

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Cabinet

Date: Tuesday, 13th February, 2018

Place: Committee Room 1 - Civic Suite

Present: Councillor J Lamb (Chair)
Councillors A Holland (Vice-Chair), T Byford, J Courtenay, T Cox,
M Flewitt, A Moring and L Salter

In Attendance: Councillors N Folkard, C Mulroney and D Norman MBE
J K Williams, A Lewis, J Chesterton, J Ruffle, C Gamble, I Ambrose,
E Cooney, S Crowther, A Griffin, S Houlden and C Robinson

Start/End Time: 2.00 p.m. - 2.15 p.m.

734 Apologies for Absence

There were no apologies for absence.

735 Declarations of Interest

The following interests were declared at the meeting:-

(a) Councillor Holland – Minute 736 (HRA Budget 2018/19 and Rent Setting) – Non-pecuniary interest – son works in housing support;

(b) Councillor Flewitt – Minute 736 (HRA Budget 2018/19 and Rent Setting) – Non-pecuniary interest – friends and family are South Essex Homes tenants;

(c) Councillor Mulroney – Minute 740 (General Fund Revenue Budget 2018/19) – Non-pecuniary interest – member of Leigh Town Council;

736 Housing Revenue Account Budget 2018/19 and Rent Setting

The Cabinet considered a joint report of the Deputy Chief Executive (People) and Director for Finance and Resources setting out the Housing Revenue Account (HRA) budget for 2018/19, together with the information necessary to set a balanced budget as required by legislation. This item had been considered by Policy and Resources Scrutiny Committee at its meeting on 31st January 2018.

Recommended:-

1. That a rent reduction of 1% on secure tenancies, as required by the Welfare Reform and Work Act 2016, be approved.
2. That an average rent increase of 6.04% on shared ownership properties, be approved.

3. That the proposed rent changes in 1 and 2 above be effective from 2nd April 2018.
4. That the increases in other charges as set out in section 5 of the submitted report, be approved.
5. That the proposed management fee and the proposed increases in service charges and heating charges by South Essex Homes, as set out in section 6 of the submitted report, be approved.
6. That the appropriations to HRA earmarked reserves, as set out in section 9 of the submitted report be approved.
7. That subject to 1-6 above, the HRA budget as set out in Appendix 1 to the submitted report, be approved.
8. That the HRA Medium Term Financial Plan as set out in section 10 and Appendices 2 and 3 to the submitted report be noted.
9. That the value of the Council's capital allowance for 2018/19 be declared as £23.197M, as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

Reason for Recommendation

Part of the process of maintaining a balanced budget for the HRA is to consider and set a rent rise (and associated increases in other income streams). Full Council need to approve the HRA budget prior to the start of the financial year.

Other Options

Given the statutory nature of the required reduction in rents, there is limited scope to alter the budget.

Note:- This is a Council Budget Function, not eligible for call in by virtue of Budget and Policy Framework Procedure Rule 1.1(b)
Executive Councillor:- Flewitt

737 Capital Programme 2018/19 to 2021/22

The Cabinet considered a report of the Corporate Management Team setting out the proposed programme of capital projects for 2018/19 to 2021/22. This item had been considered by all three Scrutiny Committees.

Recommended:-

1. That the current approved Programme for 2018/19 to 2021/22 of £166.5m, as set out in Appendix 1 to the submitted report, be noted.
2. That the changes to the approved Programme as set out in Appendix 2 to the submitted report, be approved.

3. That the proposed new schemes and additions to the Capital Programme for 2018/19 to 2019/20 totalling £20.1m, as set out in Appendices 6 and 7 to the submitted report, be approved.

4. That the proposed schemes subject to external funding approval for the period 2018/19 to 2021/22 totalling £19.0m, as set out in Appendices 2 and 7 of the submitted report be approved.

5. That it be noted that the proposed new schemes and additions as set out in Appendices 6 and 7 to the submitted report, and other adjustments as set out in Appendix 2 to the report will result in a proposed capital programme of £192.0m for 2018/19 to 2021/22 set out in Appendix 8.

6. That it be noted that of the total programme of £192.0m for the period 2018/19 to 2021/22, the level of external funding supporting this programme is £75.0m, as set out in paragraph 9.1 of the submitted report.

7. That it be noted that a final review has been undertaken on the 2017/18 projected outturn and that the results have been included in the submitted report.

8. That the proposed Capital Programme for 2017/18 to 2021/22, as set out in Appendix 8 to the submitted report, be approved.

9. That the Capital Strategy for 2018/19 to 2021/22, as set out in Appendix 9 to the submitted report, be approved.

Reason for recommendation

The proposed Capital Programme is compiled from a number of individual projects which either contribute to the delivery of the Council's objectives and priorities or enhances the Council's infrastructure.

Other Options

The proposed Capital Programme is compiled from a number of individual projects, any of which can be agreed or rejected independently of the other projects.

Note:- This is a Council Budget Function, not eligible for call in by virtue of Budget and Policy Framework Procedure Rule 1.1(b)

Executive Councillor:- Lamb

738 Treasury Management and Prudential Indicators 2018/19

The Cabinet considered a report of the Chief Executive concerning the Treasury Management Policy for 2018/19 and the requirement for Prudential indicators to be set under the Local Government Act 2003.

