

Public Document Pack
SOUTHEND-ON-SEA BOROUGH COUNCIL

Policy and Resources Scrutiny Committee

Date: Wednesday 30th January, 2019 @ 18.30

Place: Committee Room 1 - Civic Suite

Contact: Fiona Abbott - Principal Democratic Services Officer

Email: committeesection@southend.gov.uk

AGENDA

**** **Part 1**

- 1 **Apologies for Absence**
- 2 **Declarations of Interest**
- 3 **Questions from Members of the Public**
- 4 **Minutes of the Meeting held on Thursday, 29th November, 2018**

**** **ITEMS REFERRED DIRECT FROM CABINET - Thursday, 17th January 2019**

- 5 **Southend 2050 - Strategic Delivery Plans**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to all Scrutiny Committees for consideration.
- 6 **The Proposed Development of the Seaway Car Park**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 7 **Brexit - Implications for the Council**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 8 **Council Tax Base and Non Domestic Rating Base 2019/20**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 9 **Draft Housing Revenue Account Budget 2019/20 and Rent Setting**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 10 **Draft Capital Investment Programme 2019/20 to 2023/24**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to all Scrutiny Committees for consideration.

- 11 Draft General Fund Revenue Budget 2019/20**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to all Scrutiny Committees for consideration.
- 12 Future Phases of Affordable Housing Development Programme/Update**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 13 Notice of Motion - Social Housing for Rent**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 14 Corporate Risk Register**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to all Scrutiny Committees for consideration.
- 15 Council Debt Position to 30 November 2018**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 16 Employment Appeals**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.
- 17 Revenue and Capital Monitoring to 30 November 2018**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to all Scrutiny Committees for consideration.
- 18 Monthly Performance Report (November 2018)**
Members are reminded to bring with them the most recent MPR for period end November 2018 circulated recently.
- Comments/questions should be made at the appropriate Scrutiny Committee relevant to the subject matter.
- 19 Standing Order 46**
The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.

PRE-CABINET SCRUTINY ITEMS

NONE

ITEMS CALLED-IN FROM THE FORWARD PLAN

NONE

****** OTHER SCRUTINY MATTERS**

20 In-depth Scrutiny Project - Re-imagining the Town Centre in the context of the vision for Southend 2050

21 Exclusion of the Public

To agree 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 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.

****** ITEM REFERRED DIRECT FROM CABINET - Thursday, 17th January 2019**

22 Standing Order 46 Confidential Sheet

Item 1.1 Grant of agreement lease of land at East Beach for a Restaurant Development

The report has been circulated with the Cabinet Agenda for its meeting on 17th January 2019. The relevant Minute and report has been referred direct to the Policy & Resources Scrutiny Committee for consideration.

The Chairman & Members of Policy & Resources Scrutiny Committee:

Councillor B Ayling (Chair), Councillor C Mulroney (Vice-Chair),
Councillors B Arscott, D Burzotta, F Evans, N Folkard, D Garston, I Gilbert, R Hadley,
H McDonald, D McGlone, D Nelson, D Norman MBE, G Phillips, M Stafford, M Terry and
C Walker

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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Thursday, 29th November, 2018

Place: Committee Room 1 - Civic Suite

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Present: Councillor B Ayling (Chair)
Councillors C Mulroney (Vice-Chair), M Borton*, K Buck*, L Burton*,
D Burzotta, N Folkard, D Garston, J Garston*, I Gilbert, R Hadley,
D McGlone, D Nelson, G Phillips and M Terry
*Substitute in accordance with Council Procedure Rule 31.

In Attendance: Councillors Lamb, Cox and Flewitt (Cabinet Members)
A Griffin, J K Williams, F Abbott, J Chesterton, S Houlden,
T Edwards, S Ford, J Ruffle, G Halksworth, T MacGregor, S Baker,
R Walters and N Laver

Start/End Time: 6.30 - 9.20 pm

491 Communications

The Cabinet Member for Public Protection advised the Committee of the sad news that Traci Dixon, Group Manager at South Essex Homes, had very recently passed away following a long illness. The Committee asked that their sincere condolences be forwarded to her family at the appropriate time.

492 Apologies for Absence

Apologies for absence were received from Councillor B Arscott (substitute Cllr J Garston), Councillor F Evans (substitute Cllr Buck), Councillor H McDonald (substitute Cllr L Burton), Councillor D Norman MBE (substitute Cllr Borton) and Councillor M Stafford (no substitute).

493 Declarations of Interest

The following declarations of interest were made at the meeting:-

- (a) Councillors Lamb, Cox and Flewitt (Cabinet Members) – Disqualifying non-pecuniary interests in the called in items / referred item; attended pursuant to the dispensation agreed at Council on 19th July 2012, under S.33 of the Localism Act 2011;
- (b) Councillor Flewitt – agenda item relating to Housing, Homelessness and Rough Sleeping Strategy - non-pecuniary interest - friends and family are tenants of South Essex Homes;
- (c) Councillor McGlone – agenda item relating to Housing, Homelessness and Rough Sleeping Strategy- non-pecuniary – member of SEH Board;
- (d) Councillor Burzotta – agenda items relating to – High Street Summit; Southend Town Centre & PSPO – non-pecuniary – family business off High Street;
- (e) Councillor Nelson - agenda item relating to High Street Summit – non-pecuniary – his employer, James Duddridge MP, attended the meeting referred to;

- (f) Councillor J Garston – agenda item relating to Southend Town Centre & PSPO – non-pecuniary – lives in the consultation area;
- (g) Councillor D Garston – agenda item relating to Southend Town Centre & PSPO – non-pecuniary – son lives in the consultation area;
- (h) Councillor Mulronee – agenda item relating to Notice of Motion re Fossil Fuels - non-pecuniary – member of Essex Pension Scheme;
- (i) Councillor McGlone – agenda item relating to Notice of Motion re Fossil Fuels - non-pecuniary – member of Essex Pension Scheme.

Officers interests:

Note - Alison Griffin was not in attendance for this agenda item - Southend Town Centre & Seafront Public Spaces Protection Order (PSPO) – lives in area of draft PSPO Order.

494 Questions from Members of the Public

The responses to the questions submitted by Mr Webb will be forwarded to him as he was not present at the meeting.

495 Minutes of the Meeting held on Wednesday, 10th October, 2018

Resolved:-

That the Minutes of the meeting held on Wednesday, 10th October, 2018 be confirmed and signed as a correct record.

496 Southend 2050 - Draft Ambition, Desired Outcomes and Road Map

The Committee considered Minute 423 of the meeting of the Cabinet held on 6th November 2018, which had been referred direct to all three Scrutiny Committees for consideration, together with the report of the Chief Executive setting out the proposed draft Ambition, Themes and Outcomes and Southend 2050 Five Year Road Map.

The Committee also received a presentation by Tim MacGregor (Team Manager - Policy and Information Management) and Rob Walters (Senior Partnership Advisor, Engagement) which provided:

- An overview of the scope and findings of the Southend 2050 engagement programme; and
- Feedback received from Councillors and others to date, which will inform a revised version of the documentation to be submitted to Cabinet on 4th December 2018.

The Leader of the Council thanked all of those who had submitted feedback so far. He also explained that further issues raised by the Scrutiny Committees would be taken on board in the preparation of the revised Road Map, including those from the Place Scrutiny Committee held on 26 November 2018 and the People Scrutiny Committee held on 27th November 2018 and the following additional matters raised at this meeting of the Scrutiny Committee:-

- the need for more Police resources in the Borough

- place a greater emphasis on the provision of affordable housing, including social housing for rent
- the need for associated infrastructure in connection with all housing development
- include a greater focus on health inequalities in the Borough
- include reference to enhanced community engagement by increasing Council and Councillor visibility at public events such as the Carnival.

Resolved:-

1. That the following decisions of Cabinet be noted:

“1. That the findings of the Southend 2050 engagement programme be welcomed and noted.

2. That the Ambition, Themes & Outcomes and the Southend 2050 Five Year Road Map, as set out in Appendices A, B and C to the submitted report, be endorsed.

3. That the Transforming Together programme, outlined in paragraph 6 of the submitted report, be noted and endorsed.

4. That the matter be referred direct to the Policy & Resources, Place and People Scrutiny Committees.”

2. That the officers involved in the 2050 programme be thanked for their hard work.

Note: Approval of the Southend 2050 Ambition, Themes & Outcomes and Five Year Road Map is a Council Function.

Referred direct to: all three Scrutiny Committees

Cabinet Member: Cllr Lamb

497 Monthly Performance Report

The Committee considered the Monthly Performance Report covering the period to end September 2018, which had been circulated recently.

In response to questions regarding the community safety indicators, the Cabinet Member for Public Protection agreed to provide a written response as to why the BCS crime figures contained in the report related to August whereas the data on the Essex Police website had the September figures.

Resolved:-

That the report be noted.

Note:- This is an Executive Function.

Cabinet Member:- As appropriate to the item.

498 Housing, Homelessness & Rough Sleeping Strategy

The Committee considered Minute 424 of the meeting of Cabinet held on 6th November 2018, which had called in to Scrutiny, together with a report of the Deputy Chief Executive (People) which sought approval for the submitted Housing, Homelessness and Rough Sleeping Strategy.

In response to questions the Cabinet Member for Adults and Housing said that he would be happy to make some minor changes to the document, to incorporate further details in the Strategy as to the reasons why people become homeless. He also agreed to consider the best approach to undertake monitoring of performance against the Strategy.

Resolved:-

That the following decisions of Cabinet be noted:-

- “1. That the Housing, Homelessness & Rough Sleeping Strategy, be approved.
2. That the proposed dynamic and continuous approach to engagement and consultation in order to support ongoing development of the action plan and its implementation, be approved.
3. That the design work and the approach to ensuring that the strategy works alongside other key priorities continues to develop following Cabinet, be approved.
4. That authority be delegated to the Corporate Management Team, in conjunction with the Cabinet Member for Adults and Housing and other Directors as required, for the implementation and delivery of the Strategy.”

Note: This is an Executive Function
Cabinet Member: Cllr Cox

499 High Street Summit

The Committee considered Minute 426 of the meeting of Cabinet held on 6th November 2018, which had called in to Scrutiny, together with a report of the Chief Executive providing an update on work being undertaken following the High Street Summit which took place on 24th September 2018, including the emerging action plan and approaches being organised through which to coordinate and drive this work.

In response to questions, the Cabinet Member for Public Protection advised the Committee that:-

- he would consider the best way to report updates to the action plan (could be included in future MPR for example)
- with regard to the task detailed at 1.3 of the action plan, he agreed to provide a written response on the issues raised in the House of Commons
- he would arrange for a written response on the numbers in the rough sleeper count conducted at the end of September.

Resolved:-

That the following decisions of Cabinet be noted:-

“1. That the progress being made be endorsed.

2. That the additional officer resource already aligned to support the implementation and delivery of this project, be endorsed.”

Note: This is an Executive Function

Cabinet Members: Cllrs Lamb, Courtenay and Flewitt

500 Southend Town Centre & Seafront Public Spaces Protection Order

The Committee considered Minute 427 of the meeting of Cabinet held on 6th November 2018, which had called in to Scrutiny, together with a report of the Strategic Director (Legal & Democratic Services) requesting that consideration be given to whether the Council should commence statutory consultation on the making of a Public Spaces Protection Order (PSPO) under Section 59 of the Anti-Social Behaviour, Crime and Policing Act 2014.

In response to questions, the Cabinet Member for Public Protection:-

- explained that there was no pre-determined view on the matter;
- gave an assurance that the Equalities Analysis document would be made available within 7-10 working days;
- said that all councillors will receive a link to the consultation; and
- agreed that the stakeholders listed on page 9 (e), will be amended to read – all Councillors and MP’s.

Resolved:-

That the following decisions of Cabinet be noted:-

“1. That consultation be undertaken into the possibility of the Council making a Public Spaces Protection Order (PSPO) under Section 59 of the Anti-Social Behaviour, Crime and Policing Act 2014 in respect of the area and activities detailed in Appendix 2 to the submitted report.

2. That the proposed consultation process be as set out in section 3.5(e) of the report.

3. That the consultation process to also cover the revocation of the existing Designated Public Place Order /PSPO as outlined in section 3.5(g) of the report.”

Note: This is an Executive Function

Cabinet Member: Cllr Flewitt

501 Notice of Motion to Council, 18th October 2018 - Invest in the future/Divest from Fossil Fuels

The Committee considered Minute 432 of the meeting of Cabinet held on 6th November 2018, which had called in to Scrutiny. This concerned the notice of

motion calling on the Council to request the Essex Pensions Committee to divert investment away from fossil fuels which had been proposed by Councillor Ware-Lane and seconded by Councillor Dent.

Resolved:-

1. That the following decision of Cabinet be noted:-

“1. That it be noted that the Essex Pension Fund has advised that it has a fiduciary duty to ensure it has sufficient funds to pay pensions on behalf of more than 150,000 people. Investment decisions must therefore be directed towards achieving what is best for the financial position of the Fund. In order to maximise returns, the Fund has a diverse range of investments including investment attributed to the energy/mining sector.

2. That the approach adopted by the Essex Pension Fund, be endorsed.”

2 That in accordance with Council Procedure Rule 39, the matter be referred to Council. ||

Note: This is an Executive Function
Cabinet Member: Cllr Lamb

502 Revenue and Capital Budget Monitoring 2018/19 to 30 September 2018

The Committee considered Minute 436 of the meeting of Cabinet held on 6th November 2018, which had been called in to scrutiny, together with a report of the Strategic Director (Finance & Resources) setting out the Council’s revenue and capital budgetary performance as at September 2018.

Resolved:-

That the following recommendations of Cabinet be noted:-

“In respect of the 2018/19 Revenue Budget Monitoring, as set out in Appendix 1 to the submitted report:

1. That the forecast outturn for the General Fund and Housing Revenue Account, as at September 2018, be noted. ||

1.2 That the planned management actions of £3,230,000 to achieve that forecast outturn, be noted.

1.3 That the planned budget transfers (virements) of £2,610,170, be approved.

1.4 That the potential transfer of £1,293,000 from the Business Transformation Reserve in respect of the forecast General Fund overspend unless further management action and savings are identified to rebalance the budget, be noted.

1.5 That the potential transfer of £93,000 to the HRA Capital Investment Reserve in respect of the forecast HRA underspend, be noted. ||

In respect of the 2018/19 Capital Budget Monitoring, as set out in Appendix 2 to the submitted report:

1.6 The expenditure to date and the forecast outturn as at September 2018 and its financing, be noted.

1.7 That the requested changes to the 2018/19 capital programme as set out in Section 2 of Appendix 2, be approved.”

Note: This is a Council Function
Cabinet Member: Cllr Lamb

503 Capital Programme - Mid Year Review

The Committee considered Minute 438 of the meeting of Cabinet held on 6th November 2018, which had been called in to scrutiny, together with a report of the Strategic Director (Finance & Resources) recommending in-year amendments to the approved Capital Programme for 2018/19 to 2021/22.

Resolved:-

That the following recommendations of cabinet be noted:-

“1. That the current approved Programme for 2018/19 to 2021/22 of £215.0m, as set out in Appendix 1 to the submitted report, be noted.

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

3. That the proposed new schemes and additions to the Capital Programme for 2018/19 to 2021/22 totalling £1.4m (Appendices 6 and 7), be approved.

4. That it be noted that the proposed new schemes and additions (Appendices 6 and 7) and other adjustments (Appendix 2) will result in a proposed capital programme of £213.6m for 2018/19 to 2021/22 (Appendix 8).

5. That it be noted that of the total programme of £213.6m for the period 2018/19 to 2021/22, the level of external funding supporting this programme is £98.9m.

6. That it be noted that a mid-year review has been undertaken on the 2018/19 projected outturn and that the results have been included in the report.

7. That the revised Capital Programme for 2018/19 to 2021/22 that results from these changes (Appendix 8), be approved.”

Note: This is a Council Function
Cabinet Member: Cllr Lamb

504 In-depth Scrutiny Project - Re-imagining the Town Centre in the context of the vision for Southend 2050

Further to Minute 370 of its meeting held on 10th October 2018, the Committee received an oral update on the progress that had been made with the joint in-depth study with the Place Scrutiny Committee to date.

Resolved:-

That the update be noted

Note:- This is a Scrutiny Function.

505 Minutes of the Meeting of the Chairmen's Scrutiny Forum held on Tuesday, 20th November, 2018

Resolved:-

That the Minutes of the meeting on the Chairmen's Scrutiny Forum held on Tuesday, 20th November, 2018 be received and noted.

Note:- This is a Scrutiny Function.

Chairman: _____

Southend-on-Sea Borough Council

Report of Chief Executive

to

Cabinet

on

17 January 2018

5

Louisa Thomas – Data & Insights Analyst,
Suzanne Newman – Insights Manager

Southend 2050 – Strategic Delivery Plans A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To consider the Strategic Delivery Plans (SDPs) following the agreement of the Southend 2050 Ambition, Themes & Outcomes and Southend 2050 Five Year Road Map at full Council on 13 December.

2. Recommendation

- 2.1 That Cabinet adopts the Strategic Delivery Plans supporting the delivery of the Southend 2050 Ambition and the Southend 2050 Five Year Road Map as mentioned in the background reports.
- 2.2 That the Cabinet notes the Transforming Together work and endorses the new Council values.

3. Background

- 3.1 Cabinet, on 6 November 2018, received a report outlining the findings of the Southend 2050 engagement programme and the draft Southend 2050 Ambition, Themes and Outcomes and Five Year Road Map.
- 3.2 The Southend 2050 documentation was endorsed by full Council on 13 December following referral to the Council's three Scrutiny Committees for further consideration.
- 3.3 The 2050 Road Map, incorporating the Ambition, Themes and Outcomes, is a high level document. It will be supported by 5 Strategic Delivery Plans (one per theme) Underpinning these high level plans there will be 23 outcome delivery plans (4 or 5 per theme) While setting the Ambition for the coming decades to 2050, the Road Map and associated documentation should not be seen as set in stone. They will need to respond to inevitably changing circumstances, locally, nationally and internationally, and future documentation will reflect this.

4. The Strategic Delivery Plans

The Strategic Delivery Plans (SDPs) are based on each of the five themes and each is led by a Cabinet Member and a member of the Council's Corporate Management Team. The SDPs will have a five year horizon. The outcome delivery plans are led by officers, will support the SDPs, will have a one year horizon and will be refreshed each year.

The Strategic Delivery Plans are based on each of the five Themes:

- **Pride & Joy** – By 2050 Southenders are fiercely proud of, and go out of their way, to champion what our city has to offer
- **Safe & Well** – By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives
- **Active & Involved** – by 2050 we have a thriving, active and involved community that feel invested in our city.
- **Opportunity & Prosperity** – By 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all of our people
- **Connected & Smart** – By 2050 people can easily get in, out and around our borough and we have world class digital infrastructure

4.2 Each SDP has been divided in to three sections:

- What do we want to achieve?
- How will we know if we've achieved it?
- How are we going to achieve it?

There are also two additional sections of the plan, which links the theme to other key plans and strategies across the council; as well linking to other 2050 outcomes.

5. Councils Values

- 5.1 In order to deliver the Southend 2050 ambition for the town, the Council will need to develop a new culture and way of doing business. This work – Transforming Together - is currently underway and is being delivered through outcomes designed to create the conditions that have been identified for successful transformation. Namely:

Clear Vision & Strategy

Digital Enablement to support the vision

Trusted empowered and engaged workforce

Appetite to invest in people, outcomes and accept risk

Closer collaboration with staff, members, citizens and partners

Simple and effective governance

Open mind-set that will drive forward transformation and change

A key building block for the Transforming Together work is the Council's values.

These represent and underpin everything we do at the council, from key business making decisions, to our engagement with our residents, visitors, businesses and students.

The new values have been developed from extensive engagement with our staff and are:

- **Inclusive** - we put people at the heart of what we do
- **Collaborative** - we work together
- **Honest** - we are honest, fair and accountable
- **Proud** – we are proud to make lives better

5.2 The final value ‘proud’ feeds into the new ‘sign off statement’ for the council to replace ‘Creating a better Southend’ with Southend-on-Sea Borough Council – ‘making lives better’.

5. Other Options

Not adopting the recommended approach would mean that the Borough’s vision would not be aligned to what our residents and others are telling us.

6. Reason for Recommendation

To have in place Strategic Delivery Plans to deliver the Southend 2050 ambition, Themes, Outcomes and the Five Year Road Map, ensuring the successful and sustainable future of the borough.

7. Corporate Implications

7.1 Contribution to Council’s Vision & Corporate Priorities

The SDPs will ensure the delivery of the Southend 2050 ambition and will provide a new collaborative planning framework for how the Council does business

7.2 Financial Implications

The capital and revenue resources required to deliver the Strategic Delivery Plans are either already identified in existing Council budgets or will need to be identified as part of the Council’s budget making process and will mean a move to longer term budget investment focussed on outcomes. Effectively this will mean prioritisation and reallocation of resources plus any additional investments of capital and revenue resources, as required, to deliver the Strategic Delivery Plans. Any communication costs associated with the dissemination or publicity of the Strategic Delivery Plans will be met within existing budgets.

7.3 Legal Implications - None specific.

7.4 People Implications

Council staff have provided their input into the Southend 2050 programme and the Transforming Together work. As the Council becomes an outcome focussed organisation, staff will be deployed to deliver against the agreed outcomes.

7.5 Property Implications – The Council will also begin to utilise its property assets and to focus these around the delivery of the agreed outcomes.

7.6 Consultation

The wide extent of the engagement is outlined in the 2050 report to 6 November Cabinet. The engagement programme has been framed around a conversational, discursive approach although some formal consultation methods have been used where appropriate - notably for the Residents Perception and Online surveys - which were carried out following Council guidelines. Consultation and engagement in the Transforming Together work is also underway.

7.7 Equalities Implications

Southend 2050 has been designed to engage with as wide a range of stakeholders as possible, both geographically and across the protected characteristics. Consultation methods have been inclusive and accessible. Equality Assessments will be carried out on key deliverables once they have been identified as outcomes and confirmed in the Five Year Road Map and Strategic Delivery Plans.

7.8 Risk Assessment

Potential risks have been routinely monitored and addressed via monthly project progress reviews. Mitigating measures have been used to successfully manage the chief potential risk; 'Negative impact on the Council's reputational due to inappropriate methods of engagement'.

7.9 Value for Money

Engagement work is deemed to have provided good value for money due to the breadth, scope and volume of participants involved and the quality of intelligence gathered.

7.10 Community Safety Implications

Feedback from engagement work has identified a number of ambitions relating to community safety that will be addressed as potential outcomes in subsequent Council delivery plans and partners strategies. It has also flagged current concerns which have been passed to relevant colleagues and partners for action.

8. Background Papers

Southend 2050 – draft Ambition, Themes & Outcomes and Five Year Road Map. Report to 4 December Cabinet 2018.

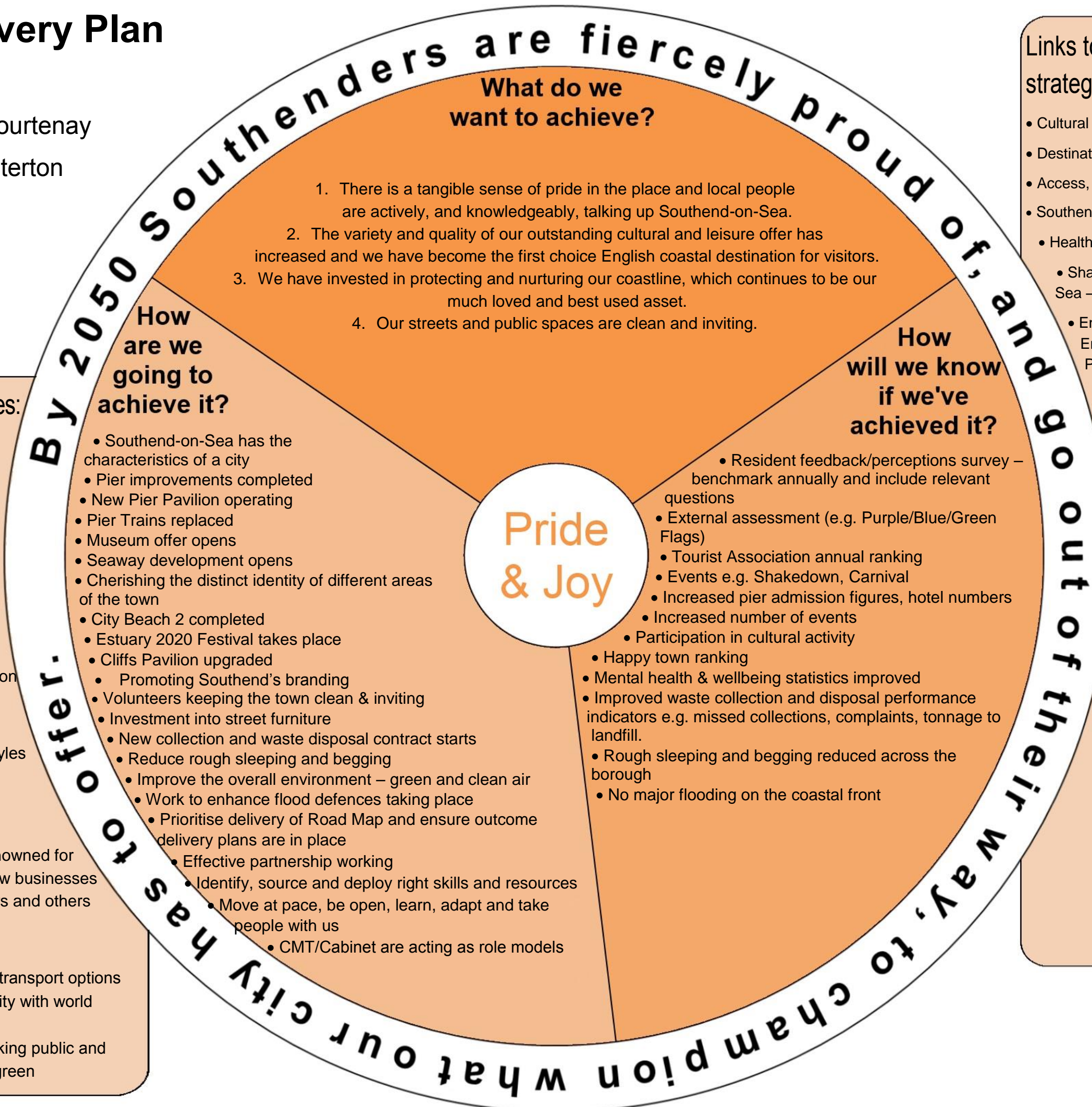
9. Appendices

9.1 Appendix 1: Strategic Delivery Plans

Strategic Delivery Plan 2019-2023

Lead Councillor: Cllr Courtenay

Lead Officer: Joe Chesterton



Links to other 2050 themes:

Safe & Well

- People feel safe and secure
- Southenders are remaining well enough to enjoy fulfilling lives
- Protecting and improving the quality of life for the most vulnerable
- We are a Green City

Active & Involved

- Improved community connection
- Communities come together to enhance their neighbourhood
- People have active and lifestyles

Opportunity & Prosperity

- Key regeneration schemes
- Local Plan
- Southend is a place that is renowned for its creative industries, where new businesses thrive and established employers and others invest for the long term.

