

# **SOUTHEND-ON-SEA BOROUGH COUNCIL**

## **Meeting of Cabinet**

**Date: Tuesday, 14th February, 2017**

**Place: Committee Room 1 - Civic Suite**

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

**In Attendance:** Councillors L Davies and C Mulroney  
R Tinlin, J K Williams, A Lewis, A Atherton, J Chesterton, J Ruffle,  
Brin Martin, C Gamble, I Ambrose and A Keating

**Start/End Time:** 2.00 pm - 2.15 pm

### **758 Apologies for Absence**

Apologies for absence were received from Councillor Cox.

### **759 Declarations of Interest**

The following interests were declared at the meeting:

(a) Councillor Holland – All Agenda Items – Non-pecuniary interest: Vice-Chairman of the Essex Fire Authority and son works for the Council;

(b) Councillor Flewitt – Agenda Item No. 3 (Housing Revenue Account Budget 2017/18 and Rent Setting) – Non-pecuniary interest: Friends and family are tenants of South Essex Homes Ltd.;

(c) Councillor Flewitt – Agenda Item No. 6 (Fees & Charges 2017/18) – Non-pecuniary interest: Use of Porters on 18 February 2017;

(d) Councillor Lamb – Agenda Item No. 7 (General Fund Revenue Budget 2017/18) – Non-pecuniary interest: Chairman of Kent & Essex IFCA – Levy;

(e) Councillor Mulroney – Agenda Item No. 7 (General Fund Revenue Budget 2017/18) – Non-pecuniary interest: Chairman of Leigh Town Council.

### **760 Housing Revenue Account Budget 2017/18 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 2017/18, 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 secure tenancies, as required by the Welfare Reform and Work Act 2016, be approved.
2. That an average rent increase of 4.41% on shared ownership properties, be approved.
3. That the proposed rent changes in 1 and 2 above be effective from 3 April 2017
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 report, be approved.
6. 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.
7. That subject to 1-6 above, the HRA budget as set out in Appendix 1 to the report, be approved.
8. That the HRA Medium Term Financial Plan as set out in section 9 and Appendix 2 to the report, be noted
9. That the value of the Council's capital allowance for 2017/18 be declared as £25.965M, 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

## **761 Capital Programme 2017/18 to 2020/21**

The Cabinet considered a report of the Corporate Management Team setting out the proposed programme of capital projects for 2017/18 to 2020/21. This item was considered by all three Scrutiny Committees.

Recommended:-

1. That the current approved Programme for 2017/18 to 2019/20 of £125.4m, 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 report, be approved.
3. That the proposed new schemes and additions to the Capital Programme for 2017/18 to 2020/21 totalling £79.0m of which £72.8m is for the General Fund and £6.2m for the Housing Revenue Account, as set out in appendices 6 and 7 to the report, be approved.
4. That the proposed new schemes and additions as set out in appendices 6 and 7 to the report, and other adjustments as set out in appendix 2 to the report will result in a proposed capital programme of £213.0m for 2017/18 to 2020/21 set out in appendix 8, be noted.
5. That it be noted that of the total programme of £213.0m for the period 2017/18 to 2020/21, the level of external funding supporting this programme is £80.8m, as set out in paragraph 9.1 of the report.
6. That it be noted that a final review has been undertaken on the 2016/17 projected outturn and that the results have been included in the report.
7. That the proposed Capital Programme for 2016/17 to 2020/21, as set out in appendix 8 to the report, be approved.
8. That the Capital Strategy for 2017/18 to 2020/21, as set out in appendix 9 to the 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

## **762 Treasury Management and Prudential Indicators 2017/18**

The Cabinet considered a report of the Chief Executive concerning the Treasury Management Policy for 2017/18 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 report, be approved.
3. That the Annual 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 2017/18 be set at £285m and £295m 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)  
Executive Councillor:- Moring

### **763 Fees and Charges 2017/18**

The Cabinet considered a report of the Corporate Management Team detailing fees and charges for services included in the budget proposals for 2017/18. This item was 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

## 764 General Fund Revenue Budget 2017/18

The Cabinet considered a report of the Corporate Management Team presenting a 2017/18 General Fund revenue budget including schools and a proposal for the level of Council Tax for 2017/18. This item was considered by all three Scrutiny Committees.

Members noted that the final Local Government Settlement had yet to be announced and that this was likely to be made in the week commencing 20<sup>th</sup> February 2017. It was proposed that the Director of Finance & Resources, in consultation with the Leader of the Council, be authorised to make the required changes to the Council budget following notification of the final Settlement.

Recommended:-

In respect of 2016/17:

1. That the forecast outturn of £123.206 million, be noted.
2. That the appropriation of the sums to earmarked reserves totalling £6.468 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 £7.226 million, as set out in detail in Appendix 16 to the report, be approved.

In respect of 2017/18 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 report, be acknowledged.
2. That a General Fund net revenue budget for 2017/18 of £123.153 million, set out in Appendix 3 to the report, and any required commencement of consultation, statutory or otherwise, be approved.
3. That a Council Tax increase of 4.99% for the Southend-on-Sea element of the Council Tax for 2017/18, being 1.99% for general use and 3% for Adult Social care, be approved.
4. That it be noted that the 2017/18 revenue budget has been prepared on the basis of using £1.637 million for earmarked reserves for the core budget to allow for a smoothing of the budget gap across the next three financial years with a consequent replenishment of those reserves in 2017/18 and 2018/19. Also, that it be noted that £2.222 million of the Business Rates Retention reserve is being used to equalise the projected 2017/18 business rates yield.
5. That the position of the Council's preceptors be noted as follows:

- Essex Police Authority – approved Council Tax increase of 3.25%
  - Essex Fire Authority – approved Council Tax increase of 1.99%
  - Leigh-on-Sea Town Council – approved precept increase of 1.59%
6. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2017/18.
  7. That the appropriation of the sums to earmarked reserves totalling £1.009 million, as set out in Appendix 16 to the report, be approved.
  8. That the appropriation of the sums from earmarked reserves totalling £17.150 million, as set out in Appendix 16 to the report, be approved.
  9. That the schools’ budget and its relevant distribution as recommended by the Schools’ Forum and as set out in Appendix 2 to the report, be approved.
  10. That the pressures required of £3.000 million, as set out in Appendices 12 and 13 to the report, and the General Fund and Public Health savings required of £7.502 million, as set out in Appendices 14 and 15 to the report, and the subsequent individual service cash limits for 2017/18, as contained in Appendices 3 to 11 to the report, be approved.
  11. That the direction of travel for 2018/19 and beyond, as set out in Section 11 of the report, be endorsed.
  12. That the revised Medium Term Financial Strategy up to 2020/21, as set out in Appendix 17 to the report, be approved.
  13. That authority be delegated to the Director of Finance and Resources (S151 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.

#### Reason for recommendation

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:** \_\_\_\_\_