Neighbourhoods & Safer Communities
Councillor MacLean		Health & Wellbeing
Councillor Johnson		Youth & Tourism
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 by Councillor Stanley, and –

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

<b>Name of Body</b>	<b>Councillor</b>
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 Walter
Southend Hospital Trust	Cllr Mrs Haunts
Castle Point Sports Club for the Disabled (Executive Committee)	Cllr P.J. May
Carers Choice (Castle Point Branch) Management Committee	Cllr C. MacLean Cllr Mrs Liz Wass
Jubilee Training and Welfare Centre Trust	Cllr W. Johnson
Local Government Association	Leader of the Council
London Southend Airport Consultative Committee	Cllr C. Mumford Cllr J. Stanley
Castle Point Local Action Group	Cllr CIIP nomination
Essex Pension Fund Strategy Board	Cllr C.G Riley
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  
South Essex Children's Partnership Board

Cllr G.I. Isaacs  
Cllr W. Johnson

Civil Military Partnership Board (Veterans UK)

Cllr S. Cole

## **12. DAY AND HOUR OF MEETINGS**

**Resolved** – to approve the Calendar of Meetings for the Council year 2019/2020

Mayor



## **SPECIAL COUNCIL MINUTES**

**17TH JULY 2019**

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 17th July 2019.

### **PRESENT:**

Councillors, C.G. Riley, (The Worshipful the Mayor), A.J. Acott, J. Anderson, D.A. Blackwell, B. Campagna, J.M. Cutler, W.J.C. Dick, Ms.N.B. Drogman, Mrs B. Egan, E. Egan, M.J Fuller, S.Hart, N.R. Harvey, G.I. Isaacs, W. Johnson, C.A. MacLean, P.J. May, C.E. Mumford, B.A. Palmer, J.A. Payne, Mrs. J. Payne, Mrs C.J. Sach, A.G. Sheldon, T.F. Skipp, N.G. Smith, J.A. Stanley, A. Taylor, D.J. Thomas, Mrs J Thornton, M.A. Tucker, P.E. Varker, Mrs L. Wass, and B.S. Wood.

Apologies for absence were received from Councillors Mrs P. Haunts, Mrs J.A. Blissett, S. Cole, D.T. Cross, P.C. Greig, W.K. Sharp, A.C. Walter, and G. St. J. Withers.

### **13. MEMBERS' INTERESTS**

There were none

### **14. AMENDMENTS TO THE CAPITAL STRATEGY AND TREASURY MANAGEMENT STRATEGY**

This Special Meeting of the Council had been convened to approve changes to the Capital Strategy and Treasury Management Strategy for 2019/20, including updated Prudential Indicators and Minimum Revenue Provision (MRP) Policy.

### **15. EXCLUSION OF THE PUBLIC**

**Resolved** that the press and public be excluded from the meeting to allow this item of business to be transacted (Exempt Information under Paragraphs 3 & 5 Schedule 12A Local Government Act 1972 as amended)

**16. AMENDMENTS TO THE CAPITAL STRATEGY AND TREASURY MANAGEMENT STRATEGY** (Exempt Information under Paragraphs 3 and 5 Schedule 12A Local Government Act 1972 as amended)

Council considered a comprehensive report setting out proposals to amend the 2019/20 Capital Strategy and Treasury Management Strategy. Councillors examined and debated the report.

**Resolved unanimously** that following scrutiny, to approve changes to the Capital Strategy and Treasury Management Strategy for 2019/20, including updated Prudential Indicators and Minimum Revenue Provision (MRP) Policy.

**Mayor**

**ORDINARY COUNCIL**

**30th July 2019**

**Subject: Questions from members of the Public**

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**1. Purpose of Report**

Mr Moeller, a local resident has given notice under Council Procedure Rule 8.3 of the following question to the Leader of the Council.