Connected & Smart

- People have a wide choice of transport options
- Southend is a leading digital city with world class infrastructure
- We are leading the way in making public and private travel smart, clean and green

Links to other key plans & strategies:

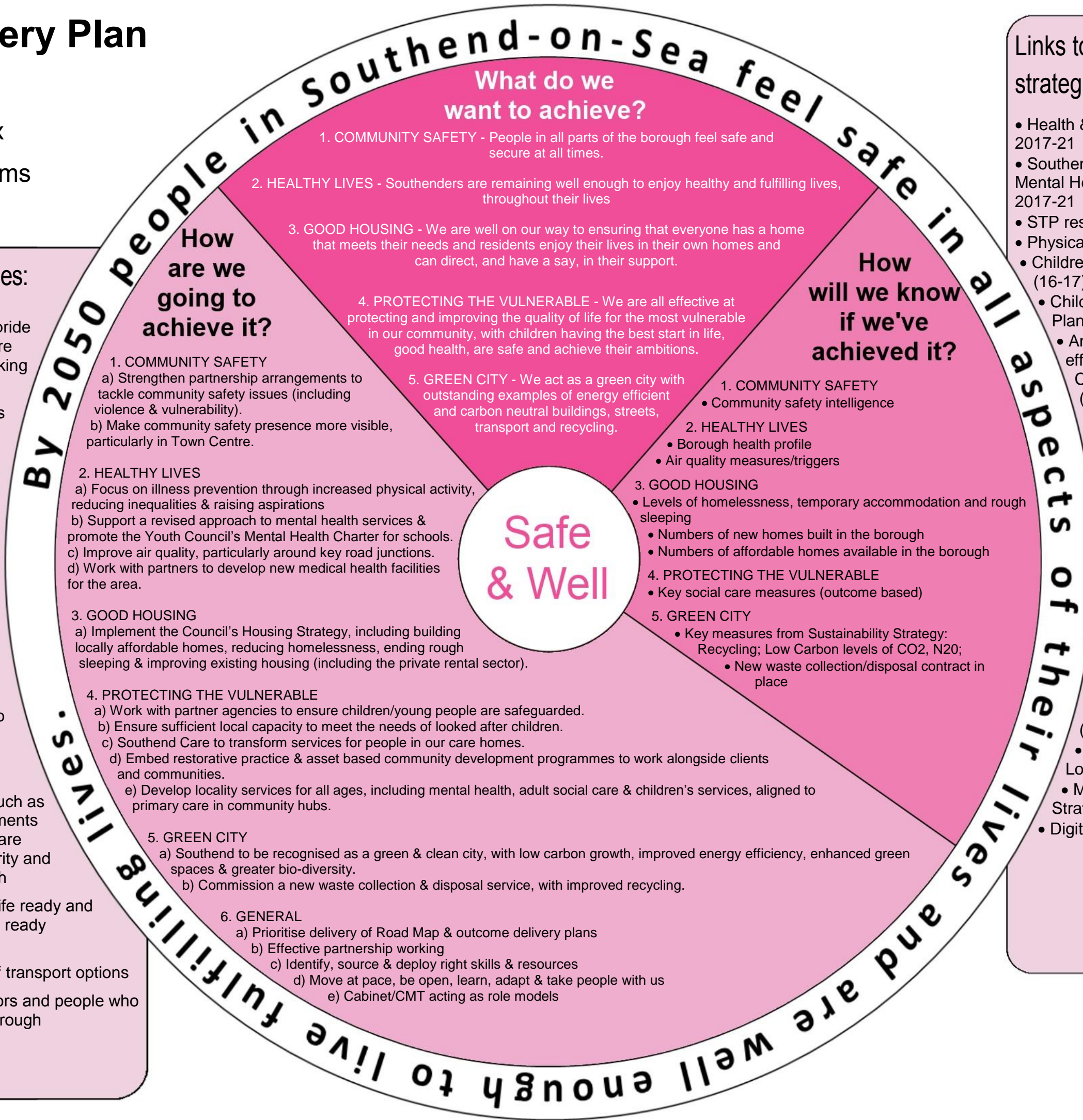
- Cultural Strategy
- Destination Southend (Tourism Strategy)
- Access, Parking & Transport Strategy
- Southend Cycling Strategy
- Health & Wellbeing Strategy
- Shaping the Future for Southend-on-Sea – Vision for Learning 2020
- Environmental, Crime Enforcement Strategy and Policy
- Local Plan
- Growth Strategy
- Physical Activity Strategy
- Ambition Southend – Skills and Labour Market Strategy 2018
- Southend Shoreline Strategy
- Local Plan
- Medium Term Financial Strategy

Strategic Delivery Plan

2019-2023

Lead Councillor: Cllr Cox

Lead Officer: John Williams



Links to other 2050 themes:

Pride and Joy

- There is a tangible sense of pride in the place and local people are actively and knowledgeably talking up Southend-on-Sea
- Our streets and public spaces are clean and inviting

Active & Involved

- The benefits of community connection are evident as more people come together to help, support and spend time with each other
- A range of initiatives help communities come together to enhance their neighbourhood and environment
- More people have active lifestyles and there are significant fewer people who do **not engage in any physical activity**

Opportunity and Prosperity

- Key regeneration schemes such as Queensway, seafront developments and the Airport Business Park are underway and bringing prosperity and job opportunities to the borough
- Our children are school and life ready and our workforce is skilled and job ready

Connected & Smart

- People have a wide choice of transport options
- It is easier for residents, visitors and people who work here to get around the borough

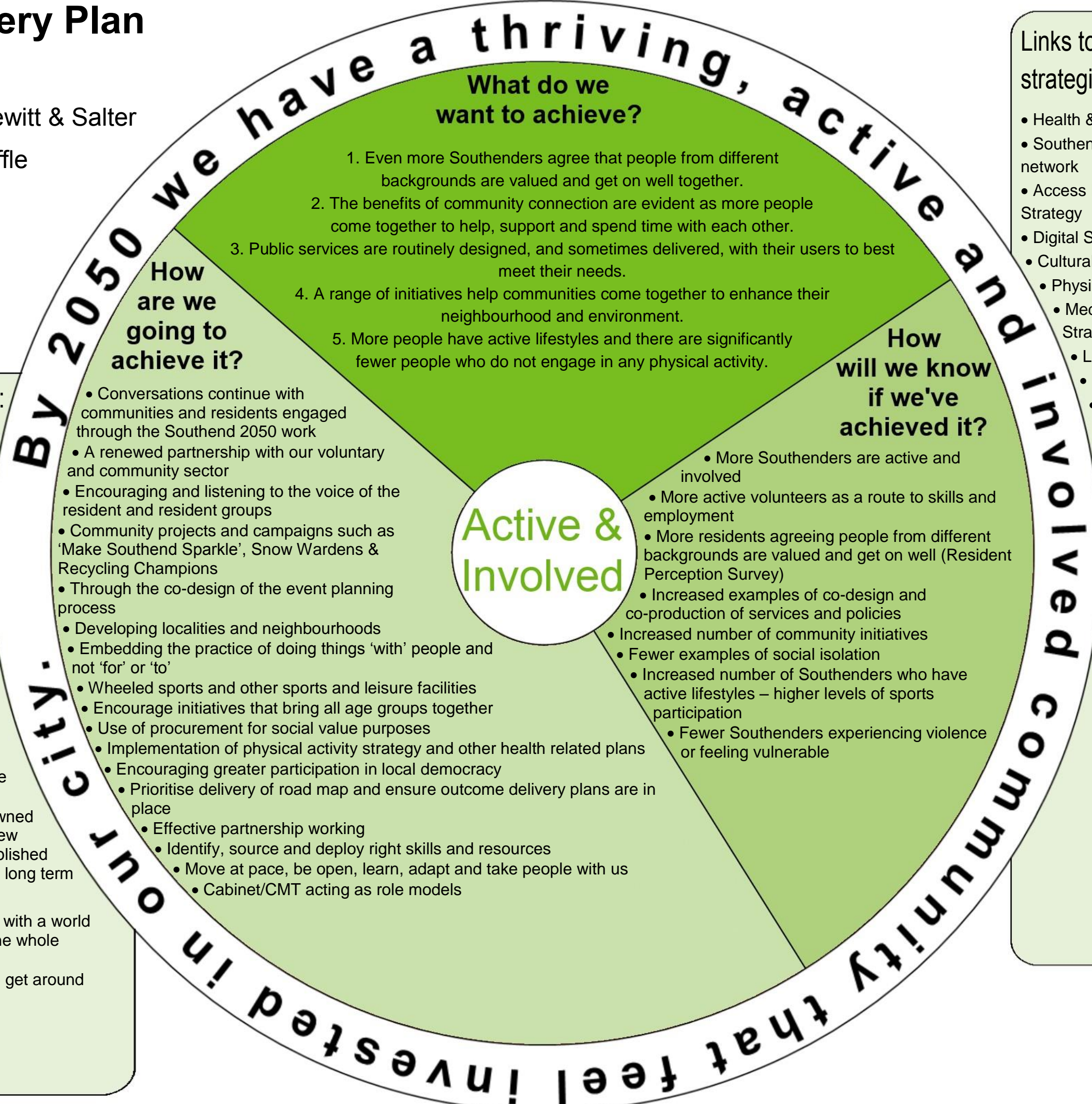
Links to other key plans & strategies:

- Health & Wellbeing Strategy – 2017-21
- Southend, Essex and Thurrock Mental Health and Wellbeing Strategy 2017-21
- STP response (2018)
- Physical Activity Strategy (2016-21)
- Children & Young People's Plan (16-17)
- Children Services Improvement Plan (Sept 2016)
- Annual Report on the effectiveness of Safeguarding Children in Southend (2016-17)
- Early Help Family Support Strategic Plan (2016-17)
- Integrating Children's Strategy (June 17)
- Older People's Strategy (15-18)
- Learning disability strategy & Action Plan (2014-19)
- Low Carbon Energy and Sustainability Strategy (2015-20)
- Environmental Crime Enforcement Strategy & Policy (2013)
- Air Quality Action Plan (2018)
- Essex & Southend Waste Local plan (2016-17)
- Medium Term Financial Strategy
- Digital Strategy

Strategic Delivery Plan 2019-2023

Lead Councillor: Cllrs Flewitt & Salter

Lead Officer: Joanna Ruffle



Links to other 2050 themes:

Pride & Joy

- A tangible sense of pride in the place by local people are actively and actively talking up Southend-on-Sea
- Our streets and public spaces are clean and inviting

Safe & Well

- People in all parts of the borough feel safe and secure at all times
- Southenders are remaining well enough to enjoy healthy and fulfilling lives
- We act as a green city

Opportunity & Prosperity

- The Local Plan is setting an exciting planning framework for the borough
- Southend is a place that is renowned for its creative industries; where new businesses thrive and where established employers and other invest for the long term

Connected & Smart

- Southend is a leading digital city with a world class infrastructure that enables the whole population
- Transport that enables people to get around easily and to be active

Links to other key plans & strategies:

- Health & Wellbeing Strategy
- Southend 2050 engagement network
- Access Parking & Transport Strategy
- Digital Strategy
- Cultural Strategy
- Physical Activity Strategy
- Medium Term Financial Strategy
- Local Development Scheme
- Growth Strategy
- Southend Cycling Strategy
- Economic Growth Strategy
- South Essex Growth Deal
- Destination Southend (Tourism Strategy)
- Environmental, Crime Enforcement Strategy and Policy

Strategic Delivery Plan

2019-2023

Lead Councillor: Cllr Boyd

Lead Officer: Simon Leftley

Links to other 2050 themes:

Pride and Joy

- Attracting investment
- Culture as an attractor
- Tourism - jobs and skills
- Diversity in the population creating a more diverse economy with greater opportunity
- Skills and jobs so people can stay in Southend

Safe and Well

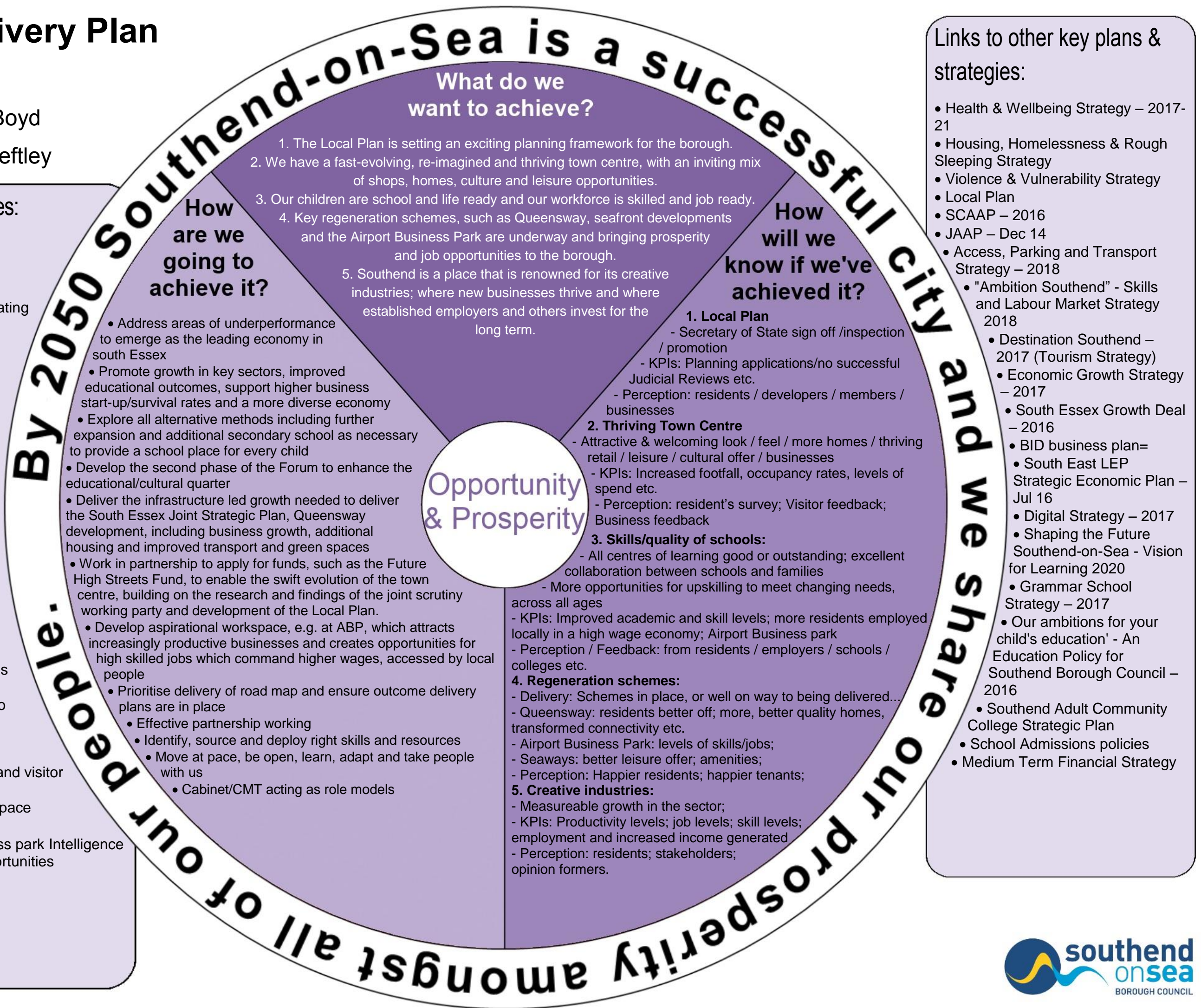
- Safe and active town centre
- Inclusive growth-opportunities for all including vulnerable groups
- Health/mental health in education and the workplace
- Housing for the workforce
- Attractiveness of the town centre

Active and Involved

- Business participation in shaping the narrative about Southend, ambassadors
- Volunteering as a route to skills and employment
- Procurement - local capacity to sell to the Council

Connected and Smart

- Business, workforce, student and visitor accessibility
- Unlocking new development space
- Digital economy and skills
- Role of the airport and business park Intelligence / data creating commercial opportunities



Links to other key plans & strategies:

- Health & Wellbeing Strategy – 2017-21
- Housing, Homelessness & Rough Sleeping Strategy
- Violence & Vulnerability Strategy
- Local Plan
- SCAAP – 2016
- JAAP – Dec 14
- Access, Parking and Transport Strategy – 2018
- "Ambition Southend" - Skills and Labour Market Strategy 2018
- Destination Southend – 2017 (Tourism Strategy)
- Economic Growth Strategy – 2017
- South Essex Growth Deal – 2016
- BID business plan=
- South East LEP Strategic Economic Plan – Jul 16
- Digital Strategy – 2017
- Shaping the Future Southend-on-Sea - Vision for Learning 2020
- Grammar School Strategy – 2017
- Our ambitions for your child's education' - An Education Policy for Southend Borough Council – 2016
- Southend Adult Community College Strategic Plan
- School Admissions policies
- Medium Term Financial Strategy

Strategic Delivery Plan

2019-2023

Lead Councillor: Cllr Moring

Lead Officer: Andy Lewis

Links to other 2050 themes:

Pride and Joy

- There is a tangible sense of pride in the place and local people are actively and knowledgeably talking up Southend-on-Sea
- Our streets and public spaces are clean and thriving

Safe and Well

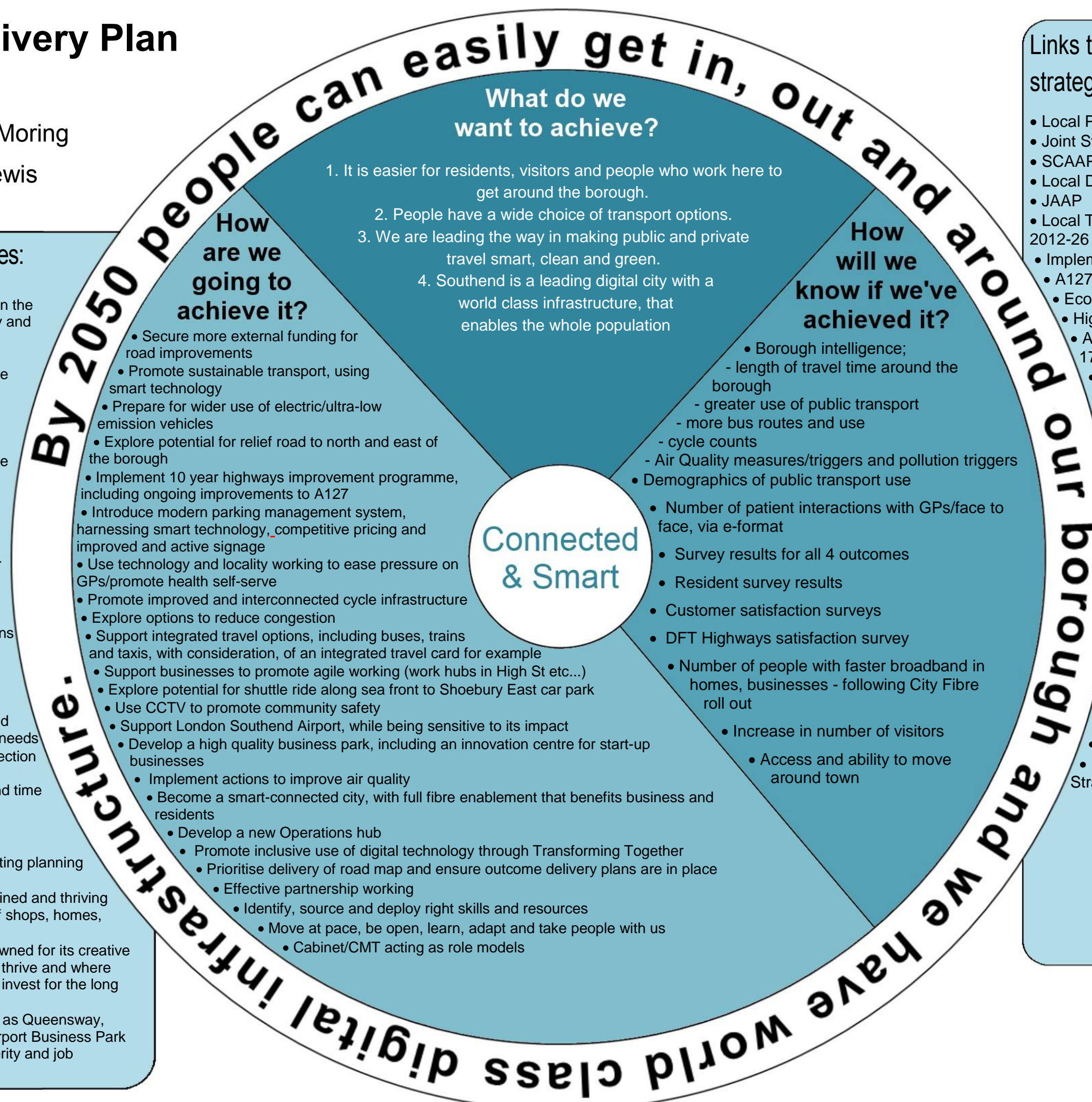
- We are well on our way to ensuring that everyone has a home that meets their needs and residents enjoy their lives in their own homes and can direct, and have a say in their support.
- We are all effective at protecting and improving the quality of life for the most vulnerable in our community, with children having the best start in life, good health, are safe and achieve their ambitions
- We act as a green city

Active and Involved

- Public services are routinely designed, and sometimes delivered with their users to best meet their needs
- The benefits of community connection are evident as more people come together to help, support and spend time with each other

Opportunity and Prosperity

- The Local Plan is setting an exciting planning framework for the borough
- We have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities
- Southend is a place that is renowned for its creative industries; where new businesses thrive and where established employers and others invest for the long term
- Key regeneration schemes such as Queensway, seafront developments and the Airport Business Park are underway and bringing prosperity and job opportunities



Links to other key plans & strategies:

- Local Plan
- Joint Strategic Plan (ASLEA)
- SCAAP
- Local Development Scheme
- JAAP
- Local Transport Plan – Strategy 2012-26 (Jan 15) & Implementation 2015-21
- A127 Corridor for Growth
- Economic Plan (Mar 14)
- Highway infrastructure
- Asset Management Plan (Jun 17)
- Transport Asset management Strategy
- Southend Shoreline Strategy
- Highways Infrastructure
- Data Management Strategy
- Highway Infrastructure
- Asset Data Management Strategy
- Access, Parking & Transport Strategy for Southend
- Southend Cycling Strategy
- Southend Digital (2014-18)
- Digital Strategy
- Growth Strategy
- Tourism Strategy
- Medium Term Financial Strategy

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Southend-on-Sea Borough Council

Report of Strategic Director (Finance and Resources)

**To
Cabinet**

**On
17 January 2019**

Report prepared by: Alan Richards, Head of Corporate
Property and Asset Management

**Agenda
Item No.**

6

**The proposed development of the Seaway Car Park
Policy and Resources Scrutiny Committee – Cabinet Member: Councillor J. Courtenay**

A Part 1 (Public Agenda item).

1. Purpose of Report

To review the proposed development of the Seaway Car Park and associated land (“the Development”) and the Agreement for Lease and Sale dated 10 December 2014 made between the Council and Turnstone Southend Limited (“Turnstone”), hereinafter referred to as “the Agreement”.

It is important to note that this report deals with the proposed Development in the context of the Council’s land ownership, regeneration and economic development responsibilities. While the strategic planning context will be mentioned in this report, the planning application recently submitted for the Development (Ref: 18/02302/BC4M) must be considered quite separately by the Council as local planning authority through the Development Control Committee.

2. Recommendations

2.1 To note that unless either party takes a decision to terminate, the Agreement for Lease and Sale dated 10 December 2014 made between the Council and Turnstone Southend Limited (“the Agreement”) for the development of the Seaway Car Park and associated land (“the Development”) remains in full legal force.

2.2 That the Council does not seek to terminate the Agreement at the present time, but maintains its support for the Development based on the strong and viable economic case, the fresh independent valuations under S.123 Local Government Act 1972, the contribution to the Council’s published Ambition and Outcomes, the level of commitment (including investment) made by Turnstone and the progress which has been made to date

2.3 That the contractual ‘End Date’ of 10 December 2018 be extended to 17 January 2020 for the discharge of all conditions (including obtaining planning permission) in the Agreement to be dealt with so that the Lease

can be granted. Under the Lease, practical completion is then required within 3 years of granting the Lease which necessitates an early start on site.

- 2.4 That amendments are made to the Agreement as set out in section 5.8 of this report, including the extension of time referred to in recommendation 2.3 above, on the basis of the fresh valuations referred to in sections 6.2 (e), 9.2 and attached at Appendices 4 and 5.
- 2.5 That the Chief Executive, in consultation with the Group Leaders and the Cabinet Member for Growth, be authorised to make further minor amendments to the Agreement if required.
- 2.6 That the agreements with Homes England in relation to 1-3 Herbert Grove, 29 Herbert Grove and the Rossi Factory (31 Herbert Grove) as set out in section 5.11 of this report be completed.

3. Summary of previous key decisions:

- 3.1 The principle of pursuing Government funding for the the acquisition of the Rossi Factory (31 Herbert Grove) and 29 Herbert Grove was agreed by Standing Order 46 (SO.46) on 27 September 2005. The details of the acquisition were then agreed pursuant to SO.46 on 26 January 2007 when the funding was confirmed.
- 3.2 The acquisition of 1-3 Herbert Grove, again with Government funding, to further support the regeneration and development of Seaway Car Park was agreed at Cabinet 19 February 2008 (minute 1000 refers).
- 3.3 On 29 November 2012, the Economic & Environmental Scrutiny Committee considered a pre-Cabinet scrutiny report on the Seaway Car Park Development. (Minute 544 refers).
- 3.4 On 8 January 2013 the Cabinet agreed the principles of an Agreement with Turnstone for the development of the Seaway Car Park: Minute 637 refers. The Cabinet decision was noted at Economic & Environmental Scrutiny Committee on 31 January 2013 (minute 744 refers).
- 3.5 On 28 February 2013 the Council noted the minutes 637 and 744 referred to above (minutes 790 and 816 refer).
- 3.6 The final details of the agreement with Turnstone were agreed under SO 46 signed by Councillor Woodley as Leader of the Council in November 2014. This was reported to Cabinet on 6th January 2015 (minute 533 of Cabinet refers). The SO.46 letter records that various “all-Member” briefings had been held and that the terms had been endorsed at the Group Leaders Briefing on 19 July 2013.
- 3.7 See also the information on the Council’s website¹ which includes links to the key minutes above.

¹ Seaways information on the website including FAQs
https://www.southend.gov.uk/info/100003/communities_neighbourhoods_and_the_environment/873/seaway_project/2

3.8 Most of the key terms of the Agreement are in the public domain. However a few elements remain commercially confidential. It is important that the Council strikes an appropriate balance between transparency and commerciality and the Council's approach in this case has been upheld by the Information Commissioner.

4. Background and Contractual Summary:

4.1 Section 3 above sets out the authorities for the Council to enter into the Agreement with Turnstone and the principal reasons for doing so were as follows:

- To facilitate an exciting new leisure/recreational development for the benefit of residents and visitors, involving significant private capital investment and creating many jobs.
- To bring forward further town centre regeneration.
- To use the Council's strategic land holdings in a creative way, whilst maintaining and improving its long term income stream and asset value.
- To meet the Council's well documented aspirations for this site in a very challenging economic environment: The proposed Development is an excellent strategic fit and offers so many positives for the Town. **Appendices 1 and 2** set out the current Strategic Planning and Economic Contexts.
- To demonstrate that Southend is a good place to invest.
- To enable the Council to deliver the regeneration envisaged when the strategic property acquisitions at 1-3 Herbert Grove, 29 Herbert Grove and the Rossi Factory (31 Herbert Grove) were made and to meet the requirements of the associated Funding Agreements.
- To include replacement parking and offer additional parking which in turn creates additional strategic future opportunities for the Council in relation to its other town centre car park sites.

4.2 Following careful consideration by councillors and officers, the Council agreed to negotiate directly with Turnstone, in the light of the substantial benefits offered by their proposals; which included Turnstone having an anchor tenant pre-let agreed with Cineworld and an option to purchase a property which could have provided a strategic link through to the seafront. In terms of the potential strategic link to the seafront, the option expired and was not renewed. This was because:

- The route was technically difficult and prohibitively expensive to build due to the gradient;
- The link would have been high-sided, narrow, steep and difficult to make it feel safe or inviting;
- Turnstone tested the issue with likely tenants who were ambivalent about its provision;

- The planning view was that the link, which was located outside the Development area, was not essential; and
- An overage provision was incorporated in the Agreement in part to reflect the absence of the link. The Council could choose to use such overage to provide a link if this was ever felt to be essential.

4.3 Following certification of the transaction by Savills for compliance with S.123 Local Government Act 1972 (Best Consideration) and the Council and Turnstone subsequently finalising detailed negotiations, the Council and Turnstone entered into the Agreement.

The Agreement provided that subject to the Council and Turnstone satisfying a number of conditions, including:

- the relocation of coach parking (Council);
- the relocation of the former waste depot (Council);
- meeting the funding requirements of Homes England² (Council); and
- securing planning permission (Turnstone)

then Turnstone could acquire an interest in Seaway Car Park and associated land. Originally this acquisition was to be in two sections: the main part under a 152 year commercial ground lease under which the Council will benefit from a share of net rents received from the whole development (including the car park), subject to a minimum rent of £282,000 per annum; and an ancillary area under a freehold transfer for enabling residential development. The latter is no longer required – see section 5.4 below.

4.4 The Agreement requires Turnstone to deliver no less than 480 parking spaces as part of the Development which is consistent with the figure in the Southend Central Area Action Plan (SCAAP) (478) - The current figure is higher than this - see section 5.5 below.

4.5 Typically schemes such as this are delivered in two ways.

One option is for the Council to sell the freehold (or long-leasehold) of its land to secure a significant capital receipt. Another option is for the Council to retain the freehold and to grant a long lease for a nominal premium, but subject to a commercial rent: This option enables the Council to benefit from a long-term income stream and to share in the success of the Development.

The Council has been clear from the outset that its main ambition is to secure income under a long lease which is achieved through the structure in place. Reports that the the Council has sold the whole site for £1 are factually incorrect. The Council remains (and will continue to remain) the freeholder even after the Lease is entered in to.

4.6 When the conditions in the Agreement are satisfied (see 4.3 above), the Lease can be granted. The Development must then be completed within 3 years (subject to normal force majeure provisions). Combined with the requirement to pay rent from day one, Turnstone's time-limited arrangements with anchor tenants, and the level of investment made by Turnstone to date, there is a

² The Homes and Communities Agency (HCA) at the time of the Agreement

strong commercial imperative for Turnstone to progress the Development (as well as a contractual obligation) once the Lease is granted.

- 4.7 In accordance with normal commercial practice, the expectation is that the Lease will be granted directly to a major financial investor (e.g. a pension fund) which will fund the Development. In no way does such an arrangement indicate a lack of commitment on the part of Turnstone. Turnstone's role is to facilitate the Development and, when funding is required, to secure funding, not to directly fund it. This will result in the Council receiving a long-term commercial income stream, with a solid commercial tenant. The Agreement does however permit Turnstone to be granted the Lease, subject to the company meeting the requisite financial requirements..
- 4.8 A notional £1 premium is payable on the grant of the Lease, with the Council receiving a commercial rent of £282,000 per annum. This rent is payable from the date the Lease is completed, continues throughout the construction phase and up to the first rent review in year 7 when it's reviewed. Turnstone's role will be to obtain planning permission and facilitate the construction, letting and delivery of the scheme. There is nothing unusual about this arrangement and most major schemes are owned by property, pension or investment funds.
- 4.9 At the rent reviews in years 7, 12 and 17 of the Lease, the rent is reviewed to the greater of £282,000 p.a., the passing rent, or 11% of the net income received across the whole scheme. The Council is not required to make any capital contributions during the Lease. There are rent-smoothing provisions to ensure that the effects of any voids on the Council's rental income are mitigated. The Agreement includes the option for either party to serve notice on the other to terminate after four years (10 December 2018) if the conditions, including those as referred at part 4.3 above have not been satisfied but subject to such extensions as provided in the Agreement. The Agreement does not automatically come to an end on this date, but remains in full legal force in the absence of either party pursuing termination. It is commercially standard to have such a date whereupon if reached the parties would re-evaluate the position with a view to progressing the transaction or termination.

