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Southend-on-Sea Borough Council

Legal & Democratic Services

Strategic Director: John Williams

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18 February 2019

Dear Councillor,

THE COUNCIL - THURSDAY, 21ST FEBRUARY, 2019

Please find enclosed, for consideration at the next meeting of the Council taking place on Thursday, 21st February, 2019, at 6.30pm the following minutes that were unavailable when the agenda was printed.

Agenda No	Item
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- | | |
|-----------|--|
| 21 | <u>Minutes of the meeting of Cabinet held Tuesday 12th February 2019</u>
(Pages 1 - 8) – Minutes attached |
| 22 | <u>Minutes of the meeting of Appeals Committee A held Tuesday 12th February 2019</u>
– Minutes attached |

Robert Harris
Principal Democratic Services Officer
Legal & Democratic Services

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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Cabinet

Date: Tuesday, 12th February, 2019
Place: Committee Room 1 - Civic Suite

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

In Attendance: Councillors D Garne, A Jones and C Mulrone
A Griffin, J K Williams, S Leftley, A Lewis, J Chesterton, J Ruffle,
C Gamble, I Ambrose, E Cooney, G Gilbert, A Keating and R Sharp

Start/End Time: 2.00 pm - 2.30 pm

697 Apologies for Absence

There were no apologies for absence at this meeting.

698 Declarations of Interest

The following Councillors declared interests as indicated:

(a) Councillor Flewitt – Minute 700 (HRA Budget 2019/20 and Rent Setting) – non-pecuniary interest – friends and relatives are tenants of South Essex Homes.

(b) Councillor Mulrone – Minute 703 (General Fund Revenue Budget 2019/20) – Non-pecuniary interest - Chair of Leigh Town Council.

699 Better Queensway Regeneration Project

The Cabinet considered a report of the Deputy Chief Executive (Place) concerning the outcome of the procurement process and requesting agreement to the appointment of a 50/50 joint venture (JV) partner to work with the Council to deliver the Better Queensway regeneration project in accordance with the agreed objectives for the project.

On consideration of the report, the Cabinet Members expressed their appreciation to the officers of the Better Queensway Project Team in recognition of their sterling work in connection with the project.

Resolved:

1. That Swan Housing Association (Swan) be appointed as the preferred bidder, and subsequently the joint venture partner following the conclusion of the competitive dialogue process undertaken in compliance with the Public Contracts Regulations 2015.

2. That a limited liability partnership (LLP) be established with Swan through a Swan subsidiary company.

3. That the Chief Executive, in consultation with the Leader, be authorised to:

(a) Negotiate the final details of, and then enter into, the following agreements:

- LLP partnership agreement;
- Land agreement;
- Compulsory Purchase Order (CPO) Indemnity Agreement;
- Development and purchase agreement;
- Such further agreements that the Council are party to which are required to enable the delivery of the Project;
- Any ancillary agreements or documents necessary to give effect to the constitution, implementation and functioning of the LLP in accordance with the submitted report and appendices.

(b) Establish and implement a process for the on-going selection and appointment of appropriate individuals to the board of the LLP.

4. That the Chief Executive and S151 Officer, in consultation with the Leader, be authorised to identify, declare surplus and dispose of assets to the LLP (subject to the Council's obligations under S123 of the Local Government Act 1972 or any such other statute that is appropriate for any such disposal) and acquire assets within the Project boundary for the purpose of facilitating the delivery of the Project.

Recommended:

5. That an investment of £1.5M equity and £13.5M junior debt be made by the Council to match the level of investment by Swan, and that the capital investment programme for 2019/20 to 2023/24 be adjusted to reflect this.

6. That the terms of reference of the Council's Shareholder Board be amended to include this joint venture.

Reasons for decision:

The Council has undertaken a procurement process which is fully compliant with the Public Contracts Regulations 2015. Swan's submission has been evaluated and demonstrates that Swan is not only able to meet the Council's agreed red line requirements, but also that they have developed an example scheme that delivers significant value against a challenging set of evaluation criteria.

Other options:

To withdraw from the procurement and abandon the process of appointing the JV partner. This is not recommended due to the significant potential risks associated with this course of action, which are identified in paragraph 3.27 of the submitted report.

The result of such a decision would be a termination of the regeneration of the Queensway site and the benefits of the Project would not be delivered. Existing residents would continue with the status quo until an alternative could be identified and the costs of it met.

Note: This is an Executive Function save that Recommendations 5 and 6 above are Council Functions.