*I would like to ask the Leader of the Council the following question:  
As you know I have been affected by a poor planning decision, seconded by you, my Ward Councillor (Boyce Ward Benfleet) and proposed by Councillor Bill Sharp (St James Ward Hadleigh).*

*In one of the published reports into Councillor Sharp's activities on the Development Control Committee the author recommended further investigation into Councillor Sharp's actions on that Committee, implemented by your predecessor.*

*Could you now give the Borough and myself an update on those proceedings and also please could you give an update on what action is being take on the Planning Improvement Peer Challenge Report carried out in April this year?*

**ORDINARY COUNCIL**

**30th July 2019**

**Subject: Financial Results and Statement of Accounts for 2018/19**

**Cabinet Member: Councillor Stanley – Cabinet Member for Finance, Policy & Resources**

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**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).

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**1 Purpose of Report**

- 1.1 This report submits the financial results and audited Statement of Accounts for 2018/19, 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 A Commercial and Democratically Accountable Council. 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 2018/19 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:

**31<sup>st</sup> 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 are published.

**31<sup>st</sup> 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 2018/19, 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 June and July 2019. There were also rights of public inspection of the accounts and relevant supporting documents during the period 3 June to 12 July 2019. 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.

## **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 2018/19 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 2019/20 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 2018/19 is the final annexe of this report.

- 6.3 A separate report already presented to Audit Committee in July 2019, and also to be subsequently presented to Cabinet in September 2019, summarises the Council's Treasury Management activity for 2018/19.

## **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 2018/19 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 2018/19 Statement of Accounts is summarised as follows:

- May 2019 – Un-audited Statement of Accounts signed and certified by the Strategic Director (Resources), and published on the Council's website.
- June and July 2019 – Ernst and Young external audit of the Statement of Accounts performed.
- July 2019 – Audited Statement of Accounts re-certified by the Strategic Director (Resources).
- 30 July 2019 – Audited Statement of Accounts approved by Council.
- By 31 July 2019 – 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 2018/19, and associated Guidance Notes.

## 2018/19 Summary financial results

### 1 Overview

1.1 Annexe A provides a summary of the 2018/19 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 2019/20 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 **£318k** compared to the revised budget for the year. The balance on the main General Fund reserve at 31 March 2019 was **£5.039m**. Any allocation of reserves above the recommended minimum level of **£2.9m** 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 2019/20 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 **£21k** compared to the revised budget for the year. The balance on the main HRA reserve at 31 March 2019 was **£3.494m**. Any allocation of reserves above the recommended minimum level of **£521k** 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 2019/20 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 **£34k** on General Fund capital expenditure. This overspend will be covered by the application of additional Central Government grant funding. HRA capital expenditure was overspent by **£2k**.
- 4.3 Annexe A Section 5 shows variances in excess of plus or minus **£10k** after approval of budgets carried forward into the 2019/20 financial year, including comments on the variances.

**Summary financial results statement 2018/19**

<b>General Fund (GF) revenue expenditure</b>	<b>£</b>	
Actual net expenditure	(1,733,675)	
Budget carried forward to 2019/20 (Annexe A section 2)	744,400	
Budget transferred to earmarked reserves (Annexe A section 2)	343,000	
Other transfers to / (from) earmarked reserves	1,280,000	
<b>Net total</b>	<b>633,725</b>	
Net revised budget	952,114	
<b>Final variance</b>	<b>(318,389)</b>	Underspend
Variance as a percentage of the gross expenditure and gross income budgets (£114.0m).	-0.28%	
See annexe A section 3 for an explanation of the General Fund variances.		

<b>Housing Revenue Account (HRA) expenditure</b>	<b>£</b>	
Actual net expenditure	(772,765)	
Budget carried forward to 2019/20 (Annexe A section 2)	0	
Other transfers to / (from) earmarked reserves	778,000	
<b>Net total</b>	<b>5,235</b>	
Net revised budget	25,700	
<b>Final variance</b>	<b>(20,465)</b>	Underspend
Variance as a percentage of the gross expenditure and gross income budgets (£14.5m).	-0.14%	
See annexe A section 4 for an explanation of the HRA variances.		