5. Developments since completion of the Agreement of 10 December 2014

- 5.1 Turnstone and the Council have been working to address the various conditions and to move the scheme forwards during the last 4 years. Whilst Cineworld subsequently withdrew from the Development, Turnstone have signed a pre-let agreement with another cinema operator (therefore securing the anchor tenant) as well as two further major anchor tenants as detailed at 5.6 below.
- 5.2 The Council has discharged its primary conditions by relocating the coach parking and ensuring that the former waste depot is no longer operationally required.
- 5.3 The Council has worked with Homes England to agree terms for the requirements in the Funding Agreements to be satisfied in relation to 1-3 Herbert Grove, 29 Herbert Grove and the former Rossi Factory (31 Herbert Grove) and has agreed a clawback payment of £166,000 pursuant to the terms of those Funding Agreements. It is therefore recommended at 2.6 above that

the agreement finalising these terms be completed with Homes England. Further information on these elements are set out in section 5.11 below.

- 5.4 The Development no longer includes any residential development as this is not required to assist with viability and the additional land can be better used for additional car parking. Therefore the Residential Land referred to in section 4.3 will now not be sold but will be included in the Lease of the site.
- 5.5 The amount of publicly available parking in the Development has been increased. The parking survey in May 2016 recorded 478 spaces at Seaway Car Park (before the coach parking was relocated). This is the baseline figure accepted by the Planning Inspector and included in the Southend Central Area Action Plan (SCAAP) which was adopted in February 2018.

The relocation of the coach parking gave the opportunity to provide some temporary car parking which was introduced to support local businesses, and raise further parking income for the Council. The Council's parking management system operates on 630³ spaces at Seaway currently, reflecting the temporary increased provision.

The Agreement requires no less than 480 spaces, however Turnstone has agreed to this figure being increased to no less than 542 now that the scheme has been further designed. The recently submitted planning application includes 555 publicly available surface and multi-storey car park spaces representing an increase of 77 spaces above the 478 SCAAP baseline figure.

- 5.6 In difficult economic conditions, particularly the decline in demand for retail and restaurants, Turnstone has now successfully assembled pre-lets including Empire, Hollywood Bowl and Travelodge to anchor the scheme and the planning application has been tailored to the requirements of the prospective tenants.
- 5.7 The 8 January 2013 Cabinet report emphasised that the proposed mix of uses was indicative and subject to variation as detailed designs and development appraisals proceeded through planning and changes would be needed to meet tenant demand.
- 5.8 With the scheme now sufficiently developed and pre-let, some amendments to the Agreement are required to enable the scheme to be competitively funded. This is important for the Council, for Turnstone, incoming tenants and for institutional funders. The amendments required are;
 - A. Removal of the the residential land. All the site will remain in the Council's freehold ownership and will be subject to the Lease when drawn down for development.
 - B. Now that the primary anchor tenants have been secured and are on RPI-linked rent reviews (ensuring long-term rental growth over a substantial part of the scheme), the Council can adjust the rent review arrangements, such adjustments will improve the rate at which the scheme can be institutionally funded, improve its viability and also the prospect of the Council achieving

³ https://southendparking.apcoa.co.uk/parking_map

overage. This involves the upward-only rent review provision being maintained until year 17 after which the rent will be directly geared to 11% of the income across the scheme.

- C. The minimum contractual parking number can be increased from 480 to 542 spaces.
- D. The balance of restaurant to leisure units can be adjusted to reflect pressures in the market, enhance the leisure offering and reduce the reliance on restaurants.
- E. The extension of the date by which contracts must be unconditional (defined as the 'End Date' in the Agreement) to 17 January 2020. One of the conditions is the obtaining of a satisfactory planning permission. This will keep the pressure on for delivery, whilst also providing Turnstone with certainty for the next tranche of their investment (from planning to start on site). Under the Lease, practical completion is then required within 3 years as explained in section 4.6 above.

5.9 The contractual changes A to D in 5.8 above have been agreed with the Group Leaders and were awaiting S.123 certification which has just been received: Accordingly they are now recommended for approval at 2.4 above.

5.10 Further minor amendments may be required as the Development progresses and a delegation is set out at recommendation 2.5 to enable these to be dealt with.

5.11 Government Funding re 1-3 Herbert Grove, 29 Herbert Grove and the Rossis Factory (31 Herbert Grove)

5.11.1 29 and 31 Herbert Grove

(a) The former Rossi Factory site (31 Herbert Grove) and 29 Herbert Grove were acquired in a single transaction by the Council with East of England Development Agency (EEDA) funding on 29 March 2007. The full funding supplied externally was allocated to enable these properties to be acquired, demolished and incorporated in to the regeneration of the wider Seaway site, subject to an element of clawback being paid back by the Council as referred to below – this was a condition of the funding.

(b) The principle of the acquisition was agreed on 27 September 2005 with the detailed terms of the acquisition then being approved by SO.46 dated 26 January 2007.

(c) The combined site was acquired for £1.75m, that sum comprising £1.55m for the Rossi factory and £200k for 29 Herbert Grove. The values were verified and recommended by a Red Book Valuation undertaken by Drivers Jonas on the instructions of Renaissance Southend Limited.

(d) The purchase price had regard to the intention to lease the Rossi Factory back on a short-term lease at a rent of £20,000 p.a. which contained a requirement to fully strip the property on vacation. The income received from the property was only ever intended to be a short term income stream and the Council has in fact benefitted from this for longer than envisaged.

(e) As a condition of the funding, the Council is required to progress the wider Seaway regeneration and once a scheme is settled, it is required to seek the consent of EEDA (subsequently the Homes and Communities Agency (HCA) and now Homes England). This translates in to the Agreement as a condition on the Council to satisfy the HCA Condition so that the restriction on title can be lifted.

(f) Full details of the original scheme were provided to Homes England (then HCA), their surveyors and solicitors so that they could satisfy themselves in relation to the scheme and in order that the clawback sum may be settled. This figure has been settled at £166,000. There is already provision for this in the Capital Programme following previous SO46 approval to settle the terms with the (then) HCA based on the initial scheme.

(g) This agreement has been revisited with Homes England in relation to the final scheme. Their advisers have re-assessed the scheme and Homes England has confirmed that the final scheme meets their approval and that the clawback figure will remain the same at £166,000. It is therefore recommended that the Council complete the agreement with Homes England and recommendation 2.6 above refers.

5.11.2 The demolition of the Rossi Factory

It was originally envisaged that Turnstone would demolish the property as part of the scheme. However given the time delays to the development, the relocation of the Rossi business to Temple Farm and in order to mitigate the costs and risks of holding the property vacant, the Council has demolished the property, Turnstone will fully reimburse the Council for the demolition costs of £113,237.80 when the Agreement goes unconditional. This includes the Council's internal costs of managing the demolition as well as the contractor's price.

5.11.3 29 Herbert Grove

(a) This is a residential property which was vacant at the time of acquisition. It was acquired together with the Rossi Factory. It was originally intended to hold this property vacant however given the housing pressures, however the Council opted to use the property for housing in the interim period. The property was therefore leased to South Essex Homes who in turn have managed the tenancy arrangements.

(b) The current residents have been notified of the Seaway proposals and are aware that the planning application has been submitted. South Essex Homes will work with them to secure alternative accommodation if planning permission is granted.

(c) As with the Rossi Factory, the funding arrangement requires the Council to include this area in the wider development plans. This will be part of the area which will form the new public square to the East of St John's Church, enhancing the public realm.

5.11.4 1-3 Herbert Grove

(a) Once again with the full £550k of EEDA funding (now Homes England), the Council also acquired 1-3 Herbert Grove (the Elizabeth Guest House) on 25 March 2009 so that it may also be included in the scheme to assist with the public realm enhancements and improve connectivity between Seaway and the Town Centre. The acquisition was agreed at Cabinet 19 February 2008 (minute 1000 refers).

(b) The comparative architects' impressions at Fig. 1 and 2 below clearly show the improvement achieved through the inclusion of 1-3 Herbert Grove into the scheme.

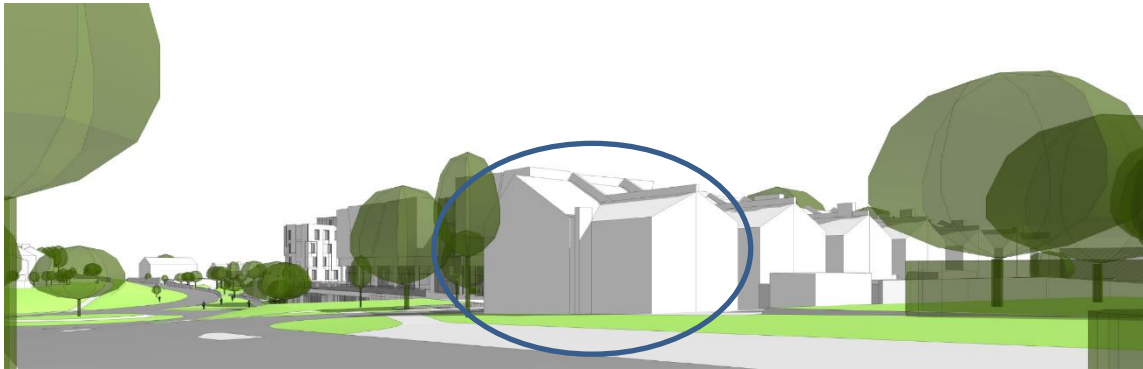


Fig 1. Approach to Seaway Leisure with 1-3 Herbert Grove (circled) remaining.



Fig 2.: Approach to proposed Seaway Leisure with 1-3 Herbert Grove area incorporated into public realm.

(c) The grant funding was allocated on the basis that 1-3 Herbert Grove is included within the scheme and the consequence of not doing so is that the Council would have to payback the funding applied to the acquisition in the sum of £550,000 (£500,000 purchase price, £10,000 goodwill payment and a sum to cover the acquisition costs).

(d) No land transaction is required to incorporate 1-3 Herbert Grove in to the scheme and it is proposed that a simple licence is entered in to which enables Turnstone to take possession of the land once vacant possession has been secured, demolish the buildings and construct the new public realm for the Council to adopt going forward. The costs of ongoing maintenance (adoption) will be dealt with in the planning process.

(e) When 1-3 Herbert Grove was acquired, part of the agreement was for the building to be leased-back to the occupier on a short term basis. The lease has

been renewed several time on very short terms and remains excluded from the security of tenure provisions of the Landlord and Tenant Act 1954. The existing lease expires in August 2019 and the tenant has been advised that in the event that planning permission is granted for the scheme, the lease would not be renewed and the Council would require vacant possession of the property. The income received from the property is approximately £21,000 p.a. This was only ever intended to be a short term income stream and the Council has in fact benefitted from this for much longer than envisaged. The current Rateable Value is £4,500 providing an additional income to the Council through Non Domestic Rates of approximately £2,200 p.a. (the Council retains 49% of this (£1,056)

(f) Homes England is supportive of the proposal in relation to 1-3 Herbert Grove, especially because the scheme includes the provision of a new, much larger, better located modern hotel.

(g) It is therefore intended to settle this matter, conditional on the grant of planning permission, as set out above with Turnstone and Homes England. Recommendation 2.6 above refers.

5.12 Current Economic Context

5.12.1 The relevant economic context is set out in the Council's adopted Economic Growth Strategy⁴, Destination Southend (Tourism Strategy)⁵ and Ambition Southend (Skills Strategy)⁶. The relevant sections and links are set out in greater detail at **Appendix 2** and briefly summarised below:

(a) **The Economic Growth Strategy** - The Seaway development represents a significant level of inward investment, a key facet of the strategy, as well as delivering against a number of the strategy's priorities, in paragraph 7.1.

(b) **Destination Southend** - Under the theme of "Destination Development" a leisure led development at Seaways is identified, saying "*Seaway multiplex cinema development will add a year-round leisure offer in the central seafront adding football opportunities pre and post film screenings for the tourism businesses on the seafront. This additional feature will provide an enviable year round attraction supporting longer dwell times for visitors and residents in this location throughout the year.*"

(c) **Ambition Southend** - recognises the opportunity presented by major regeneration projects to upskill local residents through the creation of jobs and new roles in the Borough.

The economic impact assessment shows that the development at Seaways could contribute to the delivery of several of the objectives of the strategy,

⁴ Economic Growth Strategy:

https://www.southend.gov.uk/download/downloads/id/2519/economic_development_and_tourism_strategy_refresh_2010.pdf

⁵ Destination Southend (Tourism Strategy)

https://www.southend.gov.uk/downloads/download/746/destination_southend

⁶ Ambition Southend (Skills Strategy)

https://www.southend.gov.uk/info/200208/business_support_and_advice/798/ambition_southend

namely: raised productivity, strong jobs growth, meeting the workforce needs of employers and supporting an inclusive and diverse workforce.

(d) **Economic Impact and Benefits** - There are much wider considerations for the Council than the rent and business rates income that the scheme will generate or the final number of parking spaces. This scheme is, in the Planning Inspector's words, "*an important catalyst*". Its delivery is pivotal to the reinvigoration of the town centre and the economic prosperity of the area. The benefits will reach deep in to the High Street, the wider town centre, the seafront businesses and the lives of residents providing a modern, varied leisure offering, significant job creation both through construction and in operation and great benefits through linked-trips and increased economic activity.

5.12.2 To assist in articulating these benefits an Economic Benefits Assessment has been prepared by Lambert Smith Hampton (LSH). The economic assessment has been calculated using industry accepted methods, aligned to the HM Treasury Green Book and HCA guidance on valuing benefits. Operational on-site employment levels have been assessed using HCA Employment Densities. To assess multiplier effects, the 2014 HCA Additionality Guide has been used. The Council has confirmation from LSH that it can use and rely on this report.

The full LSH Report is included at **Appendix 3** with some of the key metrics from the summary set out below:

During Construction:

- Construction and fit out capital expenditure of £47m supporting the equivalent of **94 Full Time Equivalent (FTE)** direct and indirect jobs during the 18 month construction phase.
- Using the average Gross Value Added (GVA) per worker, approximately **£4.4m GVA in the local economy** over the construction period.

Future Operational Phase:

- Based on the proposed floor space, between **270 and 323 FTE net additional jobs** created delivering an additional annual **GVA of between £12.6m and £15.1m** to the local economy.
- Estimated increase in expenditure across accommodation, leisure, food and beverage, cinema and family entertainment resulting in **turnover of between £15.4m and £16.8m annually**.

Linked trip and tourist expenditure:

- Linked trip potential to the town centre estimated at **£1.5 to £1.7m**
- Additional tourism spend estimated at **£0.77m to £0.84m**

5.12.3 The benefits associated with delivery of the proposed Development are significant and will make a valuable contribution to the local viability and vitality of the town centre. At a strategic level the proposed Development will support net additional employment and growth in the Borough and more widely in the regional economy.

5.12.4 Through the inclusion of a substantial quantum of parking within the Development (at least 542 spaces), the land at Seaway is enabled to achieve its full potential providing year-round, all weather opportunities for residents and visitors alike to both park and enjoy a wider range of facilities. There will be days when seafront car park demand exceeds capacity. Therefore whilst it is important to maintain capacity in the central seafront area to support residents, workers, visitors and local businesses, it is also important to balance this with an alternative and wider offering so that the full economic and development opportunity presented by this land can be optimised and its full potential achieved.

6. Therefore should the Council continue with Turnstone, or should it consider termination of the Agreement?

6.1 There have been representations from certain individuals that the Council should terminate the Agreement, given the date of 10 December 2018 has now passed and so this is a potential option.

Arguments have been put forward that the current terms do not represent best consideration and the Council would do better to either market the site again or retain Seaway Car Park for public parking (given the car parking income is higher than it was back in 2014).

It is accepted that certain businesses/individuals may have their own legitimate concerns about changes to car parking facilities serving the seafront and competition from the new uses proposed on the Seaway Car Park and associated land. However, the Council's duty is to consider what is best for the Borough as a whole. It must assess the benefits of the new facilities proposed along with any downsides. At the same time the Council must ensure that any agreement/lease represents best consideration and that good parking facilities are provided for all those using the seafront.

6.2 It is submitted that the case for continuing with Turnstone and not seeking to terminate the Agreement at the present time is very strong for the following reasons:

- (a) While it has taken some time for Turnstone to get to this stage, there are reasons for this;
- The Council took longer than originally anticipated to satisfy the Coach Park Relocation Condition and Cory Depot Condition and the HCA Condition required revision aligned to the revised scheme.
 - Difficult economic conditions - the decline of the A3 restaurant market and Cineworld's withdrawal from the scheme
- (b) The Development remains consistent with the Council's aspirations in its various plans and policies as set out in this report and in **Appendices 1 and 2.**
- (c) The nature of the Development has improved as it has been worked up. In particular the number of car parking spaces has increased (and separately

new parking facilities for sea front visitors have come on stream at the former gas works site).

- (d) The Development will bring considerable benefits to the town in terms of providing new facilities for visitors and residents and in the creation of jobs. The wider economic benefits and will act as a catalyst for the reinvigoration of the town centre and the economic prosperity of the area as referred to in section 5.12.1 (d) above.
- (e) The terms of the deal still represent best consideration for the purposes of the Council's obligations under S.123 Local Government Act 1972. Details of the S.123 valuations are set out in section 9.2 below and the summary valuation reports at **Appendices 4 and 5**. (For the avoidance of doubt, these valuation reports are predicated on the changes proposed to the Agreement as set out in section 5.8). It should be noted that there have been extremely tough economic conditions in the past 4 years and that restaurant trade, especially, has suffered and so the deal still represents best consideration.
- (f) While Council car parking income from the Seaway Car Park has increased in recent years, the return for the Council in terms of rent and Business rates in respect of the Development will be much greater. Furthermore, parking income is far less certain than rental income in the long term and Local Authorities generally are under great pressure to support town centres by reviewing parking charges presenting further uncertainty around parking income. Full details of the Financial Implications are set out in section 9.2 below.

6.3 If the Council sought to terminate the Agreement then there a number of adverse consequences:

- (a) The significant economic benefits set out in this report would not be captured.
- (b) It would seriously discourage others from investing in this site or on any other Council site in the Borough.
- (c) The site would be blighted and the prospect of securing an alternative developer willing to take the significant risks required on this site would be very poor – Turnstone has invested c.£1m to get to this stage.
- (d) Reputational damage to Southend among the investment and development industry. It would portray Southend as somewhere which is not supportive of regeneration and growth.
- (e) Significant abortive costs, including obligations to repay up to £2.3m to Homes England in respect of the Rossi site, 29 Herbert Grove and 1-3 Herbert Grove.
- (f) Likely repercussions on the ability to secure funding for other developments if delivery cannot be evidenced.

- (g) There would be little or no prospect of a scheme on Seaway being delivered at least in the short and medium term.
- (h) The risk of legal claim by Turnstone on grounds of the Council not acting in good faith, cannot be ignored. Turnstone has made a significant investment including investing large amounts of time and money in bringing this project together – and the Council has been supportive in their doing so.

7. Other Options.

To seek to terminate the Agreement, but there would be adverse consequences as referred to in section 6.3 above.

8 Reasons for Recommendations.

- 8.1 To enable realisation of the Council’s long-held ambitions and aspirations for the regeneration of the Seaway Car Park and associated land to deliver the significant, place-changing regeneration and economic benefits set out in this report and to demonstrate that Southend is proud to act in the interests of local residents.
- 8.2 The delivery of the Development will enable the Council to make significant progress in achieving its 2050 Ambition and many of the recently adopted Outcomes across a range of themes.

9. Corporate Implications

9.1 Contribution to Council’s Ambition and 2050 Outcomes

Southend 2050 Ambition – the relevant sections are emboldened below:

Our ambition The year is 2050.

How does our borough, Southend-on-Sea, look and feel?

Inevitably the place has changed a lot since the early years of the century, but we’ve always kept sight of what makes Southend-on Sea special. **Prosperous** and connected, but with a quality of life to match, Southend-on-Sea has led the way in how to **grow a sustainable, inclusive city** that has made the most of the life enhancing benefits of **new technologies**.

It all starts here - where we are known for our creativity, our cheek, our just-get-on-with-it independence and our welcoming sense of community. And so, whilst the growth of London and its transport network has made the capital feel closer than ever, we cherish our estuary identity - **a seafront that still entertains** and a coastline, from Shoebury garrison to the fishing village of Old Leigh, which always inspires. We believe it’s our contrasts that give us our strength and ensures that Southend has a vibrant character of its own.

- **Pride and Joy: People are proud of where they live – the historic buildings and well-designed new developments, the seafront and the open spaces. The city centre has generated jobs, homes and leisure**

opportunities, whilst the borough's focal centres all offer something different and distinctive. With its reputation for creativity and culture, as well as the draw of the seaside, Southend-on Sea is a place that **residents and visitors can enjoy in all seasons.** Above all we continue to cherish our coastline as a place to come together, be well and enjoy life.

- **Safe and Well:** Public services, voluntary groups, strong community networks and **smart technology** combine to help people live long and healthy lives. Carefully planned homes and **new developments have been designed to support mixed communities and personal independence, whilst access to the great outdoors keeps Southenders physically and mentally well.** Effective, joined up enforcement ensures that people feel safe when they're out and high quality care is there for people when they need it.
- **Active and Involved:** Southend-on-Sea has grown, but our sense of togetherness has grown with it. That means there's a culture of serving the community, getting involved and making a difference, whether you're a native or a newcomer, young or old. This is a place where people know and support their neighbours, and where we all share responsibility for where we live. **Southend in 2050 is a place that we're all building together – and that's what makes it work for everyone.**
- **Opportunity and Prosperity:** Southend-on-Sea and its residents benefit from being close to London, but with so many **options to build a career** or grow a business locally, we're much more than a commuting town. Affordability and accessibility have made Southend-on-Sea popular with start-ups, giving us the edge in **developing our tech and creative sectors, whilst helping to keep large, established employers investing in the borough.** People here feel valued, nurtured and invested in. This means that they have a love of learning, a sense of curiosity and are ready for school, employment and the bright and varied life opportunities ahead of them.
- **Connected and Smart:** Southend-on-Sea is a **leading digital city and an accessible place.** It is easy to get to and get around, with **easy parking for residents, visitors and businesses.** Everyone can get out to enjoy the borough's **thriving city centre, its neighbourhoods and its open spaces.** Older people can be independent for longer. It is also easy to get further afield with quick journey times into the capital and elsewhere. Our airport has continued to thrive, opening up new business and leisure opportunities overseas – but it has done so in balance with the local environment.
Southend-on-Sea - it all starts here.

Pride and Joy:

Residents told us they want:

- The seafront continues to be our pride and joy
- Our town centres & public places are clean, attractive, thriving and reflect our success
- I feel inspired by the arts, culture and attractions that are available year-round in Southend.
- We are a 'destination' people want to visit, live and study all year round and from far and wide

Seaway will help achieve this by:

- New developments generating jobs and employment opportunities

- Reputation for creativity and culture
- A place that residents and visitors can enjoy in all seasons

Safe and Well:

Residents told us they want:

- Sunshine and fresh air! A light, bright place with great quality of life
- Everyone feels safe at all times of the day

Seaway will help achieve this by:

- Carefully planned...new developments...support mixed communities
- Improving the quality of the public realm and reducing anti-social behaviour through good design and activated spaces.
- Providing a substantial amount of parking to serve the Development and the wider town centre and seafront area.

Active and Involved:

Residents told us they want:

- A sense of family and community, enjoying and supporting each other – a strong sense of settled communities
- Everyone takes responsibility for protecting our environment

Seaway will help achieve this by:

- The creation of a year-round new family leisure destination
- Modern development incorporating a range of environmental measures and reducing surface water run-off and therefore the risk of seafront flooding.

Opportunity and Prosperity - Residents told us they want:

- My education opportunities have given me the best start in life
- There are so many options for a rewarding career
- There is a good balance of retail, residential and social space in our town centres
- We are well known as a hub for innovative and creative industries and ventures
- Large business support residents' aspirations
- It's easy to do business here – bureaucracy is minimal and overheads are affordable

Seaway will help achieve this by:

- Providing c.500 jobs and a range of training opportunities
- Generating significant added value to the town centre, seafront and wider economy
- Providing new and improved public realm including a new public square in front of St John's Church
- Providing an additional modern hotel thereby increasing the opportunities for in-bound tourism, longer dwell-time and linked trips and associated spend to the town centre and seafront.

Connected and Smart:

Residents told us they want:

- Easy connectivity with minimal barriers, however I chose to travel
- Parking is cheap and easy for residents and visitors
- Lots of opportunities to be in open space

Seaway will help achieve this by:

- Using technology to integrate with existing vehicle management systems and evolving smart technology.
- Providing good quality, competitively priced public parking.
- Providing new, high quality public realm.

The Council has held and maintained a long-term ambition, to redevelop Seaway Car Park with leisure, restaurants, retail, hotel, parking etc. and this ambition was referred to the Council’s Corporate Plan & Annual Report 2017 which was confirmed by Council on 20 July 2017 (see pages 25 and 37).

The above sections of this report demonstrate how the development of Seaway is woven through a whole range of strategic plans adopted by the Council.

Seaway Leisure has been carried forward in to the 2050 Roadmap agreed by Cabinet on 7 November 2018 and Council on 15 December 2018 including a final decision during 2019 which this report enables.

9.2 Financial Implications

a) Current Parking and other income

Car Parking:

Currently Seaway Car Park generates income for the Council primarily through parking income. Generating this income incurs significant costs.

This parking income is the subject of regular Freedom of Information requests and is quoted on a gross basis so this does not paint a true picture of the net position to the Council’s accounts.

2017-18 financial year was the highest grossing year of parking income on this site. It includes all the temporary parking set out following the relocation of the coach bays off-site. This is therefore the highest possible starting point to work from:

Gross Income:	£607,192
Less VAT:	-£101,199
Less Costs*	-£155,022
Add back 49% of Rates Paid which are recycled back to the Council	£ 46,003
Car Parking Net Income:	£396,974

*Note: the costs include £94k of business rates and £2.4k BID levy in addition to maintenance, security, operation, cash collection and management costs.

The annual costs for previous years are comparable but annual income is lower.

Other Income

The Council also receives the income (always intended to be temporary) from:

The Rossi Factory	No income received anymore as they have relocated and the building has been demolished.
1-3 Herbert Grove	£21,000 p.a. Rent £1,056 NDR
29 Herbert Grove c.	£12,600 p.a. (net of Management Fee) £1,125 p.a. (Band C) Council tax
Other Income	£35,781 p.a.

Total Net income £432,755 p.a. (from parking and other income)

b) Proposed Income from the new Development

The proposed scheme will deliver income in different ways to the Council:

- (i) Rent: Starting at £282,000** subject to rent reviews and substantial parts of the scheme including the cinema and hotel have RPI inflation included. This rent is received from the start of the Lease including during the 2-3 year construction period.
- Business Rates: £750,000 (Estimated conservatively – see below)
- Est Net Income: £1,032,000**

Improvement in estimated net income position: £599,245 p.a. on completion and occupation of the scheme.

**In addition to the direct income, this should also be seen in the context of the significant economic benefits to the town centre and wider area as articulated above.

The Business Rates income estimated above will not be received from day-one as this will be paid by occupiers of the scheme following completion so there will be a period of time during construction when only the £282,000 (plus any Rates income from site welfare and compound facilities) will be received.

(c) Non-Domestic Rates (Business Rates)

It is not possible to accurately assess the Non-Domestic Rates until the Valuation Office Agency has completed its assessment and all relevant appeals (if any) have been concluded. However an informed estimate can be made based on a combination of known and estimated scheme rents of a Rateable Value of approximately £2m.

To this the current national multiplier of 49.3p in the pound would be applied (noting that this multiplier is varied annually and always increases) to calculate the rates payable. Therefore on this basis, the estimated Non-Domestic Rates payable across the scheme would be c.£1m p.a.

In addition, Seaway Leisure will be within the Business Improvement District (BID) and the scheme would produce an additional BID levy of 1.5% of Rateable Value producing an additional c. £30k per annum to support the BID area. If at any point the BID levy increases, so would this figure.

At this time it is only possible to be approximate with these figures which will ultimately be determined nationally by the Valuation Office Agency. However given the extensive knowledge of Business Rates values based on what will be constructed on the site there is a good degree of confidence of the Business Rates forecast position.

