

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Cabinet

Date: Thursday, 11th February, 2016

Place: Committee Room 1 - Civic Suite

Present: Councillor Woodley (Chair)
Councillors Gilbert (Vice-Chair), Jones, Moyies, Norman MBE,
Terry and Betson

In Attendance: Councillors Habermel, Lamb, Longley and Mulroney.
R Tinlin, J Williams, C Gamble, J Chesterton, J Ruffle, S Holland,
S Leftley, A Lewis, A Atherton, I Ambrose, A Keating and C
Fozzard.

Start/End Time: 2.00 - 2.12 pm

643 Apologies for Absence

There were no apologies for absence.

644 Declarations of Interest

There were no declarations of interest.

645 Housing Revenue Account Budget 2016/17 and Rent Setting

The Cabinet considered a joint report of the Corporate Director for Corporate Services and Corporate Director for People setting out the Housing Revenue Account (HRA) budget for 2016/17, together with the information necessary to set a balanced budget as required by legislation. This item was considered by Policy and Resources Scrutiny Committee.

Recommended:-

1. That a rent reduction of 1% on General Needs tenancies, as required by the Welfare Reform and Work Bill, be approved.
2. That a zero % rent increase on Sheltered Accommodation tenancies, be approved.
3. That an average rent increase of 3.39% on shared ownership properties, be approved.
4. That an increase in hostel rents to the appropriate Local Housing Allowance rate, less 10% plus £60, as allowed by national guidance, be approved.
5. That the proposed rent changes in 1-4 above be effective from 4 April 2016.
6. That the increases in other charges, as set out in section 5 of the submitted report, be approved.

7. That the management fee proposed by South Essex Homes, as set out in section 6 of the report, be noted.

8. That from 1 April 2016, South Essex Homes be charged with setting and recovering service, heating and water charges directly, on a cost recovery only basis, and their management fee be reduced accordingly.

9. That the appropriations to the Repairs Contract Pensions earmarked reserve and the HRA Capital Investment earmarked reserve, as set out in section 8 of the report, be approved.

10. That, subject to 2 - 9 above, the HRA budget, as set out in Appendix 1 of the report, be approved.

11. That a report be brought back to Cabinet in the Autumn on the HRA Medium Term Financial Strategy and Plan, as set out in section 9 of the submitted report.

12. That the value of the Council's Capital allowance for 2016/17 be declared as £34.073M, as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

Reason for Decision

Part of the process of maintaining a balanced budget for the HRA is to consider and set any 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

Options available to Members are set out throughout the submitted report, particularly in relation to the proposed rent rise.

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:- Norman

646 Capital Programme 2016/17 to 2019/20

The Cabinet considered a report of the Corporate Management Team setting out the proposed programme of capital projects for 2016/17 to 2019/20. This item was considered by all three Scrutiny Committees.

Recommended:-

1. That the current approved Programme for 2016/17 to 2018/19 of £129.6m, as set out in Appendix 1 of the submitted report, be noted.

2. That the changes to the approved Programme, as set out in Appendix 2 of the report, be approved.

3. That the proposed new schemes and additions to the Capital Programme for 2016/17 to 2019/20 totalling £52.7m of which £44.7m is for the General Fund and £8.0m for the Housing Revenue Account, as set out in Appendices 6 and 7 of the report, be approved.

4. That it be noted that, the proposed new schemes and additions, as set out in Appendices 6 and 7 of the report and other adjustments, as set out in Appendix 2 of the report, will result in a proposed capital programme of £188.1m for 2016/17 to 2019/20, as set out in Appendix 8 of the report.

5. That it be noted that, of the total programme of £188.1m for the period 2016/17 to 2019/20, the level of external funding supporting this programme is £65.0m.

6. That it be noted that a final review has been undertaken on the 2015/16 projected outturn and that the results have been included in the submitted report.

7. That the proposed Capital Programme for 2015/16 to 2019/20, as set out in Appendix 8 of the submitted report, be approved.

8. That the Capital Strategy for 2016/17 to 2019/20, be approved.

Reason for Decision

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:- Woodley

647 Treasury Management and Prudential Indicators 2016/17

The Cabinet considered a report of the Corporate Director for Corporate Services concerning the Treasury Management Policy for 2016/17 and the requirement for Prudential indicators to be set under the Local Government Act 2003.