<b>Capital Expenditure Programme - GF</b>	<b>£</b>	
Actual gross expenditure	947,757	
Budget carried forward to 2019/20 (Annexe A section 2)	387,200	
<b>Gross total</b>	<b>1,334,957</b>	
Gross revised budget	1,300,600	
<b>Final variance</b>	<b>34,357</b>	Overspend
Variance as a percentage of the GF Capital Programme budget	2.64%	
See annexe A section 5 for an explanation of the General Fund capital variances.		

<b>Capital Expenditure Programme - HRA</b>	<b>£</b>	
Actual gross expenditure	1,325,161	
Budget carried forward to 2019/20 (Annexe A section 2)	565,200	
<b>Gross total</b>	<b>1,890,361</b>	
Gross revised budget	1,888,600	
<b>Final variance</b>	<b>1,761</b>	Overspend
Variance as a percentage of the HRA Capital Programme budget.	0.09%	
See annexe A section 5 for an explanation of the HRA capital variances.		

**Budgets carried forward to 2019/20**

In accordance with the Council's Financial Regulations, the following budgets have been approved by the Strategic Director (Resources) for carry forward into 2019/20 or transfer into earmarked reserves.

<b>General Fund</b>	
<b>Central and Corporate Services</b>	
1 Corporate Costs	95,200
	<u>95,200</u>
<b>Communities and Housing</b>	
2 Revenue Services and Benefits	75,700
3 Land Charges	2,400
4 Partnerships and Community Engagement	20,400
	<u>98,500</u>
<b>Environment</b>	
5 Street Scene and Operational Services	96,600
6 Refuse and Recycling Collection	30,500
7 Parks and Open Spaces	95,000
8 Leisure Centres, Golf Course and Halls	60,100
	<u>282,200</u>
<b>Governance, Law, Planning and Regeneration</b>	
9 Planning and Regeneration	169,400
10 Civic Governance and Elections	24,000
	<u>193,400</u>
<b>Resources</b>	
11 Information Technology Unit	11,300
12 Human Resources	900
	<u>12,200</u>
<b>Other Operating Income and Expenditure</b>	
13 Other Operating Income and Expenditure	405,900
	<u>405,900</u>
<b>Total</b>	
<b>General Fund total:</b>	<b><u>1,087,400</u></b>
Of the above total £70,700 (6.5%) relates to unspent external grant funding.	

**Housing Revenue Account**

There are no Housing Revenue Account roll forwards

**Capital Programme****GENERAL FUND****Resources**

1	IT Hardware & software	360,900
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**Communities and Housing**

2	Hatley Gardens	26,300
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<b>General Fund total:</b>	<b>387,200</b>
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**HOUSING REVENUE ACCOUNT (HRA)**

3	Total annual programmes for replacement and repair	565,200
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<b>HRA total:</b>	<b>565,200</b>
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**Total**

<b>Overall Capital Programme total:</b>	<b>952,400</b>
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<b>General Fund</b>		Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2019/20, or transferred into earmarked reserves.	
		Variance Over/(under) £	Commentary
<b>Central and Corporate Services</b>			
1	All Corporate Costs	55,354	Variance primarily due to an increase in the provision for bad debts above the budgeted amount.
<b>Communities and Housing</b>			
2	Homelessness & Housing Advice	55,563	Increased net cost of B&B accommodation due to roll out of new temporary accommodation charging policy, offset by savings on benefit budgets. Higher than anticipated bad debt provision required on temporary accommodation.
3	Revenue Services, Benefits and Tax Collection	(131,122)	Additional flexible homelessness grant was received (net of £20k after offsetting an increase in bad debt provision), which in part offsets the increased B&B accommodation costs (above). Remainder of underspend is due to some lower than expected costs within the year, such as debt recovery charges (£22k) There was also additional income received, as costs recovered through court action was higher than the prudent target set (£78k).
4	Land Charges	(26,403)	Charges from Essex County Council for search fees were lower than anticipated this year (£6k). Income achieved was higher than expected after a relatively slow start to the year (£13k additional income).
5	Partnerships, Licensing and Community Engagement	(16,310)	Additional income received in licensing; due to removal of the knowledge test we have seen an increase in new driver applications.
<b>Environment</b>			
6	Refuse and Recycling Collection	20,023	Variance due to slightly higher agency staff than budgeted (£18k) and lower recycling credit income than budgeted (£20k). Partly offset by lower fuel costs than budgeted (£13k).