It should also be noted that there are significant and yet unknown changes afoot around the distribution of collected non-domestic rates, rates growth and rebalancing grants. Currently the Council would retain 49% of the business rates income, that is around £0.5m p.a., with 50% going to government. The remaining 1% would go to Essex Fire Authority. However government has very clearly signalled in a recent consultation paper from the Local Government finance settlement their intention that from 2020/21 they are looking to change the Council retained element to 75%, and to reward Councils that attract growth in their business rates. Under those arrangements, the Council would retain about £0.75m. How much this gain would be offset by reductions in other grant streams is not known although the Business Rates can only increase further under the Government's proposals. The BID would continue to receive c.£30k p.a. in BID Levy. It is important to note that if the Council decides to lease-back the car park, the rates attaching to that element would then be payable by the Council, not a third party and any transaction would need to take this into account in considering the merits of the opportunity.

Capital - The Council is not required to put any capital into the scheme other than the clawback sum of £166,000 which it must pay to Homes England as set out above.

The Business Rates income will not be received from day-one as this will be paid by occupiers of the scheme following completion.

(d) Section 123 – Best Consideration

The Council's obligation under S.123 Local Government Act 1972 (s.123) is to secure best consideration. The means of doing this is not prescribed.

Public Bodies operate differently to private landowners in that a Local Authority will, for example often only offer a site for restricted purposes rather than openly and without restriction on use or future development. The Council in this case worked directly with Turnstone as an experienced developer of Leisure schemes and the Council engaged independent chartered surveyors, Savills to work alongside it in the negotiation, appraisal and ultimately certification of the transaction. The transaction includes an overage provision on the capital out-turn and long term rent geared to income across the scheme.

Savills plc is a global real estate firm listed on the London Stock Exchange with full and comprehensive governance and ethical standards in place. The RICS also has strict guidelines on the checking and management of conflicts of interest

which is why checks are performed before any appointment is made. Savills have more than 700 offices and 30,000 people worldwide. They offer a range of expertise which covers all the key segments of residential, office, industrial, retail, leisure, healthcare, rural and hotel property, and mixed use development schemes.

Savills were procured through a mini-tender run by the Council to work alongside the Council and its lawyers during the negotiation and settlement of the Agreement. Savills undertook a conflict check prior to appointment and confirmed that *“We have undertaken a conflict of interest check and confirm that we believe there to be no conflicts of interest by accepting the instruction and we will therefore be acting as independent external advisers“*.

Prior to the execution of the Agreement, Savills certified that the transaction delivered best consideration to the Council pursuant to s.123.

Subject to another clean conflict of interest check, Savills have been re-engaged to re-appraise the final scheme and update their advice in the context of s.123. Savills have duly reappraised the scheme and have certified the transaction meets the Council’s best consideration obligations pursuant to s.123. This re-certification takes account of the items identified above. The summary letter certifying the transaction is attached at **Appendix 4**.

Concerns have been raised about the independence of Savills, because one of Turnstone’s Directors is a former Director of Savills (see above with regard to the scale and reach of the company). Notwithstanding the clean conflict checks, the Council gave a commitment to have this certification independently reviewed.

The Council has therefore subsequently appointed District Valuer Services (DVS) to undertake a review of the scheme and the s.123 appraisal work. DVS is the specialist property arm of the Valuation Office Agency⁷.

DVS provides independent, impartial, valuation and professional property advice across the entire public sector, and where public money or public functions are involved. DVS only undertakes work for public bodies and so provide completely independent advice.

Their professional services specifically include the following services relevant to this particular commission:

- Valuations for acquisition, sale or to satisfy s123 Certification purposes
- Independent Development Viability Appraisals
- Apportionment of proceeds between development partners
- Overage, escalator and claw back expertise
- Property market analysis and reports
- Acquisitions and Disposals

DVS has now also completed its work and endorsed Savills’ approach and conclusions, namely that the transaction is in the interests of the Council and that

⁷ See following link for a full list of services: <https://www.gov.uk/government/publications/services-for-local-regional-and-devolved-government>

it enables the Council to secure Best Consideration pursuant to S.123. The executive summary from the DVS report is at **Appendix 5**.

Turnstone's primary condition is to secure planning permission. The application has been submitted and is proceeding through the planning process. Turnstone does have other contractual conditions to satisfy around funding, pre-lets, licensing and insurances to satisfy. However most of these will follow a planning decision and/or are commercial conditions which Turnstone must either satisfy, or opt to waive if they cease to be relevant.

- (e) The Strategic Director (Finance and Resources) (Council's s.151 officer) has reviewed this report and confirms the financial and s.123 position as set out in the report.

9.3 Legal Implications

- (a) The Legal Implications are set out in the main body of this report
- (b) The Strategic Director (Legal and Democratic Services) has reviewed this report.

9.4 People Implications

There are no staffing implications.

The Council and South Essex Homes are working with the occupiers of the 2 properties which will be required as part of the Development (29 Herbert Grove (residential) and 1-3 Herbert Grove (commercial)).

9.5 Property Implications

The property implications are set out in the main body of this report.

9.6 Consultation

Turnstone ran a public consultation in December 2015 with a stand at the Royals which was well attended and accompanied by a number of linked consultation exercises. Since this time, Turnstone has maintained an open portal on their website to capture comments.

The scheme has received significant media coverage.

Council tenants affected directly by the scheme have been notified of the planning application and have been provided with all relevant points of contact for representations and discussions.

The planning application will be subject to full public consultation and this is available for anyone to view and comment upon on the Council's website at www.southend.gov.uk/planning under reference number ref 18/02302/BC4M (pending validation at the time of printing).

Turnstone continues to consult on the scheme across various media including property press, local press, its website and social media and leaflet drops.

9.7 Equalities and Diversity Implications

This Development does not directly affect the delivery of Council services and all those affected by, or potentially affected by the scheme are aware, and have the opportunity to raise any comments or objections through the planning process.

An Equality Impact Assessment will be prepared before the project moves in to the delivery phase.

9.8 Risk Assessment

The main risk relating to this project is the delivery risk because this depends on changing market conditions. This risk is, for the Council, fully mitigated and Turnstone carries all the design, planning, funding, delivery and letting risk.

There is a reputational risk related to the provision of sufficient parking to support local businesses and this risk is mitigated through the following of a robust planning process which will take into account all the technical and evidence based work done around parking and transport infrastructure and consider the scheme on its own merits in the context of the Council's adopted planning policy.

Equally there is a reputational risk in not continuing with the project. The project is very public, Turnstone has invested c. £1m to get to planning stage and will need to invest a further £1m to get the scheme to site. For the Council to renege on a deal which would see such significant economic and financial benefits and leave a private developer partner so significantly out of pocket would have far-reaching implications on the Council's ability to secure development partners in the future and could significantly hamper the Council's ability to achieve the 2050 Ambition and a number of the Outcomes.

9.9 Value for Money

This is dealt with in the Financial Implications section at 9.2 in terms of the Council's budget position and through the s.123 Section and attached letters from Savills and DVS in relation to Best Consideration at **Appendices 4 & 5**.

9.10 Community Safety Implications

The site currently suffers from a number of anti-social behaviour issues, particularly in the alleyway behind the church and around the public toilets, recently resulting in a fire being set in part of the toilets.

In the short time between the Rossi relocation and demolition, the factory site was broken in to and had to be resecured.

This space is very busy in the late evenings and increased commercial activity along with improved lighting and enhanced public realm should assist with immediate and wider town centre vitality – year round and at all times of day and night.

The scheme will deliver a higher BID levy delivering more money for the BID to invest.

9.11 Environmental Impact

The assessment of Environmental Impact will be fully addressed through the planning process.

10 Background Papers

See Background section on the Council's Website incorporating frequently asked questions and answers:

https://www.southend.gov.uk/info/100003/communities_neighbourhoods_and_the_environment/873/seaway_project

SCAAP – Adopted Plan

https://www.southend.gov.uk/downloads/file/5409/southend_central_area_action_plan_-_2018

SCAAP – Inspector's Report – Mike Fox, December 2017

https://www.southend.gov.uk/download/downloads/id/5238/southend-on-sea_central_area_action_plan_-_inspectors_reports_dec_2017.pdf

The Planning Application is available on the Council's website at:

www.southend.gov.uk/planning (Ref: 18/02302/BC4M)

ICO Decision:

<https://ico.org.uk/media/action-weve-taken/decision-notices/2017/2013810/fer0644116.pdf>

Economic Growth Strategy:

https://www.southend.gov.uk/download/downloads/id/2519/economic_development_and_tourism_strategy_refresh_2010.pdf

Destination Southend (Tourism Strategy)

https://www.southend.gov.uk/downloads/download/746/destination_southend

Ambition Southend (Skills Strategy)

https://www.southend.gov.uk/info/200208/business_support_and_advice/798/ambition_southend

12 Appendices

Appendix 1	Strategic Planning Context
Appendix 2	Economic Context
Appendix 3	Lambert Smith Hampton Report
Appendix 4	Savills s.123 Letter
Appendix 5	District Valuer Services Executive Summary – s.123 review

1. Strategic Planning Context:

Appendix 1

1.1 The relevant planning context is set out fully in the documentation supporting the current planning application (ref 18/02302/BC4M) and in particular in Carter Jonas' Planning Statement and Lambert Smith Hampton's Economic Benefits Report. The planning context is strong because the Council's ambition for this site is well established:

1.2 The Core Strategy Development Plan Document⁸ sets out clearly:

Policy CP2 – Town Centre and Retail Development –⁶ that Southend Town Centre will remain the first preference for all forms of retail development and other town centre uses attracting large numbers of people, and will continue to be supported as a major regional centre providing a wide range of sub-regional services and facilities for Thames Gateway South Essex.

Policy KP1: Spatial Strategy - As a principal basis for sustainable development in the town, development and investment will be expected to build on and contribute to the effectiveness and integration of the key transport corridors and interchanges. The primary focus of regeneration and growth within Southend will be in:

Southend Town Centre and Central Area – to regenerate the existing town centre, as a fully competitive regional centre, led by the development of the University Campus, and securing a full range of quality sub-regional services to provide for 6,500 new jobs and providing for at least 2,000 additional homes in conjunction with the upgrading of strategic and local passenger transport accessibility, including development of Southend Central and Southend Victoria Stations as strategic transport interchanges and related travel centres.

In addition, appropriate regeneration and growth will be focussed in the following locations:

Seafront – to enhance the Seafront's role as a successful leisure and tourist attraction and place to live, and make the best use of the River Thames, subject to the safeguarding of the biodiversity importance of the foreshore.

1.3 The most relevant elements directly relevant to Seaways are summarised briefly below as they are contained in the Southend Central Area Action Plan (SCAAP)⁹ which was adopted by the Council on 22 February 2018.

1.4 A strategic objective of the SCAAP is to "...improve and transform the economic vitality, viability and diversity of Southend Central Area by encouraging the establishment of a wider range of homes, businesses and shops whilst

⁸ Policy CP2 - Town Centre and Retail Development, Southend on Sea Local Development Framework 2001 – 2021 Core Strategy Development Plan Document – December 2007 - http://www.southend.gov.uk/download/downloads/id/1540/core_strategy_dpd1pdf.pdf

⁹ SCAAP – Adopted Plan - https://www.southend.gov.uk/downloads/file/5409/southend_central_area_action_plan_-_2018

providing new opportunities for learning, recreation, leisure and tourism...”
(Para 29, page 11)

- 1.5 Seaways is referred to as opportunity site CS1.2. Paragraph 197 of the SCAAP refers and repeated below for ease of reference:

SCAAP CS1.2: 'Seaways, currently a surface level car park, presents a major opportunity for mixed use development, contributing to the leisure, cultural and tourism offer of Southend Central Area through the provision of uses such as restaurants and cinema, car parking, public open and green spaces, improved access and connectivity through the creation of 'Spanish Steps' linking this opportunity site to the promenade of Marine Parade, as well as possibly a hotel or residential.'

- 1.6 The full Policy CS1 (Central Seafront Area Development Principles) states that:

i. Opportunity Site (CS1.2): Seaways, the Council will pursue with private sector partners, landowners and developers a high quality, mixed use development including the provision of leisure, cultural and tourism attractions, which may include: restaurants, cinema, gallery, hotel, public and private open spaces, and vehicle and cycle parking. The potential for residential development may also be explored. Design and layout solutions should allow for:

- a) *remodelling of the urban form to create a north-south axis on the Seaway site, providing a clear sight-line from Queensway dual carriageway to the sea;*
- b) *a stronger relationship with the Town Centre through the provision of safe and legible pedestrian and cycle routes,*
- c) *opportunities for a new link to Marine Parade from the Seaway site designed around 'Spanish Steps' and in doing so ensure that development does not prejudice its future delivery as a new link between the seafront and town centre;*
- d) *addressing the need for replacement car parking provision in line with Policy DS5: Transport, Access and Public Realm;*
- e) *active frontages to all new and existing streets and spaces;*
- f) *a palette of good quality materials to reflect the vibrancy and colour of the seaside;*
- g) *relocation of a coach-drop off point within the site. The relocation of coach parking bays may be provided either on or off-site or a combination of both, provided off-site provision is well connected to the Seaway site and would not significantly adversely impact the local transport network;*
- h) *urban greening projects, including the creation of new public and private green space within new development;*
- i) *innovative design which allows the site to take advantage of the elevation and creates a legible environment with views of the estuary, respecting the amenity of neighbouring residential uses;*
- j) *the provision of appropriate seating, signage and way-finding aids to improve connectivity to the Town Centre, Seafront and Opportunity Site CS1.3: Marine Plaza.*

The policy is set in the context of the proposed vision for the central area which seeks to “...transform the perception and image of Southend through sustainable economic growth, high quality development and social provision, and for it to be independently recognised as a popular location for businesses, residents, students and visitors...” (Para 28, page 11).

1.7 The planning context allocates Seaways for development and the development mix proposed by Turnstone remains a good strategic fit in planning policy terms. Specifically, the Southend Central Area Action Plan allocates the land and envisages delivery by 2021.

1.8 In his consideration of the Seaway Opportunity site as part of the SCAAP Examination in Public, the Planning Inspector concludes in his report¹⁰ as follows.

“Taking into account the above considerations, I am persuaded that, firstly, the implementation of policy CS1.2 would be an important catalyst in the regeneration of the seafront, especially if the scheme could open up direct pedestrian access to the seafront and views of the sea; secondly, that the facilities proposed would be either supportive of or at least complementary to tourism; thirdly that some public parking would remain on the site; whilst the complementary nature of cinema going and day tripping would limit the impact on parking spaces; and finally, policy DS5 as modified would ensure that there would be no net loss in public car parking within 10 minutes’ walk to the seafront. On these grounds, and taking into account the relevant modifications in relation to car parking, I consider the policy is justified and the chances of implementation within the plan period are positive.”

1.9 The Council received Turnstone’s planning application for the development of Seaway Leisure on 7 December 2018 (Ref: 18/02302/BC4M) (the Planning Application) and this will proceed through the normal planning process, including all relevant consultation. The merits of the scheme will be assessed against the Council’s planning policy framework. The full details of the Planning Application are available on the Council’s website at www.southend.gov.uk/planning under the reference above.

In summary, the planning application proposes:

- £50 million of investment to provide a new all year-round family leisure facility
- A brand-new state of the art eleven-screen EMPIRE cinema with IMAX
- 555 car parking spaces including a new surface and multi-storey car park
- A 20 lane Hollywood Bowl
- Active indoor leisure uses, such as rock-climbing wall, indoor golf and a gym
- An eighty room Travelodge hotel
- Restaurants and cafés, offering a much wider range of different cuisine
- Improved public realm including a new square, enhancing the historic setting of St John the Baptist Church

¹⁰ SCAAP – Inspector’s Report – Mike Fox, December 2017 - <https://www.southend.gov.uk/download/downloads/id/5238/southend-on-sea-central-area-action-plan-inspectors-reports-dec-2017-pdf>

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- New coach drop-off and collection on Lucy Road

1.10 The planning process is underway and will include further public consultation before Development Control Committee is asked to determine the Planning Application. Turnstone is also working to ensure that the profile and awareness of the application is high, as are local media.

1.11 **It is important to note that whilst the strategic planning context is both relevant and important, Cabinet is not asked to, nor should it be making any assessment of the planning considerations which need to be properly and fully addressed by Development Control Committee. Cabinet is asked to consider the scheme in the context of its land ownership, regeneration and economic development responsibilities.**

The relevant economic context is set out in the Council's adopted Economic Growth Strategy¹¹, Destination Southend (Tourism Strategy)¹² and Ambition Southend (Skills Strategy)¹³.

The Economic Growth Strategy seeks for Southend to be the leading economy in South Essex through jobs growth in key sectors, increased income and productivity, and a resilient and diverse local economy among others. It identifies construction as a growth sector and Tourism as a strategic sector i.e one "considered to support existing growth sectors; vital to Southend's economy in relation to place-making; or industries likely to bring forth new economic opportunity as they develop." The Seaway development represents a significant level of inward investment, a key facet of the strategy, as well as delivering against a number of the strategy's priorities, found in paragraph 7.1 of the strategy.

Destination Southend sets out the aim of being the number one Coastal destination in the country, an ambition reinforced by the recently agreed Southend 2050 outcomes. It states that multiple projects, under five themes, will be vital to success. Under the theme of "Destination Development" a leisure led development at Seaways is identified, saying

"Seaway multiplex cinema development will add a year-round leisure offer in the central seafront adding footfall opportunities pre and post film screenings for the tourism businesses on the seafront. This additional feature will provide an enviable year round attraction supporting longer dwell times for visitors and residents in this location throughout the year."

In measuring the impact of the strategy it sets out a number of performance indicators which would be positively impacted by the Seaway development (As demonstrated by the LSH economic impact assessment detailed below) including; increasing employment in tourism and tourism related businesses, attracting more visitors, and improving the productivity of the local tourism economy.

Ambition Southend identifies the skills challenges faced in Southend and ways in which these could be tackled. The strategy is underpinned by extensive research which is headlined within the document and page 9 recognises the opportunity presented by major regeneration projects to upskill local residents through the creation of jobs and new roles in the borough.

The economic impact assessment shows that the development at Seaways could contribute to the delivery of several of the objectives of the strategy, namely:

¹¹ Economic Growth Strategy
https://www.southend.gov.uk/download/downloads/id/2519/economic_development_and_tourism_strategy_refresh_2010.pdf

¹² Destination Southend (Tourism Strategy)
https://www.southend.gov.uk/downloads/download/746/destination_southend

¹³ Ambition Southend (Skills Strategy)
https://www.southend.gov.uk/info/200208/business_support_and_advice/798/ambition_southend

- Raised productivity – one measure of productivity is Gross Value Added (GVA) For this development this is calculated as being up to £16.8m annually once operational.
- Strong jobs growth – the development is expected to create up to 417 jobs *[now increased as per the LSH assessment of the final scheme as below]* requiring a range of skills and working hours presenting an opportunity for residents with different requirements to gain employment and upskill
- Meet the workforce needs of employers – strongly linked with the previous objective this seeks to ensure an appropriately skilled workforce is available to best serve the business community, thereby connecting the opportunity for employment with skills and training. The Council has recently been successful in securing Constriction Industry Training Board (CITB) funding for construction skills training and will have a hub based in Southend from 2019. As a result a number of residents, including those from underrepresented groups in the industry, will be trained over coming months and therefore more likely to be able to secure employment in building out the scheme. Similar training, such as sector skills work academies, could also be put in place for customer service and hospitality roles for when the complex is operational.
- Increasing the skills attainment and wages of the lowest earners – through the development and operation of the scheme a range of jobs will be available, including entry level roles Through upskilling and experience, progression opportunities available for those who join at an entry level and wish to grow. Its location in the town centre is accessible by public transport and within easy reach of residents within some on Southend's most deprived wards.
- An inclusive and diverse workforce – the nature of the work and hours of operation will mean that employment opportunities are available to those for whom a traditional 9-5 job doesn't work. The training opportunities, such as the CITB scheme previously referred to, will proactively target underrepresented groups.

Economic Impact and Benefits - There are much wider considerations for the Council than the rent and business rates income that the scheme will generate or the final number of parking spaces. This scheme is, in the Planning Inspector's words, "*an important catalyst*". Its delivery is pivotal to the reinvigoration of the town centre and the economic prosperity of the area. The benefits will reach deep in to the High Street, the wider town centre, the seafront businesses and the lives of residents providing a modern, varied leisure offering, significant job creation both through construction and in operation and great benefits through linked-trips and increased economic activity.

To assist in articulating these benefits an Economic Benefits Assessment has been prepared by Lambert Smith Hampton (LSH) The economic assessment has been calculated using industry accepted methods, aligned to the HM Treasury Green Book and HCA guidance on valuing benefits. Operational on-site employment levels have been assessed using HCA Employment Densities. To assess multiplier effects, the 2014 HCA Additionality Guide has been used. The Council has confirmation from LSH that it can use and rely on this report.

The full LSH Report is included at Appendix 1 with some of the key metrics from the summary set out below:

During Construction:

- Construction and fit out capital expenditure of £47m supporting the equivalent of **94 Full Time Equivalent (FTE)** direct and indirect jobs during the 18 month construction phase.
- Using the average Gross Value Added (GVA) per worker, approximately **£4.4m GVA in the local economy** over the construction period.

Future Operational Phase:

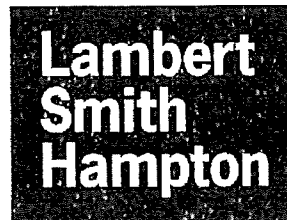
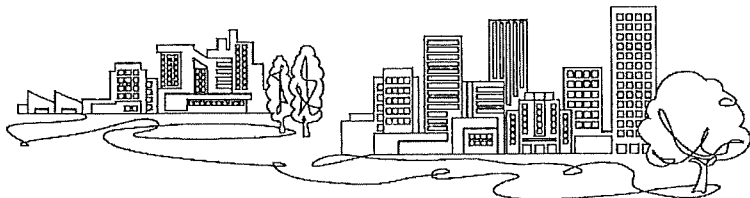
- Based on the proposed floor space, between **270 and 323 FTE net additional jobs** created delivering an additional annual **GVA of between £12.6m and £15.1m** to the local economy.
- Estimated increase in expenditure across accommodation, leisure, food and beverage, cinema and family entertainment resulting in **turnover of between £15.4m and £16.8m annually**

Linked trip and tourist expenditure:

- Linked trip potential to the town centre estimated at **£1.5 to £1.7m**
- Additional tourism spend estimated at **£0.77m and £0.84m**

The benefits associated with delivery of the proposed development are significant and will make a valuable contribution to the local viability and vitality of Southend-on-Sea town centre. At a strategic level the proposed development will support net additional employment and growth in the Borough and more widely in the regional economy.

Through the inclusion of a substantial quantum of parking within the development (555 spaces), the land at Seaway is enabled to achieve its full potential providing year-round, all weather opportunities for residents and visitors alike to both park and enjoy a wider range of facilities. There will be days when seafront car park demand exceeds capacity. Therefore whilst it is important to maintain capacity in the central seafront area to support residents, workers, visitors and local businesses, it is also important to balance this with an alternative and wider offering so that the full economic and development opportunity presented by this land can be optimised and its full potential achieved.



www.lsh.co.uk

**FINAL
ECONOMIC BENEFITS ASSESSMENT**

Relating to

**LAND AT SEAWAY CAR PARK,
SOUTHEND-ON-SEA**

On behalf of

Turnstone Southend Limited

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Date December 2018

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APPENDIX 1: Schedule of Areas (SoA)		

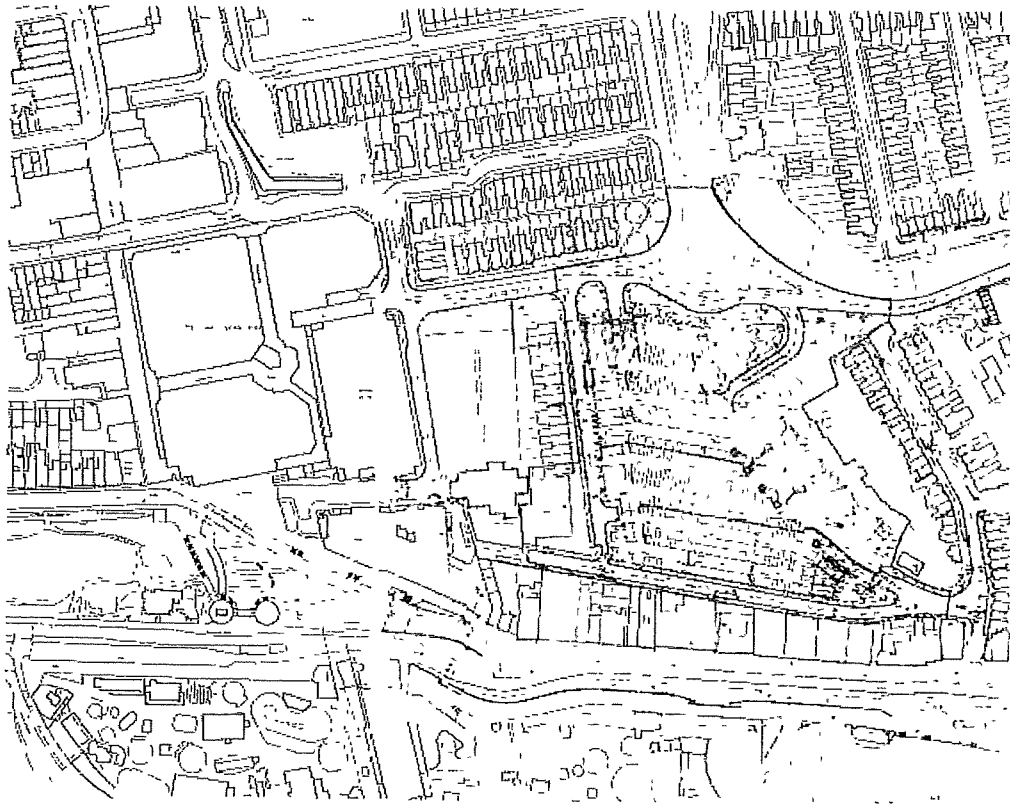
1.0 INTRODUCTION

- 1.1 Lambert Smith Hampton (LSH) was commissioned by Turnstone Southend Limited (TSL) to assess the economic benefits for the Seaway Car Park site, Southend-on-Sea
- 1.2 TSL has successfully delivered a number of leisure-led developments elsewhere. The broad aim of the proposed development is to enhance the leisure and retail attraction of the town centre, and to contribute towards the regeneration of Southend-on-Sea. It will significantly enhance the public realm of the Application Site and the surrounding area, through a high standard of architecture and urban design, the creation of a new public square, green spaces and substantial landscape and ecological enhancements.
- 1.3 The purpose of this report is to identify the main economic impacts and benefits of the proposed development and to inform the Council that the positive economic aspects of the development are given appropriate weight

Site Context and Background

- 1.4 The Application Site is approximately 2.32ha in size. It is currently in use as a public car park operated by Southend-on-Sea Borough Council
- 1.5 It is located between the Queensway (A1160), Lucy Road and Herbert Grove. The Site is located within the Southend Central Area. The Town Centre Primary Shopping Area is to the north west of the Site. The Seafront and Esplanade is to the south of the Site. The area to the west contains town centre and retail uses. The areas to the north and east are predominantly residential areas. The area to the south is characterised by seafront uses, comprising leisure parks, amusement arcades, cafes and restaurants, bars and nightclubs, and hotels.
- 1.6 The Clifftown Conservation Area is located to the west of the Application Site, and is immediately adjacent to the south western boundary (albeit a small part of the site falls within this designation). There are three Grade II Listed Buildings to the south of the Site, at 1-3 Marine Parade, 4 Marine Parade and the Hope Hotel on Marine Parade.