700 **Housing Revenue Account Budget 2019/20 and Rent Setting**

The Cabinet considered a joint report of the Deputy Chief Executive (People) and Strategic Director (Finance and Resources) setting out the Housing Revenue (HRA) budget for 2019/20, together with the information necessary to set a balanced budget as required by legislation. This item was considered by the Policy and Resources Scrutiny Committee.

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 4.86% on shared ownership properties, be approved.
3. That the proposed rent changes in 1 and 2 above be effective from 1 April 2019.
4. That the increase in garage rents by 2.5% to £11.70 per week for tenants (£14.04, being £11.70 plus VAT for non-tenants), with all variants on a standard garage receiving a proportionate increase, be approved.
5. That the South Essex Homes core management fee of £5,738,000 for 2019/20, be approved, with additional one-off funding also being made available of:
 - £10,000 for the data cleansing, training and embedding of new data protection practices in compliance with General Data Protection Regulations (GDPR); and
 - £140,000 to undertake a project to achieve better integration between the various ICT systems that the company uses, with the aim to achieve efficiencies going forward.
6. That the South Essex Homes proposals for average changes of 4% in service charges and 17% in heating charges, be approved.
7. That the following appropriations, be approved:
 - £60,000 to the Repairs Contract Pensions earmarked reserve;
 - £1,397,000 to the Major Repairs earmarked reserve; and
 - £272,000 HRA to the Capital Investment earmarked reserve.
8. That, subject to 1 to 7 above, the HRA budget as set out in Appendix 1 to the submitted report, be approved.
9. That the value of the Council's capital allowance for 2019/20 be declared as £49.601M, as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

Reasons for decision:

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:

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)
Cabinet Member: Cllr Cox

701 Capital Investment Programme 2019/20 to 2023/24

The Cabinet considered a report of the Strategic Director (Finance and Resources) setting out a proposed programme of capital investment and its funding for the period 2019/20 to 2023/24. This item was considered by all three Scrutiny Committees.

Resolved:

1. That the current approved programme for 2019/20 to 2021/22 of £153.1m as set out in Appendix 1 to the submitted report, be noted.

2. That the Capital Investment Strategy for 2019/20 to 2023/24, as set out in Appendix 2 to the report, be approved.

3. That the following be approved:

(i) New schemes and additions to the Capital Investment Programme for the period 2019/20 to 2023/24 totalling £14.5m for the General Fund and £20.8m for the Housing Revenue Account (Appendix 6 to the submitted report);

(ii) Schemes subject to external funding approval for the period 2019/20 to 2020/21 totalling £3.0m (Appendix 6 to the report);

(iii) Schemes subject to viable business cases for the period 2019/20 to 2021/22 totalling £48.6m (Appendices 6 and 7 to the report).

4. That the changes to the approved programme (Appendix 7 to the report), be approved.

5. That it be noted that the approved Programme will result in a proposed Capital Investment Programme of £194.9m for 2019/20 to 2023/24, as set out in Appendix 7 to the report, of which £74.3m is supported by external funding and that the total programme increases to £246.5m if all business cases and external funding schemes are approved.

6. That, subject to the final Business Case sign off for the new care facility at Priory from the Deputy Chief Executive (People) and Strategic Director (Finance and Resources), in consultation with the Cabinet Member for Adults and Housing, the budget of £11.581m be moved to the main programme.

7. That it be noted that a final review has been undertaken on the 2018/19 projected outturn and the results will be included in the submitted report.

8. That the proposed Capital Investment Programme for 2018/19 to 2023/24, as set out in Appendix 8 to the report, be approved.

Reasons for decision:

The Capital Investment Programme is compiled from a number of individual projects which either contribute to the delivery of the Council's ambition and desired outcomes or enhance the Council's infrastructure.

Other options:

The Capital Investment 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)
Cabinet Member: Cllr Lamb

702 Treasury Management and Prudential Indicators 2019/20

The Cabinet considered a report of the Strategic Director (Finance and Resources) concerning the Treasury Management Policy and Strategy for 2019/20 and the requirement for prudential indicators to be set under the Local Government Act 2003. This item was considered by the Policy and Resources Scrutiny Committee.