Recommended:-

1. That the Treasury Management Policy Statement set out at Appendix 1 to the submitted report, be approved.

2. That the Treasury Management Strategy set out at Appendix 2 to the submitted report, be approved.
3. That the Annual Investment Strategy set out at Appendix 3 to the submitted report, be approved.
4. That the Minimum Revenue Provision (MRP) Policy set out at Appendix 5 to the submitted report, be approved.
5. That the prudential indicators set out at Appendix 6 to the submitted report, be approved.
6. That the operational boundary and authorised limits for borrowing for 2018/19 be set at £285m and £295m respectively as set out in Appendix 1 to the submitted report.

Reason for Recommendation

1. Recommendations 1-3 above are to comply with the CIPFA Treasury Management Code of Practice.
2. Recommendation 4 above is to comply with the Local Authority's general duty to charge an amount of MRP to revenue which it considers to be prudent.
3. Recommendations 5 and 6 above are to demonstrate compliance with the CIPFA Prudential Code for Capital Finance in Local Authorities.

Other Options

There are many options available for the operation of the Treasury Management function, with varying degrees of risk associated with them. The Treasury Management Policy set out in the report aims to effectively control risk to within a prudent level, whilst providing optimum performance consistent with that level of risk.

Note:- This is a Council Budget Function, not eligible for call in by virtue of Budget and Policy Framework Procedure Rule 1.1(b)
Executive Councillor:-Moring

739 Fees and Charges 2018/19

The Cabinet considered a report of the Corporate Management Team detailing fees and charges for services included in the budget proposals for 2018/19. This item had been considered by all three Scrutiny Committees.

Recommended:-

That the proposed fees & charges for each Department as contained within the body of the submitted report and its appendices, be approved.

Reason for Recommendation

Part of the process of maintaining a balanced budget includes a requirement to consider the contribution that fees and charges make towards that aim. The report is in fulfilment of that requirement.

Other Options

None

Note:- This is a Council Budget Function, not eligible for call in by virtue of Budget and Policy Framework Procedure Rule 1.1(b)
Executive Councillor:- Lamb

740 General Fund Revenue Budget 2018/19

The Cabinet considered a report of the Corporate Management Team presenting a 2018/19 General Fund revenue budget including schools and a proposal for the level of Council Tax for 2018/19. This item had been considered by all three Scrutiny Committees.

The Director of Finance and Resources reported the position on the Local Government Finance Settlement which would be reflected in the final budget report to be submitted to Council.

Recommended:-

(a) In respect of 2017/18:

1. That the forecast outturn of £123.153 million be noted
2. That the appropriation of the sums to earmarked reserves totalling £9.868 million, as set out in detail in Appendix 16 to the submitted report be approved.
3. That the appropriation of the sums from earmarked reserves totalling £19.069 million, as set out in detail in Appendix 16 of the submitted report be approved.

(b) In respect of 2018/19 and later years:

1. That the Section 151 Officer's (Director of Finance and Resources) report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy as set out in Appendix 1 to the submitted report be acknowledged.
2. That a General Fund net revenue budget for 2018/19 of £122.989 million, as set out in Appendix 3 of the submitted report and any required commencement of consultation, statutory or otherwise be approved.
3. That a Council Tax increase of 4.49% for the Southend-on-Sea element of the Council Tax for 2018/19, being 2.99% for general use and 1.5% for Adult Social Care be approved.

4. That it be noted that the 2018/19 revenue budget has been prepared on the basis of using £2.5 million from the Collection Fund for the core budget to allow for a smoothing of the budget gap across the next three financial years.

5. That the position of the Councils preceptors be noted as follows:

- Essex Police – approved Council Tax increase of 7.62%;
- Essex Fire & Rescue Services – approved Council Tax increase of 2.99%;
- Leigh-on-Sea Town Council - approved precept increase of 1.96%.

6. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2018/19.

7. That the appropriation of the sums to earmarked reserves totalling £11.768 million, as set out in Appendix 16 of the submitted report be approved.

8. That the appropriation of the sums from earmarked reserves totalling £6.894 million, as set out in Appendix 16 of the submitted report be approved.

9. That the schools' budget and its relevant distribution as recommended by the Education Board and as set out in Appendix 2 of the submitted report be approved.

10. That the on-going investment required of £3.775 million, as set out in Appendices 12 and 13 of the submitted report, and the General Fund and Public Health savings required of £7.594 million, as set out Appendices 14 and 15, and the subsequent individual service cash limits for 2018/19, as contained in Appendices 3 to 11 of the report, be approved.

11. That the direction of travel for 2019/20 and beyond, as set out in Section 11 of the submitted report, be endorsed.

12. That the revised Medium Term Financial Strategy up to 2021/22, as set out in Appendix 17 of the submitted report be approved..

13. That authority be delegated to the Director of Finance and Resources (S151 Officer), in consultation with the Leader of the Council, to make the required changes to the Council Budget following the final Local Government Finance settlement and other related Government announcements.

Reason for recommendations

Budget setting is at the core of the Council's corporate planning framework. It is a complex process that is fully integrated with strategic and service planning. Annually, prior to the start of the financial year, the Council agrees its budget using a consistent, transparent and prudent approach.

Other Options

None

Note:- This is a Council Budget Function, not eligible for call in by virtue of Budget and Policy Framework Procedure Rule 1.1(b)

Executive Councillor:- Lamb

Chairman: _____