Figure 1.1: Seaway Car Park Site Location



Source: Turnstone Southend Limited

Scope of Proposed Development

- 1.7 The proposed development in summary involves the redevelopment of the existing Seaway Car Park site to provide an eleven-screen cinema, a number of restaurant, food and drink and leisure units, an 80-bed hotel, a multi-storey car park and a surface car park
- 1.8 The full description for the Proposed Development is as follows

“Demolition of nos 1, 3 and 29 Herbert Grove, erection of new buildings for mixed leisure uses comprising use class D2 cinema (3,590m²), other floor space in a D2 land use (3,256m²), A3/A4/A5 or D2 land uses in the alternative (1,655m²), A3, A5 or D2 land uses in the alternative (540m²), A3 or A5 land uses in the alternative (2,323m²), an 80 bedroom hotel, new multi-storey car park, alterations to form new access from Seaway Roundabout, formation of new public open space and associated works and infrastructure ”

Report Structure

1.9 For ease of reference the report is structured as follows

- **Section 2:** provides an overview of relevant national and local plan policies (historic, extant and emerging), pertaining to the development site
- **Section 3:** details the economic context with reference to the economic indicators pertaining to the Southend-on-Sea Borough Council area.
- **Section 4:** details the economic impacts and benefits arising at the construction stage and following upon operation including job creation, turnover estimates, potential linked trip expenditure and cinema visitation.
- **Section 5:** summarises the outputs of the analysis and details the economic and regeneration benefits emanating from the proposed development

2.0 PLANNING POLICY CONTEXT

- 2.1 This section provides a brief overview of the relevant national and local development plan planning policy pertaining to the development site, along with other associated material documents. A more detailed summary of the planning policy context is provided in the supporting Planning Statement, prepared by Carter Jonas (CJ)

NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

- 2.2 The latest version of the NPPF was published in July 2018. This sets out the planning policies for England and how these are expected to be applied. As stated previously at the heart of the NPPF is a presumption in favour of sustainable development, which is seen as a golden thread running through both plan-making and decision-taking (paragraph(s) 7-10). The NPPF (paragraph 11) sets out the Government's view of what sustainable development means in practice for both plan-making and decision-taking at the local level.
- 2.3 In achieving sustainable development an overarching economic objective is to help build a strong, responsive and competitive economy by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity and by identifying and co-ordinating the provision of infrastructure (Para 7)
- 2.4 In the context of strategic policies and employment the NPPF provides that these policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for (inter alia) housing, employment, retail, leisure and other commercial development (Para 20)
- 2.5 Planning policies should also support (inter alia) an appropriate mix of uses across an area, and within larger scale sites, to minimise the number and length of journeys needed for employment, shopping, leisure, education and other activities (Para 104)

SOUTHEND-ON-SEA CORE STRATEGY DPD1 (December 2007)

- 2.6 The Core Strategy forms part of the Southend-on-Sea Local Development Framework and represents the extant local plan. It provides the vision, objectives and overarching planning policies and strategy for the spatial development of the whole Borough of Southend-on-Sea

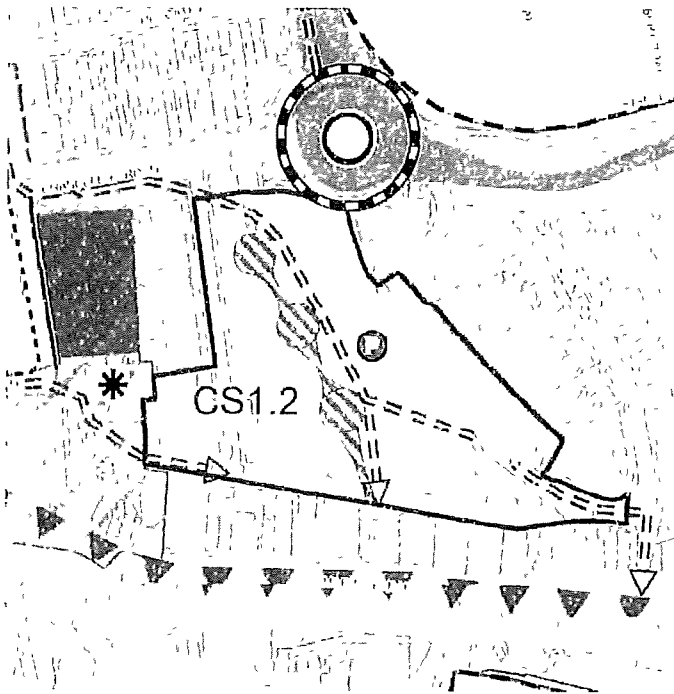
until 2021, including the distribution of growth and the policy context for a 10 year housing supply

- 2.7 It also sets out the key policies against which all planning applications will be assessed, and our core policies on matters such as transport, retail, employment, open space, minerals and the protection and enhancement of the natural and historic environment, including conservation areas
- 2.8 It is noted that Southend Borough Council is currently in the process of preparing a new Local Plan for the Borough. The Southend new Local Plan will set out the Council's strategic vision, policies and site allocations, as appropriate, and will also identify areas for protection. It will provide the planning framework for Southend to 2036, beyond the current plan period of 2021. At the time of writing this report it is noted from the Council's website that the plan preparation and evidence base development is still under development and in this way cannot be afforded sufficient weight.
- 2.9 Notwithstanding the above, the pertinent objectives and policies from the extant local plan include
- **Strategic Objective SO1** seeks to deliver employment led regeneration, wealth creation and growth across Essex Thames Gateway sub-region
 - **Strategic Objective SO4** seeks to secure sustainable regeneration and growth focused on the urban area
 - **Policy KP2** on 'Development Principles' states inter alia that '*all new development, including transport infrastructure, should contribute to economic, social, physical and environmental regeneration in a sustainable way throughout the Thames Gateway Area, and to the regeneration of Southend's primary role within Thames Gateway as a cultural and intellectual hub and a higher education centre of excellence*'
 - **Policy CP1** on 'Employment Generating Development' provides (inter alia) that '*Development proposals involving employment must contribute to the creation and retention of a wide range of jobs, educational and re-skilling opportunities.*'

Southend Central Area Action Plan (SCAAP) (February 2018)

2.10 The Southend Central Area Action Plan (SCAAP) was adopted by Southend-on-Sea Borough Council on 22 February 2018. The Plan is now part of the Development Plan and planning decisions within Southend Central Area. The development site is located within the Central Area as shown below.

Figure 2.1: Seaway Car Park Site



Southend Central Area Action Plan Policies Map

Southend Central Area Boundary
 [---] Southend Central Area Boundary

Policy Area Boundaries
 [---] Policy Area Boundaries

Site Allocations
 [] Opportunity Site

Employment
 [] Employment Areas (KP1, CP1, DM10, DM11)
 [] Town Centre Primary Shopping Area (CP2, DS1)
 [] Town Centre Primary Shopping Frontages (DS1)
 [] Town Centre Secondary Shopping Frontages (DS1)
 [] Secondary Shopping Frontage - Local Centre (DM13)

Historic Environment
 [] Conservation Area (KP1, CP4, DM5, PA5, PA6, PA8, CS1)
 [] Frontage of Townscape Merit (KP2, CP4, DM5, PA1, PA6)

Townscape
 [] Visually Active Frontage (DS5)
 [] New/Improved Open Space - Indicative Location (All Policy Areas)

Movement and Activity
 [] Key Public Realm Improvement (All Policy Areas, DS5, CP4)
 [] New/Improved Pedestrian Links (All Policy Areas, DS5, DM1)
 [] New/Improved Pedestrian/Cycle Links (PA2, PA3, PA4, PA5)
 [] Proposed Pedestrianised Street (DS5, PA1, PA2, PA3, PA5)
 [] Improved Gateway Access for Pedestrians, Cyclists and Public Transport
 [] Main Route Network - Crossing and Environmental Improvement
 [] Proposed Strategic Junction Improvement (CP3, DS5, PA2, PA3)
 [] Key Visitor Car Parks - Central Area South (DS5)
 [] Central Area South - 10 Minute Walk from Shoreline (DS5)
 [] Indicative Proposed Taxi Rank (DS5, PA2, CS1)

Natural Resources
 [] Local Nature Reserve (KP1, KP2, CP4, DM6)
 [] Ramsar (KP1, KP2, CP4, DM6, CS2)
 [] Site of Special Scientific Interest (KP1, KP2, CP4, DM6, CS2)
 [] Special Protection Area (KP1, KP2, CP4, DM6, CS2)
 [] Local Wildlife Site (KP2, CP4)

Source: Southend Central Area Action Plan Policies Map

2 11 As shown above the Seaway Car Park is identified as an opportunity site (CS1.2). The SCAAP provides under paragraph 197 that

'Seaways, currently a surface level car park, presents a major opportunity for mixed use development, contributing to the leisure, cultural and tourism offer of Southend Central Area through the provision of uses such as restaurants and cinema, car parking, public open and green spaces, improved access and connectivity through the creation of 'Spanish Steps' linking this opportunity site to the promenade of Marine Parade, as well as possibly a hotel or residential'

2 12 **Policy CS1 (Central Seafront Policy Area Development Principles)** states that

1 Opportunity Site (CS1 2). Seaways, the Council will pursue with private sector partners, landowners and developers a high quality, mixed use development including the provision of leisure, cultural and tourism attractions, which may include restaurants, cinema, gallery, hotel, public and private open spaces, and vehicle and cycle parking. The potential for residential development may also be explored Design and layout solutions should allow for.

- a remodelling of the urban form to create a north-south axis on the Seaway site, providing a clear sight-line from Queensway dual carriageway to the sea,*
- b a stronger relationship with the Town Centre through the provision of safe and legible pedestrian and cycle routes,*
- c opportunities for a new link to Marine Parade from the Seaway site designed around 'Spanish Steps' and in doing so ensure that development does not prejudice its future delivery as a new link between the seafront and town centre,*
- d addressing the need for replacement car parking provision in line with Policy DS5 Transport, Access and Public Realm,*
- e active frontages to all new and existing streets and spaces,*
- f. a palette of good quality materials to reflect the vibrancy and colour of the seaside,*
- g relocation of a coach-drop off point within the site The relocation of coach parking bays may be provided either on or off-site or a combination of both, provided off- site provision is well connected to the Seaway site and would not significantly adversely impact the local transport network,*
- h urban greening projects, including the creation of new public and private green space within new development,*
- i innovative design which allows the site to take advantage of the elevation and creates a legible environment with views of the estuary, respecting the amenity of neighbouring residential uses,*

J the provision of appropriate seating, signage and way-finding aids to improve connectivity to the Town Centre, Seafront and Opportunity Site CS1 3 Marine Plaza

- 2.13 In addition to the above the proposed vision for the central Area seeks to “ *transform the perception and image of Southend through sustainable economic growth, high quality development and social provision, and for it to be independently recognised as a popular location for businesses, residents, students and visitors* ” (Para 28, page 11)
- 2.14 A strategic objective is to “ *improve and transform the economic vitality, viability and diversity of Southend Central Area by encouraging the establishment of a wider range of homes, businesses and shops whilst providing new opportunities for learning, recreation, leisure and tourism* ” (Para 29, page 11)

South Essex Economic Development Needs Assessment (November 2017)

- 2.15 This document was prepared for the South Essex local authorities including Southend-on-Sea Borough Council. It provides an analysis of the economic picture and employment land opportunities challenges for South Essex. In relation to Southend-on-Sea BC, and the central area specifically, the report states

“As a cultural objective and as part of the emerging Southend Central Area Action Plan (SCAAP), the Council also proposes to regenerate the town, delivering a renewal package that seeks to create a more mixed-use and deliver an expansion of the town’s leisure and cultural provision, including the reinvigoration of the sea frontage. Currently, Southend attracts approximately 7 million visitors a year with a spend of £307m that supports 9,000 tourism related jobs. Part of Southend’s strategy involves reconsidering the offer of the town with potential to attract visitors and tourism as a Hotel and Conference Resort with high quality hotels, casinos and associated facilities, providing broad-based leisure and tourism facilities (Para 2.63, page 20)”.

Summary

- 2.16 The review of national and local policy in particular indicates
- In achieving sustainable development an overarching economic objective is to help build a strong, responsive and competitive economy by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth

- Within the Borough there is an overarching objective to secure sustainable regeneration and growth.

- The SCAAP is specific in the promotion of the application site as a major opportunity for mixed use and contributing to the cultural and tourism offer of the Southend central area which the proposed development satisfies

3.0 ECONOMIC CONTEXT: SOUTHEND-ON-SEA BC AREA

3.1 This section establishes a baseline position for considering the economic impacts and benefits of the proposed development. It provides a broad benchmark economic profile of Southend-on-Sea Borough Council area.

Population Structure

3.2 The resident population for the Borough in 2017 stood at around 181,800 residents representing some 2.9% of the total population of the East of England. Some 61.6% are of working age (16-64 years) compared with 61.3 for the East of England but marginally lower than the Great Britain (GB) average of 62.9%¹

3.3 The **implication** of the above is that the marginally higher proportion of working age residents compared with the regional average suggests that the area is well positioned for a period of economic growth.

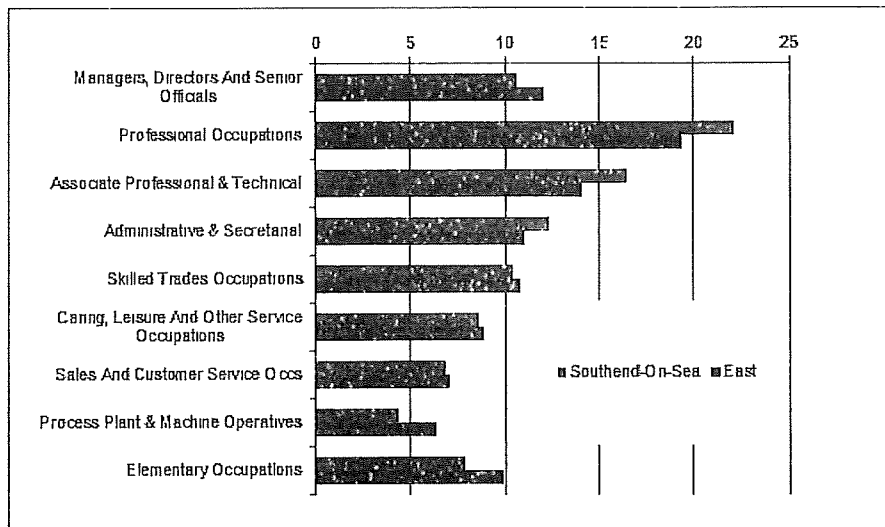
Employment by Location

- 3.4 In terms of the current labour market, the employment figures show the following:
- Managers, professions, occupations and associate professionals, a higher representation (49.3%) when compared to the average for the Eastern Region (45.7%)
 - Administrative and skilled trades again higher (22.8%) than the regional average (21.9%)
 - Caring, Sales and Customer Service Occupations marginally lower representation of 15.6% compared to the regional average of 16.1%
 - Process plant and elementary occupations show a lower representation of 12.4% when compared to the national average of 16.3%
- 3.5 The **implications** are that with the higher proportion of the workforce in the managerial, administrative and skilled trades and by implication on higher wage levels, there is a resulting higher level of disposable income.

¹ Source: NOMIS 2018

3 6 This is further mirrored in the average weekly earnings of residents which shows that for the residents in the Borough it is on average £593 60 compared with an Eastern region average of £590 30

Figure 3.1: Employment by Occupation (2017-2018)



Source: Nomis

Employee Jobs by Industry

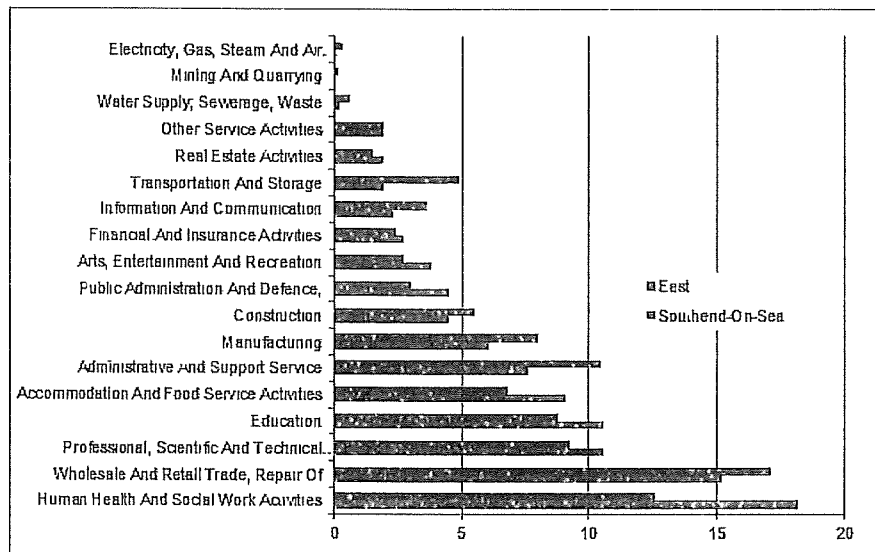
3 7 In 2017 the main employment sectors (3% and above) were

- Human Health & Social Work Activities - 18.2% compared to the Eastern Region average 12.6%.
- Wholesale And Retail Trade, Repair of Motor Vehicles and Motorcycles - 15.2% compared to the Eastern Region average of 17.1%
- Professional, Scientific And Technical Activities - 10.6% compared to the Eastern Region Average of 9.3%
- Education - 10.6% compared to the regional average of 8.8%
- Accommodation and Food Service Activities – 9.1% compared to the Eastern Region average of 6.8%
- Administrative and Support Service Activities – 7.6% compared to the regional average of 10.5%.
- Manufacturing – 6.1% compared to the Eastern Region average of 8%.
- Construction – 4.5% compared to the regional average of 5.5%
- Public Administration and Defence, Compulsory Social Security – 4.5% compared to the regional average of 3.0%.

- Arts, Entertainment and Recreation – 3.8% compared to the regional average of 2.7%

3.8 The above is illustrated in Figure 3.2

Figure 3.2: Employee Jobs by Industry (2017-2018)



Source Nomis

Skills Base

3.9 In terms of the skills base, NOMIS data indicates that in 2017 of those in the working age 16 to 64, 7.9% of the population in the Borough have no qualifications which is higher than the regional average of 7.2%. This under performance is also reflected in the representation of higher skill level residents in 2017 30.7% of residents were qualified to NVQ Level 4 and above which is below that of the Eastern Region (34.7%)

3.10 The above implies a need for increased local employment opportunities. It is important that these are spread across a range of sectors that will match the capabilities and aspirations of the current resident labour market.

Claimant Count

3.11 In terms of the claimant count across the Borough this averages at 3.4% compared with 1.6% for the Eastern Region.

3.12 The comparative higher level of claimant count implies a need for increased local employment opportunities

Deprivation

- 3 13 The Indices of Multiple Deprivation (IMD) are a measure of relative deprivation used to rank neighbourhoods across the UK. The IMD is intended to offer multidimensional information on material living conditions in an area or neighbourhood based on a 'lack of' living necessities causing an unfulfilled social or economic need, relative to the rest of the country.
- 3 14 The IMD compares a wide range of the socio-economic indicators to provide an assessment of relative levels of deprivation from one area to the next.
- 3 15 Based on the standard measure of deprivation the latest available data², ranks Southend-on-Sea the 105th most deprived local authority out of a national list 326 local authorities.
- 3 16 The above suggests the need for the creation of appropriate local employment opportunities especially when combined with a higher than average claimant count.

² Department for Communities & Local Government English Indices of Deprivation 2015

4.0 ECONOMIC IMPACTS AND BENEFITS

4.1 TSL is proposing to redevelop the existing Seaway Car Park site to provide an eleven-screen cinema, a number of restaurant, food and drink and leisure units, an 80-bed hotel, a multi-storey car park and a surface car park. The proposed development presents Southend-on-Sea with an opportunity to improve the centre's standing as a major cultural, entertainment and tourist hub. Additionally it will enhance economic growth in the centre and the Borough and sub-region as a whole.

4.2 This section expands on the economic impacts arising from the construction of the proposed development, and the additional local employment that will be supported once the development is occupied.

Assessment Methodology

4.3 The assessment estimates the potential economic impact, measured in terms of jobs and Gross Value Added (GVA)³, of the proposed development to the local economy. These impacts and benefits are considered through

- Temporary Construction effects – the number of jobs supported by the proposed development during an 18 month construction phase
- Longer term operational impacts created – this refers to quantified impacts in terms of net additional jobs and GVA created by the development

4.4 The economic assessment has been calculated using industry accepted methods, aligned to the HMT Green Book and HCA guidance on valuing benefits. Operational on-site employment levels have been assessed using HCA Employment Densities. To assess multiplier effects, HCA additionality guidance has been used.

³ Gross Value Added (GVA) is mainly composed of the income made by employees (earnings) and the business (profits/surplus) as a result of production. In the current context, GVA also refers to the economic productivity of the workers employed in businesses that occupy premises and the corresponding economic productivity captured through indirect (supply chain) and induced (consumption) multiplier effects.

Construction Impacts

i) Direct Employment

4 5 It has been estimated by TSL that the capital expenditure on construction of the proposed development will cost **£47m** (including all fit out-costs). The proposed development will have direct economic impacts in relation to the number of jobs that it will support during the construction phase

4 6 Based on HCA Labour Coefficients and output per £1m investment, it is estimated that the construction of the proposed development will require around **780 person years of employment**. Given the standard guidance of one full-time equivalent (FTE) job is equal to 10 employment years⁴, in total **78 FTE** jobs will be created from the construction phase

ii) Indirect and Induced Employment

4 7 The positive economic impacts of the proposed development of the application site will extend beyond construction employment to include the generation of indirect benefits for the local economy. By investing in the development of the application site, there will be considerable expenditure on construction materials, goods and other services that will be purchased from a wide range of suppliers

4 8 Construction activity feeds through to numerous other related business activities. The result is that the initial investment in the development of the application site is amplified in an economic 'multiplier' effect with linked indirect and induced benefits including expenditure on goods and services. This will bring indirect employment and financial benefits for local people and firms involved in the skilled construction trades and associated professions and could help to sustain employment within this sector, and wider sectors, of the local economy

4 9 The HCA Additionality Guide⁵ sets out the current recommended approach to calculating indirect employment generation – taking into account multiplier effects generated both through the site supply chain and local induced financial benefits arising from increases in income and onward local expenditure derived from development of the application site.

⁴ Source: HM Treasury Guidance: The Green Book

⁵ Source: HCA Additionality Guide (2014)

4.10 The composite multiplier (which captures both indirect and induced impacts) has conservatively been assumed to be 1.2. By applying this multiplier, we estimate that the construction expenditure would support a further **16 FTE** indirect and induced jobs

iii) Overall Construction Impact

4.11 Therefore, the 18 month construction phase would support approximately **94 FTE** construction jobs

iv) Gross Value Added (GVA) / Productivity Impacts

4.12 The construction phase of the proposed development will also significantly increase GVA, which provides a measure of economic productivity

4.13 Taking an average GVA per worker for the Eastern Region, Essex and Southend-on-Sea Borough Council area (£46,808 in 2016⁶), we estimate that the construction expenditure would contribute to approximately **£4.4m** GVA over the construction period in the local economy

Future Operational Impacts

4.14 Operational impacts are those which emanate and persist in the long term as a result of the proposed development. The proposed development will provide a significant amount of modern employment floorspace on the site which will in turn provide additional employment opportunities

4.15 The floorspace proposed is detailed in the Schedule of Areas (SoA) accompanying the Planning Statement (prepared by CJ and also detailed at **Appendix 1**). The number of jobs generated within each use is estimated by applying an average ratio to the amount of floorspace proposed for each defined use⁷

4.16 As detailed in the SoA the potential uses and associated floorspace proposed can be summarised as follows:

⁶ Source: ONS Sub-Regional Productivity Data (February 2018)

⁷ Source: Employment Density Guide – 3rd Edition November 2015 for the Homes & Communities Agency

- **Food & Beverage** – total floorspace of 4,518 sqm (Gross Internal Area – GIA), netted down by 80% to 3,614 sqm Net Internal Area (NIA) By applying an employment density of between 15 and 20 persons (per sqm NIA as derived from the Employment Density Guide), results in between **241 and 181 gross FTE jobs**.
 - **Hotel** – based on 80 beds and an employment density of 1 person per 5 beds results in **16 gross FTE jobs**
 - **Cinema** – based on a GIA of 3,590 sqm and an employment density of 200 per sqm, results in **18 gross FTE jobs**
 - **Family Entertainment** – based on a GIA of 3,256 sqm and an applied assumed employment density of 35 per sqm, results in **93 gross FTE jobs**
- 4 17 In total, the floorspace proposed as part of the scheme would result in the creation of between **308 to 368 gross FTE permanent jobs**.
- 4 18 It is to be noted that in practice it is typical for food & beverage and leisure operators to employ staff on a full time and part time basis. The leisure and recreation sector has higher levels of shift patterns as seen in bars, pubs, restaurants and seasonal working Based on TSL’s interaction with potential tenants, the proportion of part-time staff is likely to be up to 50% of the workforce On this basis the estimated 308 to 368 gross FTE could therefore generate between **460 – 550 gross jobs in total (full and part time)**.
- 4 19 As stated above, the **308 to 368 FTE** represent a **gross** figure and it is acknowledged that adjustments need to be made to account for
- Displacement effects – impact of firms switching jobs from one location to another,
 - Leakage effects – some of the new jobs created may be taken up by people living outside the local area,
 - Indirect multiplier effects – related to the supply linkage multiplier where local suppliers of goods and services benefit from the proposed development,
 - Induced Multiplier effects – increased consumption expenditure in the local area from those deriving incomes from the direct and indirect effects of the scheme
- 4 20 To provide an indication of the size of these effects we have drawn on the HCA Additionality Guide (2014) that provides ready reckoners for this adjustment On this basis we estimate the following

Table 4.1: Adjustment Factors

Adjustment Factor	Scale of Adjustment	Adjustment Value
Displacement	Low	25%
Leakage	Low	10%
Substitution	None	0%
Multiplier	Medium	1.3

4.21 On this basis the net additional jobs created by the proposed development is estimated⁸ to generate between **270 to 323 FTE net additional jobs**

4.22 The net additional employment created by the proposed development will have wider economic effects by generating gross value added to the local economy. As with the construction phase of the proposed development, the operational phase will also make a significant contribution to GVA by supporting the creation of new employment. The net additional direct jobs created delivering an additional **£12.6m and £15.1m⁹ per annum** of GVA annually once completed and fully operational.

Accommodation Expenditure

4.23 The proposed development includes an 80 bed hotel with Travelodge as the operator. This in itself will also generate additional expenditure to the local economy.

4.24 To provide a broad gross impact of the estimated potential visitor spend on hotels we have conservatively tested the occupancy rate of between 75% and 80% and an average daily rate of between £50 - £60 per room¹⁰.

4.25 On this basis the resulting **gross expenditure** is estimated at between **£1.1m and £1.4m per annum**. These are gross impacts and to provide a high-level indication of potential net impacts after accounting for leakage, displacement and multipliers (detailed previously) the

⁸ The net additional jobs have been calculated using the following formula: Gross Employment x (1 - Displacement) x (1 - Leakage) x combined multiplier effects = Net Additional Jobs

⁹ Based on an average GVA per worker for the Eastern Region, Essex and Southend-on-Sea Borough Council area of £46,808. Source: ONS Sub-Regional Productivity Data (February 2018)

¹⁰ Source: Travelodge 2018 Mid-Year Financial Statement (September 2018). Reported Average Daily Rate of £51.14 and an Average Occupancy Rate of 75.6%.

net additional expenditure generated per annum would be in the region of £0.96m and £1.23m.

Cinema Visitation

- 4.26 The proposed development encompasses an 11 screen cinema with 1,374 seats This will generate visitation to the town centre and contribute to the broader local economy
- 4 27 Assuming continuous seven day operation with three performances on each screen plus a Sunday double bill results in 23 performances per screen per week On a weekly basis this results in 31,602 seats being occupied each week or 1,643,304 seats per annum This is based on seat occupancy of 100%
- 4 28 The industry standard for cinema seat occupancy is 20%¹¹ Therefore testing seat occupancy of between 20% and 30% results in a more realistic occupation of between **328,661 and 492,991 seat visitations per annum.**

Leisure Expenditure

- 4 29 Focussing on the Food & Beverage (F&B), Cinema and Family Entertainment components, a conservative estimate of the turnover generated by these is as follows
- **F&B** – based on a total floorspace of 4,518 sqm (GIA), netted down by 80% to 3,614 sqm and by applying a broad sales density of £2,799¹² per sqm results in an annual turnover of **£10.1m.**
 - **Cinema** – based on an average price per seat for the Eastern Region of £7.42¹³ and an occupation of between 328,661 seats and 492,991 seats results in a turnover of between **£2.4m and £3.7m.**
 - **Family Entertainment** - based on a GIA of 3,256 sqm netted down by 80% to 2,605 sqm and applying a sales density of £700¹⁴ per sqm results in a total turnover revenue of **£1.8m.**
- 4 30 The combined total for the above is an overall turnover of between **£14.4m and £15.6m per annum.** The inclusion of the net additional expenditure from the accommodation expenditure

¹¹ A Future For British Film It begins with the audience " Department for Culture, Media & Sport, January 2012

¹² LSH estimate

¹³ British Film Institute Statistical Yearbook 2018

¹⁴ LSH estimate

of between **£0.96m and £1.23m per annum** results in a total turnover of between **£15.4m and £16.8m per annum**.

Linked Trip Potential

- 4 31 Based on a total derived turnover of between **£15.4m and £16.8m**, and assuming that 10% of this turnover is linked with visits to the town centre, results in a broad contribution of **£1.5m and £1.7m**

Tourist Expenditure

- 4 32 Currently, Southend-on-Sea attracts approximately 7 million visitors a year with a spend of £307m that supports 9,000 tourism related jobs¹⁵
- 4 33 The proposed development is estimated to create 270 to 323 net additional jobs and a potential turnover of between £15.4m and £16.8m which will also boost the wider visitor and tourist economy
- 4 34 It is therefore not unreasonable to assume that 5% of the scheme's annual turnover (i.e. between **£0.77m and £0.84m per annum**) could be linked to additional tourism spend. The scheme will provide a positive multiplier effect in terms of the attracting expenditure to Southend-on-Sea town centre and the Borough as a whole.

¹⁵ South Essex Economic Development Needs Assessment (November 2017)

5.0 SUMMARY OF BENEFITS

5.1 The impact and benefit of the proposed development will go well beyond estimated economic benefits. The broad aim of the proposed development is to enhance the leisure and retail attraction of the Southend-on-Sea town centre, and to contribute towards its regeneration. In this way it has been designed to enhance and add value to the wider area and should be seen as an integral component of the improved functionality of its surrounds. This section summarises these wider regeneration and associated economic benefits detailed in previously.

Regeneration

5.2 The proposed development will significantly enhance the public realm through a high standard of architecture and urban design, the creation of a new public square, green spaces and substantial landscape and ecological enhancements. The economic impacts and wider effects of the proposed development are therefore well aligned with both national and local policy.

5.3 The significant upgrade in terms of the quality of space, façade and surrounds responds to the objective of ensuring a high quality environment and will help contribute to the wider regeneration of the area.

5.4 The Application Site is specifically allocated in **SCAAP (2018)** for a high quality mixed use leisure development (**Policy CS1.2**). To note that **SCAAP (2018)** has been recently adopted and is therefore up to date. The proposed development seeks to meet all of the principles contained in **Policy CS1.2** and deliver this specific site allocation.