Recommended:-

1. That the Treasury Management Policy Statement, as set out in Appendix 1 of the submitted report, be approved.

2. That the Treasury Management Strategy, as set out in Appendix 2 of the report, be approved.

3. That the Annual Investment Strategy, as set out in Appendix 3 of the report, be approved.

4. That the Minimum Revenue Provision (MRP) Policy, as set out in Appendix 5 of the report, be approved.

5. That the prudential indicators, as set out in Appendix 6 of the report, be approved.

6. That the operational boundary and authorised limits for borrowing for 2016/17 be set at £280m and £290m respectively.

Reason for Decision

7. Decisions 1 to 3 above are to comply with the CIPFA Treasury Management Code of Practice.

8. Decision 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.

9. Decisions 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 submitted 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:- Woodley

648 Fees and Charges 2016/17

The Cabinet considered a report of the Corporate Management Team detailing fees and charges for services included in the budget proposals for 2016/17. This item was considered by all three Scrutiny Committees.

Members noted the minor amendment to the transport charge (Adult Social Care – Appendix 1 of the report) as reported at the meeting.

Recommended:-

That, subject to the minor amendment to the transport charge (Adult Social Care) as reported at the meeting, the proposed fees and charges for each Department as set out in the submitted report and appendices, be approved.

Reason for Decision

Part of the process of maintaining a balanced budget includes a requirement to consider the contribution that fees and charges make towards that aim. This 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:- Woodley

649 General Fund Revenue Budget 2016/17

The Cabinet considered a report of the Corporate Management Team presenting a 2016/17 General Fund revenue budget including schools and a proposal for the level of Council Tax for 2016/17. This item was considered by all three Scrutiny Committees.

Members of the Cabinet acknowledged the sterling work undertaken in the preparation of the budget and asked that the thanks and appreciation to those involved be recorded.

Recommended:-

In respect of 2015/16:

1. That the forecast outturn of £126.093 million, be noted.
2. That the appropriation of the sums to earmarked reserves totalling £5.624 million, as set out in detail in Appendix 15 of the submitted report, be approved.
3. That the appropriation of the sums from earmarked reserves totalling £6.853 million, as set out in detail in Appendix 15 of the report, be approved.

In respect of 2016/17:

4. That the Section 151 Officer's (Head 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 of the submitted report, be noted.
5. That a General Fund net revenue budget for 2016/17 of £123.206 million, as set out in Appendix 3 of the submitted report, and any required commencement of consultation, statutory or otherwise, be approved.
6. That a Council Tax increase of 1.99% for the Southend-on-Sea element of the Council Tax for 2016/17, be approved.
7. That an Adult Social Care precept of 2%, be approved.

8. That it be noted that, the Council's preceptors Essex Police and Fire Authorities have yet to formally meet to agree their Council Tax levels for 2016/17 and the Leigh-on-Sea Town Council has confirmed its precept of £391,550 and a consequential increase of 5.67% in their Council Tax.

9. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2016/17.

10. That the appropriation of the sums to earmarked reserves totalling £5.785 million, as set out in Appendix 15 of the report, be approved.

11. That the appropriation of the sums from earmarked reserves totalling £9.659 million, as set out in Appendix 15 of the report, be approved.

12. That the schools' budget and its relevant distribution as recommended by the Schools' Forum and as set out in Appendix 2 of the report, be approved.

13. That the pressures required of £1.355 million, as set out in Appendices 11 and 12 of the report, and the General Fund and Public Health savings required of £10.467 million, as set out in Appendices 13 and 14 of the report, and the subsequent individual service cash limits for 2016/17, as contained in Appendices 3 to 10 of the report, be approved.

14. That the direction of travel for 2017/18 and beyond, as set out in Section 11 of the submitted report, be endorsed.

15. That the revised Medium Term Financial Strategy up to 2019/20, as set out in Appendix 16 of the submitted report, be approved.

16. That authority be delegated to the Head of Finance and Resources (S 151 Officer) in consultation with the Leader to make the required changes to the Council Budget following the final Local Government Finance settlement and other related Government announcements including Public Health.

Reason for Decision

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:- Woodley

Chairman: _____