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 report, be approved.
3. That the Annual Treasury Management Investment Strategy set out at Appendix 3 to the report, be approved.
4. That the Minimum Revenue Provision (MRP) Policy set out at Appendix 5 to the report, be approved.
5. That the prudential indicators set out at Appendix 6 to the report, be approved.
6. That the operational boundary and authorised limits for borrowing for 2019/20 be set at £290m and £300m respectively as set out in Appendix 1 to the 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)

Cabinet Member: Cllr Lamb

703 General Fund Revenue Budget 2019/20

The Cabinet considered a report of the Corporate Management Team presenting a 2019/20 General Fund revenue budget including schools and a proposal for the level of Council Tax for 2019/20. This item was considered by all three Scrutiny Committees.

Recommended:

In respect of 2018/19:

1. That the forecast outturn of £76.209 million, be noted.
2. That the appropriation of the sums from earmarked reserves totalling £14.283 million, as set out in detail in appendix 13 to the submitted report, be approved.
3. That the appropriation of the sums from earmarked reserves totalling £7.595 million, as set out in appendix 13 to the report, be approved.

In respect of 2019/20 and later years:

4. That the Section 151 Officer's (Strategic 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 report, be acknowledged.
5. That a General Fund net revenue budget for 2019/20 of £80.755 million, as set out in appendix 3 to the report, and any required commencement of consultation, statutory or otherwise, be approved.
6. That a Council Tax increase of 4.49% for the Southend-on-Sea element of the Council Tax for 2019/20, being 2.99% for general use and 1.5% for Adult Social Care, be approved.

7. That it be noted that the 2019/20 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.

8. That the position of the Council's preceptors be noted as follows:

- Essex Police – approved Council Tax 14.16%;
- Essex Fire & Rescue Services – approved Council Tax increase of 2.94%;
- Leigh-on-Sea Town Council – approved precept increase of 1.73%.

9. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2019/20.

10. That the appropriation of the sums from earmarked reserves totalling £9.429 million, as set out in appendix 13 to the report, be approved.

11. That the appropriation of the sums from earmarked reserves totalling £7.891 million, as set out in appendix 13 to the report, be approved.

12. That the schools' budget and its relevant distribution as recommended by the Education Board and as set out in appendix 2 to the report, be approved.

13. That the on-going budget investment required of £6.610 million (appendix 11 to the report) and the General Fund and Public Health budget reductions required of £4.363 million (appendix 12 to the report) and the subsequent individual service cash limits for 2019/20, as contained in appendices 3 to 10 of the report, be approved.

14. That the one-off investment items, as set out in paragraph 5.28 and included within the appropriations set out in appendix 13 to the report, be approved.

15. That the direction of travel for 2020/21 and beyond and in particular noting the need for the organisation to move to a longer term and outcome based budgeting approach, be endorsed.

16. That the revised Medium Term Financial Strategy up to 2023/24, set out in appendix 14 to the report, be approved.

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

704 Exclusion of the Public

Resolved:-

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below, on the grounds that it would involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

705 Better Queensway Regeneration Project

Resolved:

That the confidential appendix 2 to the Better Queensway Regeneration Project report, be noted.

Note: This is an Executive Function
Referred direct to Special Place Scrutiny Committee
Cabinet Member: Cllr Courtenay

Chairman: _____

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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Appeals Committee A

Date: Tuesday, 12th February, 2019

Place: Committee Room 7

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Present: Councillor F Evans (Chair)
Councillors S Habermel (Vice-Chair), B Ayling, R Hadley and
*B Arscott

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: R Harris

Start/End Time: 5.30 - 5.55 pm

706 Apologies for Absence

Apologies for absence were received from Councillors Buckley (substitute: Cllr Arscott), Borton (no substitute) and Dent (substitute: Cllr Jones who also sent apologies).

707 Declarations of Interest

Councillor Evans – Minute 709 (Education Transport Appeal – Pupil BI) – non-pecuniary Interest – Lives in close proximity to the appellant (withdraw).

708 Exclusion of the Public

Resolved:-

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the items of business set out below, on the grounds that they would involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

709 Education Transport Appeal - Pupil BI

The Committee considered a report of the Deputy Chief Executive (People) together with supporting correspondence from the parent of pupil BI in connection with an application for home to school transport assistance.

Resolved:-

That there being no circumstances reported which would justify a departure from Council policy, the appeal be dismissed.

710 Education Transport Appeal - Pupil KHP

The Committee considered a report of the Deputy Chief Executive (People) together with supporting correspondence from the parent of pupil KHP in connection with an application for home to school transport assistance.

Resolved:-

That there being no circumstances reported which would justify a departure from Council policy, the appeal be dismissed.

Chairman: _____