Supporting the Local Economy

5.5 The construction phase of the proposed development presents the opportunity to maximise the impact of investment within the local economy and ensure that companies within the Borough and regionally have the opportunity to compete for and win contracts arising from the Proposed Development, which will deliver jobs and growth.

5.6 The gross additional employment of over **94 FTE** generated by the Proposed Development during the construction phase of the development and between **270 and 323 net FTE jobs** (308 and 368 gross FTE) when the proposed development is in operation.

5.7 These jobs will help to support a range of local businesses in the Borough and beyond brought about by the expenditure from these employees (usually referred to as the induced effect) as well as through supply chain linkages (the indirect effect)

5.8 The most likely recipients will be local retail businesses including food and beverage outlets, convenience and service retailers of which there are numerous in close proximity to the centre of the town centre. Furthermore, the enhanced public realm will help to increase footfall in the area immediately which will contribute in generating higher levels of patronage and usage of the town centre overall

Generating Local Employment

5.9 The economic context analysis (**Section 3**) highlighted a number of challenges that the Borough faces in terms of skills, claimant count and deprivation. The proposed development will help to address and alleviate this. These include the above average unemployment levels of the Borough. During the construction phase of the proposed development, there is the opportunity to provide training, work placements and employment for local residents. This has the potential to support people in up-skilling and moving into better paid employment over the long term, therefore having an impact beyond the temporary construction phase

5.10 Once operational, the increased diversity of activity supported by the proposed development both on site and off site (via induced and indirect effects) will broaden the range of opportunities available for local people looking to access employment across a variety of sectors including in retail, tourism, F&B, professional, financial and IT sectors as well as a range of occupations including administrative and professional and managerial occupations

Overall Conclusion

5.11 The following headline local economic benefits have been identified as being derived from the proposed development

1) Construction Phase

- Our estimates of the temporary construction effects are based on the expected capital expenditure on construction of **£47m**.
- The expenditure on construction will **directly support in total 78 FTE jobs** during the construction phase

- Applying a composite multiplier, we estimate that the construction expenditure would support a further **16 FTE indirect and induced jobs**.
- Therefore, the eighteen month construction phase would support short term level of employment equivalent, for comparison purposes, to approximately **94 FTE jobs**
- Taking the average GVA per worker, we estimate that the construction expenditure would support GVA equivalent, for comparison purposes, to approximately **£4.4m GVA in the local economy over the construction period**.

2) *Future Operational Phase*

- The floorspace proposed as part of the proposed development will result in the creation of between **270 to 323 FTE net additional jobs**.
- The net additional operational jobs created will deliver an **additional £12.6m and £15.1m of GVA per annum**.

3) *Accommodation & Leisure Expenditure*

- *Accommodation Expenditure* - The net additional expenditure generated from the hotel accommodation is estimated to contribute some **£0.96m and £1.23m per annum** to the local economy
- *Leisure Expenditure* The F&B, Cinema and Family Entertainment is estimated to an overall turnover of between **£14.4m and £15.6m per annum**
- The **total** expenditure (including accommodation and leisure expenditure) is estimated to result in a total turnover of between **£15.4m and £16.8m per annum**

4) *Linked Trip Potential*

- The linked trip potential to the town centre is estimated at between **£1.5m and £1.7m**.

5) *Tourist Expenditure*

- Between **£0.77m and £0.84m per annum** could be linked to additional tourism spend as a result of the proposed development

5.12 In summary, the benefits associated with approval and delivery of the proposed development on the application site are significant and will make a valuable contribution to the local viability and vitality of Southend-on-Sea town centre. At a strategic level the proposed development will support net additional employment and growth in the Borough and more widely in the regional economy.

APPENDIX 1: Schedule of Areas (SoA)

Project Title Seaway Leisure Development - Leisure Box + Car Parking
 Client Turnstone
 Project N° S019
 Revision Planning
 Date 26 November 2018

Schedule of Areas		
Unit Areas	Unit Gross Internal Area's	
	m ²	ft ²
Lower Ground Floor		
Unit L1	1,895	20,395
Sub Total	1,895	20,395
Ground Floor		
Unit R2	465	5,005
Unit L2	494	5,318
Unit R3	302	3,251
Unit R4	377	4,058
Unit R5	325	3,498
Unit R6	310	3,337
Unit L3 Entrance	46	495
Unit R7	272	2,928
Unit R7a	272	2,928
Unit R8	342	3,681
Unit R9	185	1,991
Unit L4	548	5,899
Sub Total	3,938	42,389
Upper Floor		
Unit L3	1,361	14,650
Sub Total	1,361	14,650
Gross Total	7,194	77,434

Cinema Area	Leitabile Area	
	m ²	ft ²
Entrance (GF)	158	1,701
Auditorium Level	2,465	26,534
Total	2,623	28,234

Car Parking Schedule		
Level	No Spaces	No Dis Spaces
0 (Entrance)	30	0
0 5	38	0
1	33	10
1 5	24	10
2	40	0
2 5	42	0
3	41	0
3 5	41	0
4	41	0
4 5	41	0
Surface Parking	152	12
Total	523	32
Grand Total	555	

Cinema Area	Unit Gross Internal Area's	
	m ²	ft ²
Entrance (GF)	203	2,185
Cinema Level	2,771	29,828
Cinema Raked Seating Level	616	6,631
Total	3,590	38,643

Total includes 11 car parking spaces from Hotel

Unit R1 (Standalone Building)		Unit Gross Internal Area's	
	m ²	ft ²	
Ground Floor	368	3,961	
First Floor	212	2,282	
Total	580	6,243	

Level	Gross Internal Area's	
	m ²	ft ²
0	908	9,774
0 5	1,018	10,958
1	1,107	11,916
1 5	1,155	12,433
2	1,106	11,905
2 5	1,155	12,433
3	1,108	11,927
3 5	1,142	12,293
4	1,107	11,916
4 5	1,142	12,293
Total	10,948	117,846
External Plant	1,028	11,086

Total Leisure Building		Gross Internal Area's	
	m ²	ft ²	
Lower Ground Floor	2,266	24,607	
Car Park Cores Lvl 1 and 1 5	85	915	
Ground Floor	4,976	53,563	
Cinema Level	4,278	46,049	
Cinema Raked Seating Level	616	6,631	
Car Park Cores Lvl 4 and 4 5	85	915	
Total	12,326	132,680	

MSCP areas exclude stair/lift cores and car park office (which are contained within the Building GIA)

All areas subject to detailed design

21 November 2018

Our Ref PB/CHDV406347

savills

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Dear Alan

Report on Best Consideration for the Agreement for Lease made between Southend on Sea Borough Council (SBC) and Turnstone Southend Limited (TSL) Relating to Land at Lucy Road, Southend on Sea, Essex.

1.0 Introduction

- 1.1 We confirm we have reviewed the finalised documentation in respect of the above in order to certify the transaction for Best Consideration in accordance with S.123 of the Local Government Act 1972. Regard has also been given to Circular 06/03 and the Technical Appendix.
- 1.2 We have reviewed and considered the terms of the Agreement for Lease as agreed between Southend on Sea Borough Council and Turnstone Southend Limited, with particular focus given to the Overage and Rent Review Schedules.

2.0 Savills Report Dated 21 November 2018

- 2.1 We refer you to our report (attached) that summarises the development proposals, reviews TSL's updated financial forecasts and outlines our valuation methodologies for S.123 purposes.
- 2.2 There are two changes proposed to the original scheme reviewed in our report to you dated June 2013. Firstly the scheme is simplified with the residential element removed and a hotel (which is pre-let to Travelodge) now occupying part of the residential land. With the removal of the residential land, virtually the whole site will now fall under the lease rather than part being sold to provide capital for the commercial element. There will also be more parking in the scheme as a result.

The second change is with regard to the rent review arrangements. The variation to the agreement means that after the 3rd rent review, (year 17 of the lease) the rent payable to the council is now directly linked to the net income from the whole scheme at the same rate of 11%, but without the upward only restriction.

3.0 Terms

- 3.1 In our opinion, having reviewed all the terms and conditions within the Agreement for Lease and Sale, that there are none contained therein that are particularly onerous, or will have a detrimental effect on SBC's property interest.
- 3.2 We have also reviewed Schedules 1-12 of the Agreement and remain largely comfortable with their contents, but discuss Schedule 3 and Schedule 6 (as amended) in more detail below, as these have particular value implications.





- 3.3 We have worked through the overage calculation within the Agreement based upon the financial forecast provided at Schedule 3 and confirm this remains satisfactory. You advise the Marine Parade Option has lapsed and its only remnant is the budget in the overage calculation at £1.5M now to be indexed. SBC is free to do as it wishes with any overage payable.
- 3.4 With regards to the net rent arrangement, we are of the opinion the 11% agreed remains acceptable and in line with percentages used in similar agreements. We are therefore satisfied on this point.
- 3.5 In conclusion, we are therefore of the opinion that best consideration will be achieved assuming management and delivery of the scheme, based upon the Developer being able to reach contract unconditionality and the proposed changes to rent review and the residential land do not effect this view. All development risks lie with Turnstone, not the Council.

4.0 Best Consideration

- 4.1 We are instructed to provide confirmation the current development agreement and agreement for lease will in fact deliver best value for SBC. In order to undertake this exercise, we have therefore valued the property as follows:

- 4.2 Restricted Valuation 1 - The current Market Value of the freehold interest, upon the Special Assumption there is no alternative use value ("Special Assumption Value"), i.e. the value of the operational car park business, but assuming no alternative development potential - £3,800,000 (THREE MILLION EIGHT HUNDRED THOUSAND POUNDS).

Restricted Valuation 2 - The current Market Value of the freehold interest, subject to the proposed long lease and upon the Special Assumption the current scheme has been granted planning consent ("Special Assumption Value"), i.e. the capitalisation of the rental income to be received by SBC accounting for the specific lease terms - £4,585,000 (FOUR MILLION FIVE HUNDRED AND EIGHTY FIVE THOUSAND POUNDS).

- 4.3 Unrestricted Valuation 3 - The current Market Value of the freehold interest, upon the Special Assumptions of Vacant Possession and the current scheme has been granted planning consent ("Special Assumption Value"), i.e. the valuation of a policy compliant scheme that would likely be constructed at the site. The residual appraisal of the notional leisure scheme in the context of the planning framework in the SCAAP does not achieve a positive land value and in our opinion any seller would expect at least the existing use value plus and element of uplift to sell and this is what the Turnstone scheme achieves, as well as the considerable wider economic benefits to the town, the job creation and the additional business rates income.

- 4.4 For the purposes of S 123 of the Local Government Act 1972, we are therefore of the opinion the agreed terms within the Agreement for Lease and Sale represent best consideration for SBC.

5.0 Validity

- 5.1 This report is valid for six months from the date hereof. Should the development proposals be subject to any changes and any amendments made to the positions of the parties and the agreed terms, our report will cease to be valid and we reserve the right to reconsider our opinions.

6.0 Confidentiality and Responsibility

- 6.1 Finally, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor



published, referred to or used in any way without our written approval of the form and context in which it may appear

I trust the above is satisfactory for your purposes however, should you require any further information then please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Paul Bird".

Paul Bird BSc (Hons) MRICS
RICS Registered Valuer
Director
Valuation & Development Consultancy

Enc Savills Report dated 21 November 2018

Executive Summary

1.1 Description

The site comprises a surface level car park of approximately 630 spaces, together with the site of the former Rossi Factory, 29 Herbert Grove and 1-3 Herbert grove which were acquired with government funding to be demolished and incorporated in to the wider redevelopment scheme as proposed.

The car park appears to be a marked tarmac surface. The car park is pay and display or pay by phone although there does appear to be the capability to obtain season tickets for parking within certain areas.

The site slopes from west to east.

1.2 Location

The Property is located in Southend on Sea, which is located approximately 70km (43 mi) east of Central London and 25 km (15 mi) east of Basildon, on the northern side of the Thames Estuary.

Seaway Car Park is situated behind and to the north of the amusement arcades on Marine Parade and abutting the nightclubs which front onto Lucy Road.

To the north of the site are Chancellor Road and Queensway, linking into the A13 to the north. To the west is Herbert Grove, and to the east the rear gardens of Hartington Road.

1.3 Tenure

The council own the freehold interest of the subject property and have agreed to grant a lease on the following terms:

A new 152 year lease will be granted upon the Lessee satisfying the conditions of the agreement for lease and sale.

No premium is payable as the lease will be subject to a ground rent

The initial rent of £282,000pa is subject to review on an upward only basis until after the 3rd review

1.4 Valuation Date

The date of the Savills section 123 certification is 21st November 2018.

1.5 Special Assumptions

The following special assumptions have been assumed:

Valuation 1 - current Market Value of the freehold interest, upon the Special Assumption there is no alternative use value ("Special Assumption Value"); i.e. the value of the operational car park business, but assuming no development potential.

Valuation 2 - the Market Value of the freehold interest, subject to the proposed long lease and upon the Special Assumption the current scheme has been granted planning consent ("Special Assumption Value"); i.e. the capitalisation of the rental income to be received by SBC accounting for the specific lease terms.

Valuation 3 - the Market Value of the freehold interest, upon the Special Assumption the current scheme has been granted planning consent ("Special Assumption Value"), i.e. the valuation of a policy compliant scheme that would likely be constructed at the site the proposed scheme represents the most likely development due to the numerous consultations

This is effectively the value of the unencumbered freehold site assuming development of the scheme.

1.6 Market Value

Savills Opinion of Value

Valuation 1 - £3,800,000 (THREE MILLION EIGHT HUNDRED THOUSAND POUNDS)

Valuation 2 – £4,585,000 (FOUR MILLION FIVE HUNDRED AND EIGHTY FIVE THOUSAND POUNDS)

Valuation 3 – NEGATIVE (£3,155,378)

1.7 Remarks

The report provided by Savills is detailed, logical and well evidenced having regard to the nature of the scheme.

I consider that the conclusion drawn by Savills that the proposed deal represents best value is appropriate and reasonable.

The value of the new interest being created safeguards the Council's income whilst providing them with an investment which has a higher underlying value than the property reflecting the existing use

Whilst there are concerns over the current restaurant market the scheme has 3 major anchor tenants which account for a large part of the rent. The hotel and cinema rents are also indexed linked which will help maintain the overall rental value.

The value of the proposed interest is also greater than the value that could be achieved if sold on a freehold basis. In reality the valuation figure provided showing a negative figure is of little relevance as a landowner is not going to dispose of site at less than the market value of the existing use. Where an asset is still operational

anyone looking to acquire the land for development would potentially have to provide some level of incentive to persuade the landowner to sell.

The value of the Council's new interest is 20.65% higher than the value reflecting the existing use and this is considered to be a reasonable uplift and this may well increase depending on the success of the scheme.

The Council has the benefit of an overage arrangement to capture a share of profit if the scheme exceeds the agreed profit threshold which is also reasonable

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Southend-on-Sea Borough Council

Report of the Chief Executive

to

Cabinet

on

17 January 2019

7

Report prepared by: Tim MacGregor - Policy Manager

Brexit – Implications

Relevant Scrutiny Committee(s): Policy & Resources Scrutiny Committee

Cabinet Member: Councillor Lamb

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To consider the implications for the Council of the UK leaving the European Union (EU).

2. Recommendation

- 2.1 That Cabinet considers the likely implications, including risks and opportunities, for the Council of the UK leaving the European Union, and to note the action being taken by the Council to address these.

3. Background

- 3.1 On 24 June 2016, the UK voted, 52% to 48%, to leave the EU, having been a member since 1973. Voters in Southend-on-Sea voted 58% to 42% to leave, in line with the rest of Essex (62% leave), which saw some of the highest pro-Brexit levels in the country.
- 3.2 'Article 50', (of the Lisbon Treaty) giving a member state the right to leave the EU unilaterally, was triggered by the UK in March 2017, giving the country two years to negotiate an exit deal. Since March 2017 the Government has been in negotiations with the EU with a view to achieving a deal to establish a new relationship and for this deal to be agreed by Parliament.
- 3.3 A Withdrawal Agreement and Political Declaration on the future relationship between the UK and the EU was endorsed by EU leaders at a special meeting of the European Council on 25 November 2018. The Withdrawal Agreement and Political Declaration will be subject to a vote by the House of Commons on 15 January 2019, with the Government required to come back with revised plans within three days if the withdrawal deal is rejected by MPs. However, there are a range of potential scenarios, all subject to considerable speculation, including further renegotiation of the Agreement, the extension/revocation of Article 50, a general election, the potential for a second referendum and a no-deal Brexit.

- 3.4 In the event that the Government or Parliament do not agree a way forward, and no extension to Article 50 is requested and/or agreed, the UK automatically leaves the EU. In such a situation, all existing agreements, including access to the single market, would cease to apply to the UK. If that happens, 'Brexit Day' would be Friday, 29 March 2019. Given recent developments, the prospect of a no-deal Brexit should be considered a serious possibility. The Government announced in December that it has decided to 'ramp up' preparations for a no-deal Brexit, by approving £2bn for government departments to help preparations for UK departure and putting civil contingency measures into effect. This will be accompanied by further communications to relevant parties, including letters going to 140,000 business. It has also allocated £35m to councils to help them prepare for Brexit.
- 3.5 If the Withdrawal Agreement/Political Declaration is agreed by Parliament (and all EU states), the UK leaves the EU on 29 March but a transition (or 'implementation') period will apply until December 2020 to enable businesses, governments and others to prepare for the new regime. During that period, the UK can negotiate, sign and ratify its own trade deals, while EU citizens arriving in the UK will enjoy the same rights and guarantees as those who arrive before Brexit. Unless there is no deal, Brexit is likely to begin to feel like Brexit, therefore, only after the end of the transition period (which can be extended, but only until the end of 2022).
- 3.6 The current Brexit withdrawal agreement means:
- The UK will need to abide by all current EU rules during transition, but will lose membership of its institutions (notably the European Parliament, the European Commission and Council).
 - There is a basis for the payment from the UK to the EU to meet obligations.
 - UK citizens in the EU, and EU citizens in the UK, will retain their residency and social security rights after Brexit.
 - Freedom of movement will end and be replaced by a skills-based immigration system.
 - EU nationals living in the UK (for five years) and UK nationals living in EU states will retain their rights, and be able to have their family live with them, but will need to apply formally to remain in the country.
 - Citizens who take up residency in another EU country during the transition period (including the UK) will be allowed to stay in that country after the transition.
 - If no long-term trade deal has been agreed by the end of 2020 that avoids a hard border between Northern Ireland and the Republic of Ireland, and if there is no extension to the transition period, then a backstop consisting of 'single customs territory' between the EU and UK will be triggered.
 - As long as the backstop is in operation, the UK will be subject to 'level playing field conditions', to ensure it cannot gain a competitive advantage while remaining in the same customs territory.
 - The UK cannot leave the backstop independently - it needs to be decided together with the EU.
 - A separate agreement will need to be reached on access to EU fishing in UK waters.

- There will be visa-free travel for all short-term trips to EU countries and arrangements for temporary entry and stay of people for business purposes.

3.7 Alongside the withdrawal agreement, the Political Declaration, setting out what the future UK/EU relationship might look like, will be the subject of continuing discussion/negotiation during the transition period.

4 Opportunities

4.1 The LGA has set out its view that Brexit is an opportunity to both amend and strengthen former EU laws to help local communities and has set out a short-list of those laws that should be addressed. This includes more flexible procurement rules, the potential for easier state aid rules for projects of local benefit, greater devolution to local authorities and appropriate strengthening of particular laws, such as on food hygiene.

4.2 The LGA argues that the Withdrawal Act, 2018 will ensure that there will be legal certainty for councils as those EU laws that underpin key services on exit day will apply through UK law, even under 'no deal'. The Government is ensuring this happens through a passing a raft of Statutory Instruments through Parliament. This relates to the many local government services affected by EU rules and regulations, including waste management, environmental standards, trading standards and procurement.

5. No deal Brexit

5.1 The Government has been developing contingency plans for a no deal Brexit ('operation Yellowhammer') and has published a series of 'technical notices' setting out what it is doing to prepare for no-deal. These cover areas such as medical supplies, financial services, nuclear safeguards, farming and organic food production, driving licences, passports, mobile charges and environmental standards.

5.2 There is not a single notice that specifically relates to the local government sector as a whole, although it is anticipated that an intranet page dedicated to local government and Brexit will be set up in the new year. The Department of Health released further 'no deal' guidance, before Christmas, outlining action that should be taken by health and social care commissioners and providers.

6 Council response

6.1 The Council's Corporate Management Team has considered the potential implications for the Council of Brexit on a number of occasions and reviewed action being taken. This can be summarised as:

- The Council's Emergency Planning and Business Continuity arrangements have been, and will continue to be, reviewed to take account of different scenarios. The Council is an active member of the Essex Resilience Forum and is working to identify key issues and consider the appropriate response;

- The Council is providing support to the Southend Business Partnership Brexit Working Group, who have been specifically looking at the impact of Brexit on key sectors in the borough and possible mitigating action;
- The Council is having on-going conversations with neighbouring local authorities and key partners to assess implications and requirements;
- The Council has liaised with core suppliers to obtain feedback on their perceived implications, particularly in relation to impact on labour supply;
- The Council is specifically liaising with colleagues in the region in relation to the impact on the labour supply to care providers;
- The corporate management team and senior managers are being briefed on potential implications as information becomes available and acting on further Government guidance as it is released.;
- The Council is liaising with schools to assess and advise on impact;
- The Council is closely monitoring the outcome of the fisheries legislation to inform a view on how it will affect local fisherman;
- The Council has revised its Corporate Risk Register to take account of latest developments;
- The Council is closely monitoring further information as it becomes available from the Government and local government sector organisations.

7. Key issues for the Council

7.1 Macro-economic

7.1.1 There is a common view that there is likely to be a short-term negative impact to the UK economy from Brexit as it adjusts to new conditions. However, there is significant disagreement on the likely duration. Much will depend on the nature of the withdrawal (deal or no deal) and whether new trade agreements with the EU and others are in place by the end of the transition period.

7.1.2 A true no-deal scenario would mean that the UK reverts to World Trade Organisation trading rules, including new trade tariffs (eg. 2-3% on industrial products and 20-40% on agricultural goods) and a requirement to meet EU trade requirements. The Treasury's original analysis, in January 2018, calculated a no-deal Brexit could cost the UK economy up to 10% of GDP, leading to £80bn a year in extra borrowing by 2033 with possible additional tax rises and spending cuts. The Bank of England assessment, at the end of November, warned a no deal Brexit could trigger a deep recession, with an 8% loss of GDP, a house price crash and a significant increase in inflation and unemployment

7.1.3 However, others argue a more 'orderly' reversion to WTO rules would see the negative impact dampened. The previous Brexit Secretary, Dominic Raab, has suggested the 'vast majority' of consumers will not notice its impact. Economists

for Free Trade argue the Treasury would receive about £80bn in extra revenue over the next 15 years, there will be an 8% cut in prices and there will be an overall long-term gain for GDP of about 7% (although this is contingent on a significant de-regulation of the UK economy). In addition, the Government is developing its 'Brexit dividend' strategy to take advantage of no longer having to pay (about £9bn pa net) into the EU budget.

7.2 Local economy and business

7.2.1 The principle micro-economic impact of the Brexit referendum, (identified from CBI, commercial bank and Chamber of Commerce economic reviews, along with informal discussions with local business) has been identified as:

- Low (though, at least over the summer, increasing), business investment confidence;
- Cost increases from a weaker pound, particularly for manufacturing related businesses;
- Sales increases due to exchange rate position for tourism related businesses;
- Low unemployment, a reducing migrant workforce and increasing skills shortages

7.2.2 In the longer-term, the main concerns relating to the future of small businesses, include: the loss of European funding (particularly relevant for the creative and cultural industries and education sectors); an inability to recruit staff from Europe (particularly relevant for the healthcare, education and finance sectors); high and increasing costs for raw materials due to unfavourable trading tariffs (particularly for construction and manufacturing sectors) and the relocation of business to Central Europe (particularly relevant for finance and manufacturing sectors).

7.2.3 The Department for Business, Energy and Industrial Strategy has stated its preference of using the network of business support, 'growth hubs' to support and inform businesses of changes brought about by Brexit. Accordingly, the Business Essex Southend and Thurrock growth hub is currently offering business planning advice and Brexit information to small businesses in Southend. The Southend Business Partnership is having on-going discussions to assess and help business prepare for different scenarios (these include the Council) and these will continue in the coming months.

7.3 Regeneration and other funding sourced from the EU

7.3.1 Under a '**no deal**' scenario, the UK would lose access to European Structural and Investment Funding (ESIF), worth £5.6 billion to local communities in England (2014-20). However, in July 2018, the Treasury announced that in the event of 'no deal' the Government would 'underwrite' ESIF funding until the end of 2020.

7.3.2 The current EU programmes that the Council is a partner of and funding running beyond March 2019 are:

Project name	Project Location	SBC Role	Start Date	End Date	Total Project Value	EU contribution
South East Business Boost	Pan-Selep	Lead Partner	July 2016	June 2019	£12.6m	£6.3m
Low Carbon Across the South East (LOCASE)	SELEP-wide	Delivery partner	May 2016	June 2019	£18.5m	£8.8m
2IMPRESZ – Energy Behavioural Change in Schools	Schools	Delivery partner	Jun 17	Oct 2020	c.£0.5m	£0.25m
NatureSmart Cities-Green infrastructure	Southend	Lead Partner	Jul 2018	Oct 2022	c.£1m	c.£600k
Cool Towns – impact of heat stress	Southend	Delivery Partner	Jul 2018	Oct 2022	c.£650k	c.£400k
CRUNCH – food energy	Southend	Delivery partner	Jul 2017	Oct 2022	c.£15k	£15k

7.3.3 The Council is, therefore, continuing to bid for EU projects (for example, in relation to energy, environment and transport) which have the prospect of being awarded by end of 2020. The Council will need to be ready to make bids to the UK Shared Prosperity Fund (UKSPF), which the government has pledged to set up after Brexit to replace the regional aid funding that local areas currently receive from the EU, from 2021 onward (the LGA estimates that local areas will need £8.4bn of EU regional funding replaced after Brexit).

7.3.4 While Southend Adult Community College does not receive direct funding from the European Social Funding (ESF), it does receive about £1.6m from the Education and Skills Funding Agency (ESFA), via the DfE and Council. The ESFA use such funding to match fund against the ESF and to draw down ESF funding nationally for projects, particularly for disadvantaged adults and communities. As the College does not currently access ESF funding there is unlikely to be a negative impact from Brexit as it stands. However, there could be implications for the college if the Government choose not to replace ESF funding in this respect and, therefore, appropriate lobbying on this will be necessary if this occurs.

7.4 Civil Contingency planning

7.4.1 Media stories have highlighted that councils are preparing for possible repercussions of various forms of Brexit, ranging from potential difficulties with farming and service delivery to concerns about civil unrest. This came in the light of publication of details by Kent County Council suggesting that parts of the M20 might have to be used as a lorry park to deal with port queues, until at least 2023, in a no Brexit scenario.

7.4.2 The Essex Resilience Forum (ERF) are having ongoing discussions to assess the potential risks of a no deal Brexit, with briefings provided to the Essex Planning Assurance Group and Chief Executive's Association. Issues highlighted by the Forum included:

- Disruption to fuel, food and transport (in particular at sea/air ports);

- Transport gridlock
- Disruption to medical supplies
- Impact on the operation of borders
- Impact on key areas of the workforce (eg. health and agricultural workers)
- Animal welfare
- UK residents in the EU returning to the UK
- Stockpiling by households

7.4.3 The ERF has set up a task and finish group (which includes Southend BC Resilience Team representation), chaired by Essex Police, to assess and take necessary action in relation to the potential impact of Brexit. The Humanitarian Assistance Plan and Combined Operating Procedures for Essex (COPE) have been, and will continue to be, reviewed. Meetings between the ERF Brexit Group, Rochford DC and London Southend Airport are being held to assess implications.

7.4.4 In addition, all ERF members are reviewing their own civil contingency arrangements in the context of Brexit and reviewing their business continuity and emergency planning arrangements accordingly.

7.4.5 The Secretary of State for Health and Social Care has written to all health organisations to set out expectations in the event of a no deal Brexit and highlighting a new scheme to ensure a sufficient and seamless supply of medicines.

7.4.6 Under the medicines scheme, pharmaceutical companies have been told they should ensure they have an additional six weeks supply of medicines on top of their own normal stock levels. The scheme also includes separate arrangements for the air freight of medicines with short shelf-lives, such as medical radioisotopes.

7.4.7 Hospitals, GPs and community pharmacies have been told they do not need to take any steps to stockpile additional medicines, beyond their business as usual stock levels. In fact incidences involving the over ordering of medicines will be investigated and followed up with the relevant Chief or Responsible Pharmacist directly.

7.4.8 Otherwise, Government advice has stated that preparations for a 'no deal' scenario should be seen in the context of on-going work to update existing business continuity plans.

7.5 Procurement

7.5.1 In practice, it is anticipated that there will be minimal short/medium term changes to the public sector procurement regime on the UK leaving the EU. This is because EU procurement measures have already been incorporated into domestic legislation and, given the UK will want to access EU markets, the EU is likely to insist on the continuation of many of the regulatory measures. The Trade Bill (currently going through Parliament) makes provision for the UK to become an independent signatory to the Agreement on Government Procurement (GPA). Many of the rules under this Agreement correspond with the rules under the EU procurement directives.