<b>General Fund (continued)</b>		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2019/20, or transferred into earmarked reserves.		
	Variance Over/(under) £	Commentary
<b>Governance, Law, Planning and Regeneration</b>		
7 Planning Services and Regeneration	(74,951)	Income in both Development Control and Building Control exceeded prudent estimates.
<b>Resources</b>		
8 Information Technology Unit	26,455	Increase in licence and maintenance costs of some systems, partly offset by reductions in general hardware purchases. Variance offset by amount drawn from the IT projects earmarked reserve to avoid any impact on General Fund balance.
9 Facilities Management	(24,786)	Cumulative savings on caretaker, cleaning & Emergency Planning officer staffing costs and also on training costs.
<b>Other Operating Income and Expenditure</b>		
10 Other Operating Income and Expenditure	(306,145)	Additional grants from Central Government received in March 2019, and transferred to earmarked reserves for future usage. Also additional income from the Essex business rates pool.
Net total of all other variances		
<b>Net General Fund over / (under) spend</b>		103,932
		<u><u>(318,389)</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 2019/20.		
	Variance Over/(under)	Commentary
	£	
<b>Income</b>		
1 Rents	20,074	Rental income from garages below expected levels due to higher void levels than anticipated.
<b>Expenditure</b>		
2 Supervision and Management	18,043	Additional costs of sheltered housing laundry contract above budgeted amount.
3 Other Service Expenditure	(50,939)	Reduced provision for bad debt on HRA properties, partly offset by increased utility bill costs.
<b>Other Operating Income and Expenditure</b>		
4 Capital items and other adjustments	(14,176)	Increased interest received on HRA balances above budgeted levels, partly offset by asset valuation adjustments.
<b>Net total of all other variances</b>		
	6,534	
<b>Net HRA over / (under) spend</b>		
	<u>(20,465)</u>	

<b>Capital Expenditure Programme</b>		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2019/20.		
	Variance Over/(under) £	Commentary
<b>General Fund</b>		
<b>Environment</b>		
1 Disabled Facilities Grants	37,074	More grants completed than anticipated in year. Additional spend offset by government funding.
Total of all other variances		
<b>Capital Programme over / (under) spend</b>	<b>(956)</b> <u><u>36,118</u></u>	



## Supporting information for the benefit of Members

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### 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 2018/19, 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 47 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 2018/19 accounts there are the following items to note:

1. The implementation of two accounting standards
  - a. IFRS9 – (Financial Instruments) specifies how financial assets and liabilities should be classified and disclosed within the accounts;
  - b. IFRS15 – (Revenue from contracts with customers) introduces a new model for assessing and recognising income from customers.
 Neither have had any significant impact on the accounts.

2. In line with the 2018/19 Code of Practice, it is no longer permitted to include internal recharges between services within Net Cost of Services on the Comprehensive Income and Expenditure Statement. These are however still included in the Expenditure and Funding Analysis. This required a restatement of the 2017/18 figures for comparison. A full disclosure of the changes to the figures are on page 51 of the Statement of Accounts.

### 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 100;
- Movement on the Housing Revenue Account (HRA) Statement – page 101, and
- Collection Fund Income and Expenditure Account – pages 104 and 105.