- 7.5.2 However, changes may occur over time, as areas of procurement law become subject to different interpretation by UK courts and post Brexit case law no longer applies. This may mean, for example, it could be easier for contracting authorities to make changes to contracts without embarking on a new procurement exercise.
- 7.5.3 There are queries about what Brexit will mean for 'Teckal companies' - where external trading, for public sector companies, is limited to 20% by the EU Public Procurement Directive. This issue does currently relevant to the Council's own companies.
- 7.5.4 In addition, there may be some issues of transition to resolve. For example, a council may be half-way through a major procurement exercise using EU processes and systems. There is no certainty that councils would continue to have access to EU systems under a no deal scenario.
- 7.5.5 In the longer term it will be a matter for UK Governments to decide whether or not it wishes to continue with regulations over public procurement matters, including public to public cooperation arrangements. However, even if public procurement legislation is amended considerably at some point, local authorities are currently required by the Duty of Best Value to seek best value for money, which can clearly be met by some form of competitive tender process and benchmarking exercise.
- 7.5.6 The prospect of more flexibility in the short term over state aid rules within the procurement process receded with the Brexit white paper in July outlining the Government's intention to adhere to a common rulebook on state aid.

7.6 Council suppliers

- 7.6.1 The Council has been in conversation with core suppliers to monitor the potential implications of Brexit, notably in relation to the impact on the labour supply, in key sectors, such as care. Early indications are that the impact in Essex is relatively limited, although it is anticipated the market could tighten significantly in the lead up to exit and beyond. Key points from supplier feedback include:
- Suppliers wherever possible try to recruit local UK labour;
 - The Council's main construction supplier ensures a diverse contract and supply chain portfolio to offset commercial risks;
 - Some suppliers have seen EU nationals returning home before Brexit is concluded and so the number of EU nationals available for work appears to be reducing in some areas of work;
 - Some sectors are seeing a lack of skilled operatives which was previously made up by EU nationals;
 - Less EU nationals are applying for jobs and so care providers are having to continuously market their service and recruit to ensure any loss of staff is managed;
 - The Council's insurance providers are cross border and as such the risks are felt to be limited. Those in the UK have very little reliance on non-UK staff anyway

7.7 Goods and Services

- 7.7.1 Under a no-deal scenario, councils would have to pay a new set of tariffs, or pay the supplier, when they themselves import goods directly from a supplier in the EU – though this is a rarity. However, the LGA is working on the detail of this scenario and potential additional costs to councils and will include a case for local government receiving a share of any additional tariff income accrued by the Treasury.
- 7.7.2 Businesses trading with the EU have been advised to start planning for new customs checks, and may have to pay for new software or logistical help, which may be relevant for council suppliers.

7.8 Environment

- 7.8.1 Immediate environmental consequences post 29 March 2019 are likely to be limited, although this could change over time. The proposed Environmental Principles and Governance Bill seeks to establish a ‘world-leading’ independent body that holds the government to account on environmental issues. This includes the ability to take ‘proportionate’ enforcement action - including legal proceedings if necessary on issues such as water and air quality, although not on climate change. Consultation on the Bill closed on 2 August with the outcome awaited.
- 7.8.2 Carbon reduction: The 2008 Climate Change Act imposes tougher requirements for cutting CO₂ emissions than EU regulations, with a need for the UK to cut emissions by 80% on 1990 levels by 2050. It is not anticipated that targets will be reduced in this area, but that the Government will continue to implement a revised version of the Carbon Reduction Commitment as a means of encouraging organisations, including the Council, to continue to reduce their CO₂ emissions.
- 7.8.3 Waste and recycling: The UK is currently bound by the EU’s legislative framework for waste, with recycling targets of 50% up to 2020 as the principal drivers. The Government has signalled that it will adopt the EU’s recently agreed ‘**Circular Economy Package**’ (CEP), which includes more ambitious recycling targets of 55% by 2025, 60% by 2030 and 65% by 2035. The Government has also signalled its intention to reduce the use of single use plastic through its 25 Year Environment Plan and Resources and Waste Strategy.
- 7.8.4 The CEP includes specific targets for packaging, specific materials and separate requirements for bio-waste and landfill with EU member states expected to achieve tailored recycling rates for materials by 2030.
- 7.8.5 In addition to this, member states will have until 1 January 2025 to set up separate collections of textiles waste and hazardous waste from households, while they must ensure that bio-waste is either collected separately or recycled at source through home composting, for example, by 31 December 2023.
- 7.8.6 Air Quality: Although EU targets would remain in UK law, having been enshrined through Air Quality Standards Regulation, the EU would no longer have a role in enforcement and the UK could repeal the laws if desired.

7.8.7 Weed controls and chemicals: Again while the source of regulations in this area may emanate from the EU it seems unlikely there will be meaningful demands for deregulation of what is largely seen as public interest protection measures.

7.8.8 Councils may find an increase in demand for trading standards and environmental health services as a result of increased checks required at airports/ports, particularly in a no-deal scenario, and increased need for issuing 'export health certificates' for certain food products. The Office for Product Safety and Standards is working to ensure trading standards services continue to have access to necessary data that informs this area of work (there will be loss of access to EU systems that facilitate an effective response to food and feed incidents) and advise on new labelling requirements.

7.9 Energy

7.9.1 Much will depend on whether the UK chooses to remain within the Internal Energy Market. The EU has been pushing for greater transparency and regulation in the energy markets with many councils remaining concerned about levels of fuel poverty. Targets, such as 15% of energy coming from renewables under the EU Renewable Energy Directive are likely to remain.

7.10 Housing and construction

7.10.1 The development of wholly owned local housing companies which have some significant advantages for local authorities, in terms of the speed by which new developments can be delivered, and sharing of risk, may be impacted by future changes to procurement regulations.

7.11 Workforce

7.11.1 EU workers make a substantial contribution to public services, notably care workers, lecturers, nurses, technicians, doctors and academics. About, 62,000 of the 1.2m NHS workforce in England are from other EU countries, including 11,000 doctors, 21,000 nurses and health visitors and 1,400 midwives. There is speculation that a significant decline in EU nationals coming to the UK will exacerbate labour shortages in key areas. Current net-migration rates from the EU are at their lowest since 2012 (although the official measure, the three monthly ONS, International Passenger Survey is seen by many as unreliable).

7.11.2 The most recent ONS estimates show that 5.5% of the borough's population (10,000) are EU nationals. Five members of staff are recorded as being EU nationals. The Council's current recruitment supplier, Reed, do not know how many of their staff are from the EU. The risk of labour shortages in the care sector is generally seen as the most pressing issue, with an estimated 7% of social care workers being from the EU.

7.11.3 In December 2017 the UK government reached an agreement with the European Union on citizens' rights. In March this was extended to cover those arriving during the implementation period (to end of 2020). The agreement protects the rights of EU citizens after the UK leaves the EU and enables them to continue to live their lives as now. It also covers their close family members

- 7.11.4 However, Through the EU Settlement Scheme, EU nationals will need to register (by June 2021) for settled status if they have been here for five years, or register for pre-settled status if they have been here for less than five years. The Council may need to respond to queries about this and be in a position to respond (and also apply for any EU Looked After Children in SBC care). Current 'right to work' checks (eg EU passport and / or national ID card) apply until the end of 2020. There will be no change to the rights and status of EU citizens living in the UK until 2021.
- 7.11.5 The Government has announced that doctors and nurses are now exempt from the cap on skilled worker visas, meaning there will be no restrictions on the number of doctors and nurses who can be employed through the Tier 2 visa route.
- 7.11.6 Where employment rights are *potentially* weakened is in relation to an appeal to the European Courts on points of interpretation, with reliance on the original wording in the specific EU directive.
- 7.11.7 Much will depend, therefore, on what is finally agreed, or not, in relation to freedom of movement. Although employers are already obligated to make checks on the status of workers, the Government has made clear this will not include establishing the status of EU citizens.

7.12 Elections

- 7.12.1 Current arrangements, in relation to EU nationals being registered and able to vote for local elections will continue, as will the ability for EU nationals to be able to serve their terms as councillors and stand as candidates in the 2019 local elections.
- 7.12.2 The potential for an early general election being called, as well as the possibility for a second referendum on the Withdrawal Agreement and/or EU membership and 'no deal', to resolve any impasse in Parliament are real possibilities. Each will potentially have resource implications for the Council. Current working assumptions are that the European Elections (due for 23 May 2019) will not be held and that primary legislation would be needed to enable UK participation – meaning the ability for them going ahead is difficult.

8. Other Options

Not applicable to this report.

9. Reasons for Recommendation

To enable the Council's Cabinet to assess the potential implications of the UK leaving the EU and whether further action by the Council is required.

10. Corporate Implications

- 10.1 Contribution to Southend 2050 Road Map
The report assesses potential risks and opportunities for the Council, in achieving its desired outcomes, outlined in the 2050 Road Map, which will be affected, in particular, by the impact on the economy, nationally and locally. The implications

and necessary contingencies will be considered as part of the development and implementation of the 2050 Strategic and Outcome Delivery Plans.

10.2 Financial Implications

None specific, although the report highlights potential scenarios where the Council may be adversely affected financially - notably in relation to an economic downturn and price/wage inflation.

10.3 Legal Implications

The UK leaving the EU will lead to a significant change in the UK's future legal landscape. There are potential legal implications arising from each aspect of this report that will be better understood as the process evolves and when it is clearer as to whether there is a Brexit deal, or not.

However, most EU law that governs local authority services has already been incorporated into domestic law and will continue to apply when the UK leaves the EU, regardless of the form that exit takes. On exit, the UK Parliament would then be able to amend or introduce new legislation that affects local government.

During the 'transition period' (29 March 2019 to 31 December 2020) the UK will continue to abide by European Court rulings, but these will no longer apply after then, save for the transition period being extended or any agreement that is part of a Brexit deal that suggests otherwise.

10.4 People Implications

These are outlined in paragraph 6.9

10.5 Property Implications

There are not currently any readily identified property implications.

10.6 Consultation

None specific

10.7 Equalities Implications

None specific.

10.8 Risk Assessment

The report highlights the potential risks and opportunities for the Council and highlights that the Corporate Risk Register is being revised accordingly.

10.9 Value for Money

None specific

10.10 Community Safety Implications

Implications in relation to security are being addressed as part of the negotiations between the UK and EU, particularly in relation to the UK's continued participation in the European Arrest Warrant and EU crime databases.

Southend-on-Sea Borough Council

Report of Strategic Director (Finance and Resources)

to
Cabinet
on
17 January 2019

Agenda
Item No.

9

8

Report prepared by: Bridgette Cowley
Group Manager - Revenues

Council Tax Base and National Non Domestic Rating Base 2019/20
Policy and Resources Scrutiny Committee
Cabinet Member: Councillor John Lamb
Part 1 (Public Agenda Item)

1 Purpose of Report

To enable a valid Council Tax to be determined, the calculation of the Tax Base at the commencement of the forthcoming financial year needs to be approved. This report shows the calculation of the Council Tax Base for 2019/20.

To approve the National Non Domestic Rates (NNDR1) form that must be submitted to the Ministry of Housing, Communities and Local Government (MHCLG) by 31 January 2019

2 Recommendations

In respect of the Council Tax Base;

2.1 That in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003) and Local Government Finance Act 2012 (Calculation of billing authority's council tax base Section 15):

The Local Council Tax Support Scheme for 2019/20 approved by Council on 13 December 2018, be incorporated into the Council Tax base setting as outlined in Appendices A and B;

That the following changes to Council Tax discounts and exemptions approved by Cabinet on 5 January 2016 will remain unchanged, with the exception of the premium increase from 50% to 100% on Long Term Empty properties (those properties which have been empty for over 2 years or more) from 1 April 2019, these will be incorporated into the Council Tax Base:-

- **Properties requiring or undergoing structural alteration or major repairs (Class D) as allowed by Section 11A of the Local Government Finance Act 2012 is set at 0%;**
- **Vacant and substantially unfurnished properties (Class C) as allowed by Section 11A of the Local Government Finance Act 2012 to be entitled to receive a discount of 100% for up to 1 month.**
- **The second homes discount and exemption (Classes A and B) that were approved by Council on 13 December 2012 will remain unchanged from 1 April 2019 and these are incorporated into the Council Tax Base;**
- **Long-term empty homes (Class C) as allowed by Section 11A of the Local Government Finance Act 2012, a current surcharge of 50% is set allowing a full charge of 150% where they have been unoccupied for more than 2 years. From April 2019 this surcharge will increase to 100% allowing a full charge of 200%;**
- **That a continuous 6 week period of occupancy is required between empty periods before a further discount can be awarded;**

2.2 The amount calculated by Southend-on-Sea Council as its Council Tax Base for the year 2019/20 shall be 58,424.44 (Appendix A);

2.3 The amount calculated by Southend-on-Sea Council as the Council Tax Base in respect of Leigh-on-Sea Town Council for the year 2019/20 shall be 8,839.09 (Appendix B);

In respect of the Non-Domestic Rates Base (NNDR1 Form);

2.4 That Cabinet approve the NNDR1 form (to follow) at Appendix C for submission to MHCLG.

3 Background

3.1 The Council Tax Base is the number of band D equivalent properties/dwellings, or looked at another way it is the amount of money the billing authority estimates it can raise for each £1 of council tax set at the band D level.

3.2 The Council is required under the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 and Local Government Finance Act 2012 (Calculation of billing Authority's council tax base Section 15) to determine the Council Tax Base and notify major precepting authorities in the period 1 December to 31 January.

- 3.3 The Council is also required to calculate a tax base for the part of its area falling within the Leigh-on-Sea Town Council's area. The Town Council has been notified of their indicative Council Tax base to allow them to prepare their potential precept and Council Tax, and following Cabinets approval will be formally notified of the Council's decision in respect of their final Tax base.
- 3.4 As part of the Governments extensive finance reform changes from April 2013, the Council has to formally agree the submission of its Non Domestic Rates baseline for the forthcoming financial year. Given the importance of how the submitted baseline now impacts on the funding that will flow to the Authority from Government, the baseline now has to be approved in the same way as setting the Council Tax base.
- 3.5 Setting the Council Tax base is a Council function which usually requires full Council approval during the specified period. However, Section 67 to the Local Government Finance Act 1992 (as amended by section 84 to the Local Government Act 2003) excluded setting the tax base from having to be determined by Full Council. Thus it can be delegated under section 101 to the Local Government Act 1972 to a committee, the cabinet, or even an officer.
- 3.6 It was agreed on 13 December 2012 that Council delegate both the setting of the Council Tax base and the approval of the NNDR1 to Cabinet. This was to allow both to be considered by Cabinet in a timely fashion to meet the statutory 31 January deadline. In addition, the Council has delegated the authority to approve the NNDR1 form and the Council Tax Base to the Strategic Director (Finance and Resources), in conjunction with the Leader, subject to the delegation only being used where Cabinet is not able to approve the NNDR1 form or the Council Tax Base by the 31st January. Where this additional delegation is used, the Strategic Director (Finance and Resources) will include an explanation in a subsequent report to Council as to why it was not practical for Cabinet to use its delegation.

4 Council Tax Base

- 4.1 The Regulations require the tax base to be based upon the District Valuer's List as at 30 November each year. This figure is then amended for the estimated activity on the Council Tax base from 1 December to 31 March. An early determination assists the Council and precepting authorities in their financial planning.
- 4.2 Since 1 April 2013, in addition to the forecasting of banding of properties and voids, the Council Tax base must also reflect the discretionary technical reforms of Council Tax (discounts and exemptions) together with the impact of the Local Council Tax Support Scheme because awards of Council Tax Support are classified as discounts and as such will have the effect of reducing the overall Council Tax base.

- 4.3 Exemption classes A & C were abolished with effect from 1 April 2013. Class A exemptions covered “vacant dwellings where major repair works or structural alterations are required, under way or recently completed (up to twelve months) whilst Class C exempt dwellings were “a vacant dwelling (i.e. empty and substantially unfurnished) (up to six months)”.
- 4.4 In addition, since 1 April 2013, Local authorities in England have had the choice to apply council tax discounts of between 0% and 50% for second homes, and to apply council tax discounts for empty dwellings at any level between 0% and 100%. Also, from 1 April 2019, an Empty Homes Premium of up to 100% can be charged on dwellings that had been empty for more than 2 years. Doubling the cap on the premium will allow local authorities to strengthen the incentive for owners of empty homes to bring them back into use. The qualifying period will remain at two years. The premium cannot apply to homes that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of a main property.
- 4.5 On 5 January 2016, Cabinet approved to implement further changes that are set out in 2.1. Specifically, to uninhabitable and empty and unfurnished properties, and this came into effect on 1 April 2016, regardless of when any previous discount has been awarded. This will remain unchanged for 2019/20.
- 4.6 It was agreed by Council on 13 December 2018 that there would be no changes to the existing Local Council Tax Support Scheme for Southend-on- Sea.

Calculation of the Council Tax Base

- 4.7 The calculation of the Council Tax Base commences with reference to the number of properties in each band of the valuation list, as it stands, at 30 November each year (the relevant day).
- 4.8 Adjustments are then made for:-
- a) Any known alterations not shown on the valuation list on the relevant day.
 - b) Properties exempt from council tax on the relevant day.
 - c) Any reductions in banding awarded in respect of disabled persons as of the relevant day.
 - d) Any status discounts granted as they stand on the relevant day.
 - e) Any estimated changes likely to occur to the base information during the period from the relevant day to 31 March each year.
 - f) Impacts of the Local Council tax Support Scheme.
- 4.9 Once these adjustments are made to each band, a calculation is made to express all bands as a Band D equivalent. The sum of Band D equivalent properties is then reduced by the Authority’s anticipated allowance for changes in voids, discounts and exemptions and an allowance for changes in the provision for bad and doubtful debts (which is linked to the anticipated in year collection rate and collection of arrears). The result is the Council Tax Base for tax setting purposes.

4.10 The same exercise is carried out in respect of the area covered by Leigh on Sea Town Council. The Government previously consulted on the possibility of providing a separate Council Tax Base for Town and Parish Councils due to changes in Council Tax support. The Government decided not to follow this option and therefore the same allowance must be applied to both calculations.

4.11 The Council Tax base for 2019/20 is therefore;

	Southend-on-Sea	Leigh-on-Sea
Council Tax Base 2018/19	57,611.55	8,779.95
Council Tax Base 2019/20	58,424.44	8,839.09
Increase/(Decrease) in Tax Base 2018/19 to 2019/20	812.89	59.14
Percentage Increase/(Decrease) in Tax Base 2018/19 to 2019/20	1.41%	0.67%

4.12 The Council Tax base for Southend-On-Sea has increased as a result of a combination of new properties on the list coupled with the on-going impact of the agreed discounts and exemptions, and also the proposed increase in the Empty Homes Premium to 100% from April 2019.

4.13 If Members decide not to implement the new 100% (rather than 50%) premium on empty homes greater than two years, the resultant Council Tax base would decrease. The revised Council Tax Base would fall to 58,339.40 and 8,825.11 respectively.

4.14 The calculation of the Tax Base is set out in Appendices A and B.

5 National Non Domestic Rating Base (NNDR1 Form)

5.1 Under the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 2012) from 1 April 2013 a proportion of non- domestic rates will be retained locally rather than paid into the central pool.

5.2 The NNDR1 form sets the anticipated amount of non-domestic rates that will be collected in the coming year and will therefore determine the respective shares between Central Government and Southend-On-Sea Council. There will be a retrospective cash adjustment by Government in the following financial year based on the final position for the financial year in question.

- 5.3 The NNDR1 form is in a defined format set by Government and changes from year to year. At the time of writing this report the initial form was received on 19 December 2018 and has been used to generate the National Non Domestic Rating base shown at Appendix C. However it is not uncommon for revised forms to be issued subsequently as issues with how the form calculates are uncovered. MHCLG may inform us as late as January that the initial form may be amended. Should that be the case, the Strategic Director (Finance and Resources) will use his delegated authority to ensure the correct form is returned by the statutory deadline, and report back to Cabinet subsequently. The Strategic Director will give an oral update if it is thought the delegation may have to be used.

6 Other Options

- 6.1 Given the statutory and technical nature of the calculation of the Council Tax Base and National Non Domestic Rating Base, Members have limited scope to alter the respective base calculations.

7 Reasons for Recommendations

The setting of the Council Tax Base and National Non Domestic Rating Base enables to calculation of the core funding derived though local taxation that is used to finance the Council's proposed budget for 2019/20.

8 Corporate Implications

- 8.1 Contribution to the Southend 2050 Roadmap
The approval of the Council Tax Base and NNDR1 will enable a budget to be set for the forthcoming financial year and a Council Tax level to be set in line with statutory requirements. In addition, it will ensure that the appropriate levels of income are generated to enable these funding sources to support the delivery of the Council's outcomes

- 8.2 Financial Implications
The financial implications of the approved Council Tax Base and NNDR1 have been included in the provisional budget and council tax report for 2019/20 contained elsewhere in this agenda

These figures will be also be reflected in the budget proposals for 2019/20 and the Medium Term Financial Strategy to be considered by Cabinet on 12 February 2019 and Council on 21 February 2019

- 8.3 Legal Implications
There is a statutory duty to approve the Council Tax Base and NNDR1 for 2019/20 and notify precepting authorities by 31 January 2019

- 8.4 People Implications
None

- 8.5 Property Implications
None directly, but the revised empty homes premium recommended will assist in encouraging homes to be brought back into productive use
- 8.6 Consultation
None
- 8.7 Equalities and Diversity Implications
These are addressed through the Council's Discretionary Relief Policy and Debt Management Policy
- 8.8 Risk Assessment
Assuming this report is approved, there is no risk that the Council will not meet its statutory duty to approve the Council Tax Base for 2019/20 and notify precepting authorities by 31 January 2019. In addition, it will also enable the statutory deadline of 31 January 2019 to be achieved for the submission of the NNDR1
- 8.9 Value for Money
Under the Governments financial reforms for funding Local Government, the Council Tax Base and Non Domestic baseline are critical elements in determining the level of Council Tax and funding for the Authority
- 8.10 Community Safety Implications
None
- 8.11 Environmental Impact
None

9 Background Papers

- Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended by the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003);
- Local Government Finance Act 2012 (Calculation of billing authority's council tax base Section 15);
- Valuation List for the Billing Authority area;
- CTB1 Return for 2019/20

10 Appendices

Appendix A – Council Tax base calculation – Southend-on-Sea Council
Appendix B – Council Tax base calculation – Leigh Town Council
Appendix C – NNDR1 Form

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Council Tax Base 2019/20 - Leigh Town Council only

	A*	A	B	C	D	E	F	G	H	TOTAL
DWELLINGS ON VO LIST AT 30/11/18		1,282.00	1,548.00	2,184.00	2,525.00	1,861.00	668.00	422.00	7.00	10,497.00
LESS EXEMPTIONS AS AT 30/11/18		(35.00)	(28.00)	(25.00)	(27.00)	(18.00)	(3.00)	(4.00)	0.00	(140.00)
ADD BAND CHANGES - DISABLED	0.00	1.00	3.00	5.00	8.00	0.00	3.00	2.00		22.00
LESS BAND CHANGES - DISABLED		0.00	(1.00)	(3.00)	(5.00)	(8.00)	0.00	(3.00)	(2.00)	(22.00)
TOTAL CHARGEABLE DWELLINGS	0.00	1,248.00	1,522.00	2,161.00	2,501.00	1,835.00	668.00	417.00	5.00	10,357.00
PROPERTIES DUE ON LIST	0.00	0.00	0.00	2.00	3.00	4.00	0.00	0.00	0.00	9.00
LESS % DISCOUNTS	0.00	(157.75)	(200.50)	(192.00)	(160.25)	(89.25)	(33.25)	(15.75)	(0.75)	(849.50)
LESS LCTSS DISCOUNTS	0.00	(207.38)	(132.81)	(119.58)	(81.73)	(28.55)	(4.29)	0.00	0.00	(574.34)
EQUIVALENT NUMBER OF CHARGEABLE DWELLINGS	0.00	882.87	1,188.69	1,851.42	2,262.02	1,721.20	630.46	401.25	4.25	8,942.16
RATIO TO BAND D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	2	
BAND D EQUIVALENTS	0.00	588.58	924.55	1,645.71	2,262.02	2,103.69	910.66	668.75	8.50	9,112.46
ALLOWANCE FOR NON COLLECTION									3.00%	(273.37)
COUNCIL TAX BASE 2019/20										8,839.09
COUNCIL TAX BASE 2018/19										8,779.95
YEAR ON YEAR INCREASE IN TAX BASE										59.14
YEAR ON YEAR INCREASE IN TAX BASE %										0.67%

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NATIONAL NON-DOMESTIC RATES RETURN - NNDR1 2019-20 Please e-mail to: nndr.statistics@communities.gov.uk by no later than 31 January 2019. In addition, a certified copy of the form should be returned by no later than 31 January 2019 to the same email address All figures must be entered in whole £ If you are content with your answers please return this form to MHCLG as soon as possible							
Select your local authority's name from this list:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>South Staffordshire</td></tr> <tr><td>South Tyneside</td></tr> <tr><td>Southampton UA</td></tr> <tr><td>Southend-on-Sea UA</td></tr> <tr><td>Southwark</td></tr> <tr><td>Spelthorne</td></tr> </table>	South Staffordshire	South Tyneside	Southampton UA	Southend-on-Sea UA	Southwark	Spelthorne
South Staffordshire							
South Tyneside							
Southampton UA							
Southend-on-Sea UA							
Southwark							
Spelthorne							
Authority Name E-code Local authority contact name Local authority contact number Local authority e-mail address	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Southend-on-Sea UA</td></tr> <tr><td>E1501</td></tr> <tr><td>Emma Benge</td></tr> <tr><td>01702 215062</td></tr> <tr><td>emmabenge@southend.gov.uk</td></tr> </table>	Southend-on-Sea UA	E1501	Emma Benge	01702 215062	emmabenge@southend.gov.uk	
Southend-on-Sea UA							
E1501							
Emma Benge							
01702 215062							
emmabenge@southend.gov.uk							
Ver 1.0							
PART 1A: NON-DOMESTIC RATING INCOME							
COLLECTIBLE RATES							
1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments	£ 43,859,573						
TRANSITIONAL PROTECTION PAYMENTS							
2. Sums due to the authority	0						
3. Sums due from the authority	498,230						
COST OF COLLECTION (See Note A)							
4. Cost of collection formula	227,876						
5. Legal costs	0						
6. Allowance for cost of collection	227,876						
SPECIAL AUTHORITY DEDUCTIONS							
7. City of London Offset : Not applicable for your authority	0						
DISREGARDED AMOUNTS							
8. Amounts retained in respect of Designated Areas	0						
9. Amounts retained in respect of Renewable Energy Schemes (See Note B)	0						
<i>of which:</i>							
10. sums retained by billing authority	0						
11. sums retained by major precepting authority	0						
12. Amounts retained in respect of Shale Gas Schemes (see Note C)	0						
NON-DOMESTIC RATING INCOME							
13. Line 1 plus line 2, minus lines 3, 6 - 9 and 12	43,133,467						

Local Authority : Southend-on-Sea UA		Ver 1.0				
PART 1B: PAYMENTS						
This page is for information only; please do not amend any of the figures						
The payments to be made, during the course of 2019-20 to:						
i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;						
ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be						
iii) transferred by the billing authority from its Collection Fund to its General Fund,						
are set out below						
	Column 1 Central Government	Column 2 Southend-on-Sea UA	Column 3	Column 4 Essex Police, Fire & Crime Commissioner	Column 5 Total	
Retained NNDR shares	£	£	£	£	£	
14. % of non-domestic rating income to be allocated to each authority in 2019-20	50%	49%	0%	1%	100%	
Non-Domestic Rating Income for 2019-20						
15. Non-domestic rating income from rates retention scheme	21,566,733	21,135,399	0	431,335	43,133,467	
16.(less) deductions from central share	0	0	0	0	0	
17 TOTAL:	21,566,733	21,135,399	0	431,335	43,133,467	
Other Income for 2019-20						
18. add: cost of collection allowance		227,876			227,876	
19. add: amounts retained in respect of Designated Areas		0			0	
20. add: amounts retained in respect of renewable energy schemes		0	0		0	
21. add: amounts retained in respect of shale gas schemes		0	0	0	0	
22. add: qualifying relief in Designated Areas		0	0	0	0	
23. add: City of London Offset		0			0	
24. add: additional retained Growth in Pilot Areas		0	0	0	0	
25. add: in respect of Port of Bristol hereditament		0			0	
Estimated Surplus/Deficit on Collection Fund	£	£	£	£	£	
<u>Percentages to be used to distribute the collection fund surplus/deficit</u>						
26. % for distribution of "in-year" surplus/deficit (ie 2018-19)	50%	49%	0%	1%	100%	
26a. "In-year surplus (positive) /deficit (negative)	304,068	297,987	0	6,081	608,136	
27. % for distribution of "prior-year" surplus/deficit (ie 2017-18)	50%	49%	0%	1%	100%	
27a. "Prior-year" surplus (positive) / deficit (negative)	-152,090	-149,048	0	-3,042	-304,180	
28. Estimated Surplus/Deficit at end of 2018-19	151,977	148,939	0	3,040	303,956	
TOTAL FOR THE YEAR	£	£	£	£	£	
29. Total amount due to authorities	21,718,710	21,512,214	0	434,375	43,665,299	

Southend-on-Sea Borough Council

Report of Deputy Chief Executive - People
and Strategic Director (Finance and Resources)

to
Cabinet
on
17 January 2019

Agenda
Item No.