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 11 to the Core Financial Statements, on pages 62 to 65 of the Statement of Accounts.

The tables on the following pages of this annexe provides an analysis of high level summary movements between 2017/18 and 2018/19 on the amounts reported on the CI&ES. A summary of variances against revised budgets for 2018/19 with explanations can be found in Annexe A.

Members are advised that the changes mentioned below relating to capital accounting entries 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.

<b>Environment:</b>	£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	225
• Changes in premises and land costs, including utilities and repairs / maintenance	(675)
• Changes in travel and transport costs	6
• Changes in supplies, services, equipment and similar costs	(62)
• Changes in computer and ICT related costs	33
• Changes in contracts and other external payments	262
• Changes in grants and donations to voluntary and other organisations	(64)
• Changes in grounds maintenance and street cleansing contract costs	72
• Changes in capital related costs	(442)
• Changes in income from fees and charges, rents, etc.	(485)
• Changes in grants and contributions and other income received	(52)
• Net total of all other changes in income and expenditure	(3)
<b>Total net increase/(decrease) from 2017/18 to 2018/19</b>	<b>(1,185)</b>

<b>Governance, Law, Planning and Regeneration</b>	£000s
This includes Building Control, Development Control, Planning Policy, Regeneration, Civic Governance, Elections and Law.	
• Changes in staffing costs, including agency and pension costs	142
• Changes in premises and land costs, including utilities and repairs / maintenance	0
• Changes in travel and transport costs	2
• Changes in supplies, services, equipment and similar costs	(3)
• Changes in computer and ICT related costs	41
• Changes in contracts and other external payments	321
• Changes in grants and donations to voluntary and other organisations	0
• Changes in election expenses	(71)
• Changes in capital related costs	33
• Changes in income from fees and charges, rents, etc	(61)
• Changes in grants and contributions and other income received	184
• Net total of all other changes in income and expenditure	(6)
<b>Total net increase/(decrease) from 2017/18 to 2018/19</b>	<b>582</b>

<b>Housing and Communities – General Fund:</b>		£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		179
• Changes in premises and land costs, including utilities and repairs / maintenance		(3)
• Changes in travel and transport costs		(2)
• Changes in supplies, services, equipment and similar costs		16
• Changes in computer and ICT related costs		33
• Changes in contracts and other external payments		(52)
• Changes in grants and donations to voluntary and other organisations		(15)
• Changes in net homelessness costs		47
• Changes in net housing benefits expenditure and subsidy		172
• Changes in bad debt provisions		7
• Changes in capital related costs		1
• Changes in income from fees and charges, rents, etc		(137)
• Changes in grants and contributions and other income received		3
• Net total of all other changes in income and expenditure		1
<b>Total net increase/(decrease) from 2017/18 to 2018/19</b>		<b>250</b>

<b>Housing and Communities – Housing Revenue Account (HRA):</b>		£000s
This includes all costs and income relating to the Council's housing stock.		
• Changes in staffing costs, including agency and pension costs		(12)
• Changes in premises and land costs, including utilities and repairs / maintenance		275
• Changes in travel and transport costs		4
• Changes in supplies, services, equipment and similar costs		9
• Changes in computer and ICT related costs		48
• Changes in contracts and other external payments		73
• Changes in bad debt provisions		(131)
• Changes in capital related costs		102
• Changes in income from fees and charges, rents, etc		261
• Changes in grants and contributions and other income received		0
• Net total of all other changes in income and expenditure		0
<b>Total net increase/(decrease) from 2017/18 to 2018/19</b>		<b>629</b>

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

<b>Resources:</b>	£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	34
• Changes in premises and land costs, including utilities and repairs / maintenance	5
• Changes in travel and transport costs	0
• Changes in supplies, services, equipment and similar costs	(6)
• Changes in computer and ICT related costs	11
• Changes in contracts and other external payments	5
• Changes in capital related costs	(12)
• Changes in income from fees and charges, rents, etc	12
• Changes in grants and contributions and other income received	(4)
• Net total of all other changes in income and expenditure	1
<b>Total net increase/(decrease) from 2017/18 to 2018/19</b>	<b>46</b>

<b>Central and Corporate Services:</b>	£000s
This includes the Chief Executive, Members and also other miscellaneous corporate costs.	
• Changes in staffing costs, including agency and pension costs	(172)
• Changes in premises and land costs, including utilities and repairs / maintenance	6
• Changes in travel and transport costs	(4)
• Changes in supplies, services, equipment and similar costs	(2)
• Changes in computer and ICT related costs	0
• Changes in external auditor fees	1
• Changes in bad debt provisions	(63)
• Changes in members allowances and other members costs	9
• Changes in contracts and other external payments	(17)
• Changes in capital related costs	2
• Changes in income from fees and charges, rents, etc	12
• Changes in grants and contributions and other income received	0
• Net total of all other changes in income and expenditure	6
<b>Total net increase/(decrease) from 2017/18 to 2018/19</b>	<b>(222)</b>

**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 2018/19 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 2018/19 was 0.65%. The average funds invested during the year were £32.1m. A separate item to Audit Committee in July and Cabinet in September 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 2019. 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 2018, with other specific assets also revalued at 31 December 2018 and 31 March 2019. Investment Properties were revalued at 1 April 2018 and Council Houses were revalued as at 31 December 2018. Council Houses were revalued again as at 31 March 2019. 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 increased by £4.3m, including accrued interest.

**Short term debtors:**

The amounts included in short term debtors are analysed into categories in note 14 on page 79 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 17 on page 80 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 consist of Non-Domestic Rates appeals. Further information can be found in Note 21 on page 96 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 2019 is £26.7m.

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.

The Council maintains several earmarked reserves, set aside from the General Fund and HRA balances to fund specific future expenditure plans. Individual earmarked reserves of a significant value are supported by detailed spending forecasts and may span several financial years. There is a schedule of balances on page 66 of the Statement of Accounts. Further information can also be found in the Policy Framework and Budget Setting report for 2019/20.

- **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 2019 is £99.7m.

## 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 2018/19 was an increase of £26k.

## Housing Revenue Account (HRA) Income and Expenditure Statement – Page 100 & Movement on the Housing Revenue Account (HRA) Statement – Page 101

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 £0.88 to £87.05. Void losses also increased to 1.22% which 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 2018/19 dropped from 2017/18, partly because of reduced charges to leaseholders, but predominantly as a result of a one off receipt of £148k for an insurance claim for fire damage in 2017/18.

### Expenditure:

#### Repairs and maintenance:

Repair and maintenance expenditure was £269k higher than the previous year, due to work undertaken in respect of the painting programme on council owned properties.

**Supervision and management:**

The cost of supervision and management for the year rose by £100k reflecting predominantly an increase in investment in IT (£48k), promotion of the transfer incentive scheme (£14k) and investment in sheltered scheme equipment (£28k).

**Rents, rates, taxes and other charges:**

There was an increase in costs of £24k on rents, rates and taxes compared to the previous year due to utility costs and council tax payments being higher in 2018/19.

**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 1% decrease in the value of the Housing Stock at 31 March 2019 and this decrease is reflected within this line.

Changes in valuation are 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 103.

**Change in provision for bad debts:**

The value of this provision is recalculated annually on tenant's arrears and for 2018/19 has been increased by just £3k following a substantial increase in 2017/18.

**Housing Revenue Account surplus carried forward:**

The minimum level of reserves recommended by the Strategic Director (Resources) at 31 March 2019 was £521k. At that date HRA reserves exceeded this level, at £3.5m, with the balance remaining broadly static in 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 2018/19 the Collection Fund reported a surplus on Council Tax of £1.1m and a deficit on National Non-Domestic Rates of £468k. 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.