910

Report prepared by: Ian Ambrose
Head of Corporate Finance

**Draft Housing Revenue Account Budget 2019/20 and Rent Setting
Policy and Resources Scrutiny Committee
Cabinet Member: Councillor Tony Cox
Part 1 (Public Agenda Item)**

1 Purpose of Report

This report sets out the Housing Revenue Account (HRA) budget for 2019/20, together with the information necessary to set a balanced budget as required by legislation.

2 Recommendations

Cabinet are asked to recommend to Council;

- 2.1 A rent reduction of 1% on secure tenancies, as required by the Welfare Reform and Work Act 2016;**
- 2.2 An average rent increase of 4.86% on shared ownership properties;**
- 2.3 That the proposed rent changes in 2.1 and 2.2 be effective from 1 April 2019;**
- 2.4 That garage rents increase 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;**
- 2.5 That the South Essex Homes core management fee be agreed at £5,738,000 for 2019/20, 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);**

- £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;

2.6 That the South Essex Homes proposals for average changes of 4% in service charges and 17% in heating charges be agreed;

2.7 That the following appropriations be agreed

- £60,000 to the Repairs Contract Pensions earmarked reserve;
- £1,397,000 to the Major Repairs earmarked reserve; and
- £444,000 HRA to the Capital Investment earmarked reserve;

2.8 Subject to 2.1 through to 2.7 above, the HRA budget as set out in Appendix 1 be agreed; and

2.9 The value of the Council's capital allowance for 2019/20 be declared as £37.326M, as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

3 Background

3.1 The Housing Revenue Account (HRA) is the statutory "landlord" account for the authority. For Southend therefore this expresses in financial terms the level of housing service provided within agreed policy guidelines.

3.2 The Council is obliged by law to set rents and other charges at a level to avoid a deficit on the HRA balance (i.e. the legal minimum balance at any time during the financial year must be greater than zero). This report proposes an HRA budget that avoids a deficit balance.

3.3 The estimates have been prepared alongside South Essex Homes, and incorporate their proposed management fee.

3.4 Summary estimates for the HRA are at **Appendix 1**.

4 Rent Levels

4.1 The average weekly rent charged on HRA secure general needs tenancies is currently £87.88 and for sheltered accommodation £76.51.

4.2 Under changes introduced by the Government in the Welfare Reform and Work Act 2016, the Council continues to be obliged to reduce secure tenancy rents by 1%. This applies to both formula and affordable rents. The Council will be able to continue with its policy to move rents to formula level on change of tenancy, although the formula rent will similarly need to fall by 1% as well. As 2019/20 is a 53 week rent year (most years are only 52), careful consideration is required to ensure the reduction is applied in compliance with the legislation.

- 4.3 Where a property is let at affordable rent, that rent will also be required to fall by 1%. Currently the Council has 36 properties subject to affordable rent. All new properties brought into the HRA will be at affordable rent levels.
- 4.4 2019/20 is the last year of operation of this enforced reduction in rents. From 2020/21, the Government have signalled that the Council will be able to return to an inflation based CPI + 1% increase. The medium term financial strategy for the HRA will assume the adoption of this approach for future years. The formal outcome of the Government's consultation is pending.
- 4.5 The rent reduction requirement does not apply to rents on shared ownership properties or temporary accommodation.
- 4.6 The rents for the Council's 13 shared ownership properties have traditionally been set on the same basis as a full Council dwelling, pro-rata'd to the Council's ownership. As these properties are not covered by the Government's reduction policy, it is recommended that these rents continue to increase as would be normal by September CPI +1%, plus a move towards final convergence. Across the 13 properties, the Council's ownership ranges from 10% up to 75%. On average rents would increase by 4.86%, although individual rent rises will vary depending upon how near to rent convergence a particular rent is.
- 4.7 Rents in the Council's hostels are set with reference to the national formula which is applied to managing temporary accommodation of the Local Housing Allowance (LHA) rate, minus 10% plus £60 per week, equivalent to £164.87. This charge is inclusive of service charges, but is subject to additional charges for heating and water. These temporary tenancies are not subject to the Government's rent reduction policy.
- 4.8 The government has however frozen LHA rates up to and including 2019/20, so there is no practical scope to increase hostel rents, and none is proposed.
- 4.9 Notwithstanding the welfare reforms being brought in by the government, those whose rent is currently met through housing benefit should continue to receive the same degree of financial assistance. Clearly where rents are being reduced, any associated housing benefit will reduce pound for pound, leaving the tenant no better or worse off.
- 4.10 Members are however reminded that a proportion of tenants will be impacted by other welfare reforms regardless of the decrease in rent. Where working age tenants are in under occupation of their home, any housing benefit payable will be reduced by 14% for one extra bedroom or 25% for two or more extra bedrooms. Some tenants may also be affected by the benefit cap, which limits the totality of all benefits to a maximum of £20,000 per year for a couple or a single person with children. Where total benefits, including housing benefit, exceed the cap, the housing benefit will have to be reduced to bring the total package back down to £20,000. Single people with no dependent children are capped at £13,400.

- 4.11 The effective date of any change in rent will be 1 April 2019, being the first Monday of the new rent year.

5 Other Fees and Charges

- 5.1 The HRA benefits from a number of income streams other than dwelling rents, the majority of which are set by the Council and therefore need a resolution for any increases.

Garages

- 5.2 Standard garages are currently charged at £11.40 per week for tenants (£13.68 being £11.40 plus VAT for non-tenants). It is recommended that these charges be increased to £11.70 per week for tenants (£14.04, being £11.70 plus VAT for non-tenants), being a 2.5% rise, being consistent with the standard approach taken across the Council's fees and charges. All variants on a standard garage will receive a proportionate increase.

Water Charges

- 5.3 The Council collects the water rates on behalf of Northumbrian Water Company (trading locally as Essex & Suffolk Water) in respect of all unmetered Council houses and remits this to the water company in full including void properties. The Council is compensated separately by the water company for collecting these water rates including a void loss allowance. The Council renewed this arrangement with Northumbrian Water Company with effect from 1 April 2017.

6 Management Fee to South Essex Homes

- 6.1 A management fee bid by the Board of South Essex Homes has been received by the Deputy Chief Executive - People, which following negotiations has been agreed. The proposed fee has been set mindful of the financial pressures within the HRA. The bid is summarised in the table below.

	2018/19 Budget £000	2019/20 Forecast £000
Management Fee	5,532	5,532
Inflationary Pressures		196
Fibre Connectivity to Sheltered		58
Increase in Hostel Places		62
GDPR Support from the Council		39
Less:		
Inflation Absorbed		(149)
Total Management Fee	5,532	5,738

- 6.2 The inflationary pressures for South Essex Homes are in respect of primarily employee related increased costs.
- 6.3 South Essex Homes have also requested one-off financial support of £10,000 to complete the data cleansing, training and embedding of new data protection practices in compliance with General Data Protection Regulations (GDPR).
- 6.4 They have also requested £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. Whilst the bid is supported, it is suggested that any monies only be released on submission of a full valid business case to the Council's Housing Client team.
- 6.5 Following decisions made as part of last budget setting, South Essex Homes also receive a significant proportion of their income from service and heating charges levied directly on tenants and leaseholder. It is beholden on South Essex Homes and the Council to ensure that service charges to tenants are reasonable, and as near as possible are set on a cost recovery basis. South Essex Homes has therefore proposed increases in these charges as set out below for Members endorsement.

Service Charges (SEH Charge)

- 6.6 2010/11 saw the completion of the current round of service charge unpooling from the main rent. This was the process where previous "all-in" rent payment was split between the rent element and the service charge element. There are no proposals as part of this budget to unpool further costs from the main dwelling rental. There is therefore only the need to consider the uplift of the existing service charges currently levied. Over the past year, there has been a detailed review of the cost-recovery of service charges, which has confirmed that the overall income derived covers the cost of provision. South Essex Homes are therefore recommending an average 4.0% inflationary increase in service charges. As service charges are based on actual costs for each block, and actual services provided, individual charges could change by more or less than the average rise. This will enable service charges to be kept in line with the cost of providing the service. Service charges are generally covered by housing benefit where applicable.

Heating Charges (SEH Charge)

- 6.7 Heating charges for sheltered housing and hostel tenants are monitored on a scheme by scheme basis, with the aim that each scheme broadly covers its costs.
- 6.8 Based on costs associated with heating, South Essex Homes are proposing that there is an average 17% increase in heating charges in 2019/20. The increase is based on the actual costs incurred over the year ending October 2018 and is reflective of utility price increases over that period. Energy prices are volatile, as evidenced by the previous reduction in heating charges in 2018/19.

6.9 The actual charge for 2019/20 will be the actual costs associated with each individual scheme.

7 Higher Value Voids

7.1 Members will recall that the Housing and Planning Act 2016 introduced a duty on councils to consider selling higher value vacant social housing when it becomes vacant. The Act also empowers the Secretary of State to require an upfront levy payment from the Council, to fund the extension of the Right to Buy to Housing Association tenants. That levy will be calculated by reference to the market value of the Council's "higher value" housing stock, rather than just paying over the proceeds of the actual sales, raising the possibility that should insufficient properties be sold, the HRA will have to fund the levy through other resources.

7.2 The Government has signalled through its Housing Green Paper issued 14 August 2018, that it will not invoke any higher value void levy going forward, and that it will repeal the relevant legislation when Parliamentary time allows. Consultation on the Green Paper closed 6 November 2018.

8 Options to Balance the HRA

8.1 The HRA budget has been constructed using realistic estimates wherever possible, however as indicated in the report there are a number of areas where legislation is pending that has the potential to significantly alter the proposed budget.

8.2 The budget, based on the recommendations above, is shown at Appendix 1. The budget shows an operating surplus of £3.328M. On that basis the HRA is clearly in balance and Members can choose to take no further action. However that surplus is less than it otherwise would have been had the Government not required the Council to reduce rents, and therefore the HRA has less resource for future investment into its stock than it otherwise would have done. Had the Government not forced reductions in secure tenancy rental levels, the annual surplus would have been an estimated £3.300M higher.

8.3 £1.427M of the surplus will fund a revenue contribution towards the completion of the current new build programme. It is recommended that £60,000 of the remaining surplus be diverted to the Repairs Contract Pensions Reserve under the on-going arrangement put in place when the repairs contract was last let, £1.397M to the Major Repairs Reserve for future reinvestment into the existing stock, with the remaining £0.444M being taken to the HRA Capital Investment Reserve where any revenue surpluses are being accumulated for use in support of future capital investment.

8.4 General HRA balances will still remain above the target of £3M at £3.502M.

8.5 The HRA MTFs will be updated in line with this budget and presented to Cabinet in February.

9 HRA Capital Allowance and Housing Strategy

- 9.1 The HRA capital programme is reported elsewhere on this agenda. This proposes an indicative programme of works over the next 5 years totalling £37.326M. At the same time, capital receipts generated by the sale of HRA assets continue to be subject to pooling arrangements with up to 75% of proceeds being paid over to government. The Council can take action to preserve the full value of its non-right to buy capital receipts however by declaring a capital allowance under regulation 16 of the Local Authorities (Capital Finance And Accounting) (England) Regulations. This equates to the value of investment back into affordable housing, and as such is equal to the value of the HRA capital programme.
- 9.2 Members will be aware that the Housing, Homelessness and Rough Sleeping Strategy has been recently adopted. The HRA will play its full part in the implementation and delivery of the strategy through the use of its capital and revenue resources, which following the Government's decision to lift the HRA debt capital, could include the HRA borrowing to build new affordable homes. Any proposals would be subject to a full valid business case in the usual manner.

10 Other Options

- 10.1 Given the statutory nature of the required reduction in rents, Members have limited scope to alter the budget.

11 Reasons for Recommendations

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.

12 Corporate Implications

- 12.1 Contribution to the Southend 2050 Road Map
The recommendations in this report, by providing the resources to maintain and enhance the Council's owed social housing stock, contribute directly to the Southend 2050 Ambition that we are well on our way to ensuring that everyone has a home that meets their needs.
- 12.2 Financial Implications
As set out in the report
- 12.3 Legal Implications
None at this stage
- 12.4 People Implications
None at this stage

- 12.5 **Property Implications**
The recommendations in this report assist in the proper management of the Council's housing stock
- 12.6 **Consultation**
Appropriate notice of proposed increases in rents and charges has been factored into the timetable for implementing the recommendations of this report.
- 12.7 **Equalities and Diversity Implications**
An equality impact assessment has not been carried out in respect of the proposals contained within this report, as there are no proposed changes in housing policy or provided services. Where there are proposed changes in rent, service and heating charge levels, these are applied equally and consistently across all groups as appropriate to the accommodation they occupy. Those that are in receipt of housing benefit should experience no impact at all, since this payment will change in line with the proposed changes to rent and service charges.

There is no evidence that any particular group will experience a negative impact that is not mitigated in similar ways to other groups.

- 12.8 **Risk Assessment**
The financial risks associated with these proposals have been considered throughout this report, and in particular have been factored into the development of the self-financing business plan, and will be incorporated into the report on the robustness of the budget and the reserves policy to be presented to the February Cabinet.
- 12.9 **Value for Money**
The proposals within this report are consistent with the Council's plans to continue to improve value for money within the services it offers.
- 12.10 **Community Safety Implications**
None at this stage
- 12.11 **Environmental Impact**
None at this stage

13 Background Papers

None

14 Appendices

Appendix 1 – HRA Budget 2019/20

HRA Budget 2019/20

Appendix 1

	2018/19 Budget £000	2018/19 Revised £000	2019/20 Budget £000
Employees	210	210	206
Premises (excluding repairs)	790	765	806
Repairs	4,930	5,399	5,399
Supplies and Services	69	69	85
Management Fee	5,579	5,617	5,888
MATS	1,146	1,146	1,175
Provision for Bad Debts	394	394	455
Depreciation	6,284	6,284	6,665
Interest and Debt Management Charges	3,515	3,505	3,483
Total Expenditure	22,917	23,389	24,162
Fees and Charges	(349)	(349)	(349)
Dwelling Rents	(24,900)	(25,495)	(24,720)
Other Rents	(1,372)	(1,372)	(1,497)
Other	(27)	(27)	(27)
Interest	(250)	(240)	(430)
Recharged to Capital	(566)	(525)	(467)
Total Income	(27,464)	(28,008)	(27,490)
Net Operating Expenditure	(4,547)	(4,619)	(3,328)
RCCO	1,925	1,973	1,427
Appropriation to Earmarked Reserves	2,622	2,646	1,901
(Surplus) or Deficit in Year	0	0	0
General HRA Balance			
Opening Balance	3,502	3,502	3,502
Used to meet Deficit	0	0	0
Closing Balance	3,502	3,502	3,502

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Southend-on-Sea Borough Council

Report of Strategic Director (Finance and Resources)
to
Cabinet
on
17 January 2019

Agenda
Item No.

10

Report prepared by: Caroline Fozzard
Group Manager – Financial Planning and Control

Draft Capital Investment Programme 2019/20 to 2023/24

All Scrutiny Committees
Cabinet Member: Councillor John Lamb
Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 The purpose of this report is for Members to consider a draft programme of capital investment for the period 2019/20 to 2023/24 that can be submitted to Council for approval.

2. Recommendations

That the Cabinet:

- 2.1 Note the current approved Programme for 2019/20 to 2021/22 of £153.1m (Appendix 1);**
- 2.2 Consider and approve the Capital Investment Strategy for 2019/20 to 2023/24 (Appendix 2);**
- 2.3 Consider and approve the proposed:**
- (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);**
 - (ii) schemes subject to external funding approval for the period 2019/20 to 2020/21 totalling £3.0m (Appendix 6);**
 - (iii) schemes subject to viable business cases for the period 2019/20 to 2021/22 totalling £48.6m (Appendices 6 and 7);**
- 2.4 Note the changes to the approved Programme will result in a proposed capital investment programme of £177.0m for 2019/20 to 2023/24 (Appendix 7) of which £70.7m is supported by external funding;**

- 2.5 Note that a final review is being undertaken on the 2018/19 projected outturn and that the results will be included in the report to Cabinet on 12 February 2019;**
- 2.6 Refer this report as approved to all Scrutiny Committees and then to Budget Cabinet on 12 February 2019.**

3. Background

- 3.1 Capital expenditure is defined as expenditure incurred on the enhancement, acquisition or creation of assets needed to provide services, such as houses, schools, vehicles etc. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services. Capital grants, borrowing and capital receipts can only be spent on capital items and cannot be used to support the revenue budget. However, it should be noted that revenue funding can be used to support capital expenditure.
- 3.2 Under the Local Government Act 2003, from 1 April 2004, each authority can determine how much it can borrow within prudential limits (unsupported borrowing). The Government does have powers to limit the aggregate for authorities for national economic reasons, or for an individual authority.
- 3.3 Unsupported borrowing is not specifically financed by capital grant so any unsupported borrowing undertaken is financed from the total available resources to the Council from both grant and Council Tax.

4 Capital Investment Strategy

- 4.1 Each year the Council agrees a Capital Investment Strategy that sets out the framework for controlling and monitoring the Capital Investment Programme. The Capital Investment Strategy is a key document for the Council. It sets out the processes and policies relating to capital expenditure and investment and includes reference to other key documents of the authority which influence capital investment such as the Medium Term Financial Strategy (MTFS) and the Corporate Asset Management Strategy (CAMS).
- 4.2 The capital investment programme is prepared and developed in accordance with the Council's Capital Investment Strategy, which is attached as Appendix 2 to this report. In turn, the Capital Investment Strategy has been written in the context of Southend 2050 and the five themes and all capital investment is therefore driven by the aim of contributing to the delivery of the ambition and the desired outcomes.
- 4.3 The proposed additions to the capital investment programme for 2019/20 to 2023/24 of £14.5m for the General Fund and £20.8m for the Housing Revenue Account are set out in Appendix 6, with the details of each scheme and its funding explained. In preparing these proposals consideration has been given to the key criteria set out in section 8.1 of the capital investment strategy and to

the factors concerning prudence, affordability and sustainability set out in section 8.3 of the capital investment strategy.

- 4.4 As a result of the strategy around prioritisation of schemes there are a number of new schemes and additions that are being proposed subject to viable business cases being produced and approved under current governance processes, before they can be brought into the capital investment programme. These schemes are set out in Appendix 6.
- 4.5 There are also two schemes in the current approved programme that are now being re-categorised as being subject to a viable business case being approved. These are the re-development of the Delaware and Priory Residential Care homes and the Viking Day Centre and the Commercial Property Investment scheme. This is set out in Appendix 7.
- 4.6 The Council's current agreed capital programme for 2018/19 and future years is attached as Appendix 1 and totals £213.6m.
- 4.7 Movements and proposed new schemes and additions since the agreement of the revised programme in November 2018 are set out in Appendix 7, with more detail in Appendices 3 to 6. Excluding schemes subject to external funding approval and viable business case approval they have an overall effect of increasing the capital investment programme by £21.0m to £234.6m (Appendix 8). If all these schemes were approved it would increase the programme by a further £51.6m to £286.2m (Appendix 8). Appendix 8 also shows how the proposed capital investment programme relates to the five themes.

5 Southend 2050 engagement programme

- 5.1 During spring 2018 the Council embarked on a major engagement exercise with residents and key local stakeholders to develop a shared and jointly owned ambition for Southend in 2050. As part of this a large scale borough-wide 2018 Residents Perception Survey was undertaken.
- 5.2 Residents were asked what they most like about living in this area. The seaside/beach was one of the top responses. A key element of this is Southend's historic pleasure pier, the longest in the world. In recognition of this, capital investment of £18.441m in the pier has been included in this proposed programme across the financial years 2018/19 to 2021/22, including £3.25m for the replacement of the pier trains. A further £10.5m is subject to a viable business case being agreed for the technical design and construction of the Pavilion Deck of the pier.
- 5.3 Parks and open spaces were another important aspect for residents. The town has many parks, gardens and nature reserves offering a range of facilities including sports pitches/courts, children's playgrounds, skateboarding, cafés, boating lakes, fishing lakes and wildlife areas. In recognition of this, capital investment of £1.223m in the town's parks and open spaces has been included in this proposed programme across the financial years 2018/19 to 2020/21.

- 5.4 Residents were also asked what they most disliked about living in this area. The quality of the roads and pavements was the top area of concern and in response to this, capital investment of £26.278m in improvements to the town's highway and footpath network has been included in this proposed programme across the financial years 2018/19 to 2021/22. This amount includes repairing potholes and improving the condition of the pavements around highway trees.
- 5.5 The availability of parking and the amount of traffic congestion were other key areas of concern and in response to this, capital investment of £6.858m for improvements and major works to the town's car parks and £4.690m for traffic management, network and control systems have been included in this proposed programme across the financial years 2018/19 to 2023/24.
- 5.6 Residents were asked how safe or unsafe they felt when outside in their local area. Less than one in ten residents said they felt unsafe during the day but four in ten residents said they felt unsafe after dark. Women and younger residents were more likely to feel unsafe after dark, with perceptions varying by locality. In response to this, capital investment of £2.94m for community safety has been included in this proposed programme across the financial years 2018/19 to 2020/21. £2.04m of this is for an upgrade to the existing CCTV cameras and installation of a number of new cameras in priority locations following consultation.

6. Other Key Areas of Investment 2019/20 to 2023/24

Other key areas of investment for the Council are identified in the sections below.

6.1 Housing

- 6.1.1 Under the theme Safe and Well investment in this area contributes to the desired outcome that we are well on our way to ensuring that everyone has a home that meets their needs.
- 6.1.2 The Housing, Homelessness and Rough Sleeping Strategy 2018-2028 was approved by Cabinet at its meeting of 6 November. The strategy has five high level aims:
- Prioritise the supply of safe, genuinely affordable homes;
 - Regeneration and growth to create inclusive, healthy places to live and thrive;
 - Encourage good quality housing design, management and maintenance;
 - Support people to live independently in their own homes and avoid homelessness;
 - Any instance of homelessness to be brief and non-recurrent.

The capital resource position for housing investment will be submitted once the implementation plans have been developed and considered. Business cases will be considered and agreed, with any resulting capital investment being brought into the programme at the appropriate time. Capital investment may be

supported by funding sources either from the General Fund or Housing Revenue Account (HRA) or by any other housing investment model.

- 6.1.3 The Housing Revenue Account capital investment programme for the 2019/20 financial year is £9.326m which comprises mainly Decent Homes work to the Council's housing stock including kitchen and bathroom modernisations, together with improvements to the common areas and environmental health and safety works. This also includes a budget of £0.700m for disabled adaptations, £1.258m for the construction of new housing on HRA land and £0.345m for some remodelling works to sheltered housing schemes.
- 6.1.4 The overall capital programme for the next five financial years 2019/20 to 2023/24 includes a commitment of at least £6.5m each year for major repairs and Decent Homes work to the Council's housing stock.

6.2 Social Care

- 6.2.1 Under the theme Safe and Well investment in this area contributes to the desired outcome that we are all effective at protecting and improving the quality of life for the most vulnerable in our community.
- 6.2.2 A major investment of £11.581m included in this capital programme (subject to a viable business case being approved) is for the re-development of the Delaware and Priory Residential Care homes and the Viking Day Centre. This will include the building of a new 60-bedroom care facility and a day centre providing high quality services for people with high and complex needs, including dementia, and incorporating specialist services for people with disabilities. The new centre will be flexible, enabling people to remain as independent as possible offering a wide range of activities to meet individual needs and interests as well as providing personal care, therapeutic and health interventions.

6.3 Schools

- 6.3.1 Under the theme Opportunity and Prosperity investment in this area contributes to the desired outcome that our children are school and life ready and our workforce is skilled and job ready.
- 6.3.2 The schools capital investment programme for 2019/20 onwards will continue to be dominated by the need to provide more school places to cope with the current high pupil numbers, as the demand moves from the primary sector to the secondary schools. £12.711m of investment has been included in the proposed programme for this.
- 6.3.3 The secondary expansion programme is progressing well. 120 permanent places have been created for September 2018 and a further seven places will be available from September 2019 along with additional new places over the following years. This expansion will be across eight of the twelve secondary schools. The Primary School future demand will continue to be monitored closely.

6.4 Enterprise and Regeneration

- 6.4.1 Under the theme Opportunity and Prosperity investment in this area contributes to the desired outcome that key regeneration schemes, such as Queensway, seafront developments and the Airport Business Park are underway and bring prosperity and job opportunities to the borough.
- 6.4.2 A major investment of £24.818m included in this capital investment programme is for the Airport Business Park, a major strategic employment site in close proximity to London Southend Airport. It is envisaged that the new Business Park will become renowned as a leading regional centre for the science, medical and technology sectors and deliver benefits for both local businesses and local communities. The development will create thousands of job opportunities for local people, attract inward investment and it is hoped it will bring lasting prosperity to the region. Design consultants have been appointed for the Launchpad at the Airport Business Park. Procurement is in the early stages to find an operator, procurement of the remaining phase one infrastructure works is complete and procurement of phases two and three are underway.

6.5 Culture and Tourism

- 6.5.1 Under the theme Pride and Joy investment in this area contributes to the desired outcome that the variety and quality of our outstanding cultural and leisure offer has increased and we have become the first choice English coastal destination for visitors.
- 6.5.2 Under the theme Safe and Well investment in this area contributes to the desired outcome that Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives.
- 6.5.3 Under the theme Active and Involved investment in this area contributes to the desired outcome that more people have active lifestyles and there are significantly fewer people who do not engage in any physical activity.
- 6.5.4 Under the theme Opportunity and Prosperity investment in this area contributes to the desired outcome that key regeneration schemes such as seafront developments are underway and bringing prosperity and job opportunities to the borough.
- 6.5.5 A major investment of £18.450m included in this capital investment programme is for Forum II, the second phase development of the Forum in partnership with South Essex College. This will deliver education, cultural and business space so as to increase the opportunity to engage with digital, cultural and creative industries.

6.6 Other Investment

- 6.6.1 Subject to a viable business case being produced and approved, commercial property investment of £23.478m has been included in the proposed capital programme to continue to grow an investment portfolio to enable the Council to secure and maintain long-term growing income streams and capital appreciation. Such investments will be part of the Council's wider strategy, for example economic development and growth. The Council's Commercial

Property Investment Strategy is set out in the Corporate Asset Management Strategy.

6.6.2 Also subject to a viable business case being produced and approved, £2m of investment is included in the proposed capital investment programme for the construction of an Operation Centre which can discharge 24/7 control of core council services, including CCTV, Parking and Transport, Careline/Telehealth and Environmental Monitoring. Also included in this scheme is the ability to improve the use of data for both day to day operational and longer term strategic planning purposes.

6.6.3 The other proposed capital investment encompasses the following areas:

- Refurbishment of the Council's core property stock to deliver a planned condition programme;
- Essential refurbishment and renovation works to theatres, parks, leisure centres and other leisure assets;
- Upgrade and modernisation of the ICT core infrastructure;
- ICT schemes in support of business transformation;

7. Capital Investment Programme 2018/19 to 2023/24

7.1 The Council's proposed capital investment programme for 2018/19 and future years is attached as Appendix 8, which includes all of the adjustments identified in the other appendices.

7.2 The proposed capital investment programme represents a significant investment of nearly £235million on the part of the Council in the Southend area with a further £3million subject to external funding approval and a further £48million subject to a viable business cases being approved.

The projected investment in 2019/20 alone amounts to some £67million. Key areas of new and continued investment in 2019/20 and later years include:

- Continued investment in the Pier;
- Essential works for Leisure, Parks, Libraries, Theatres and Museums;
- Forum II;
- Highways infrastructure and Transport works;
- A127 works;
- Library Car Park site redevelopment;
- Development of a care home and related facility;
- Council Housing and Private Housing stock;
- Secondary School Expansion Programme;
- Airport Business Park;
- Digital Strategy and ICT infrastructure;
- Energy efficiency schemes;

8. Funding the capital investment programme

8.1 The proposed capital investment programme presented in this report is currently fully funded and has been prepared based on the level of borrowing the Council can support, notified capital grants, prudent assumptions over the level of other grants and the timing and valuation of capital receipts (from the sale of existing surplus Council assets) that will be realised.

The proposed estimated funding for the programme (excluding schemes subject to external funding and viable business case approval) is as follows:

Type of funding:	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
External funding – capital grant	27.0	31.5	10.8	-	-	69.3
External funding – third party contributions	0.9	-	0.5	-	-	1.4
Capital Receipts	0.9	0.3	-	-	-	1.2
Major Repairs Reserve (Housing Revenue Account)	7.6	6.7	6.6	6.6	6.6	34.1
Earmarked reserves/ Revenue Contributions	5.9	-	-	-	-	5.9
Borrowing – Main Schemes ⁽¹⁾	23.8	19.2	9.4	0.3	0.3	53.0
Borrowing – Invest to Save ⁽¹⁾	0.8	4.4	6.9	-	-	12.1
Total	66.9	62.1	34.2	6.9	6.9	177.0

Note 1 - this relates to both internal and external borrowing

The estimated amounts of internal and external borrowing are shown in the table below:

Borrowing to fund capital schemes	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Internal borrowing	0	0	0	0	0	0
External borrowing	24.6	23.6	16.3	0.3	0.3	65.1
Total borrowing	24.6	23.6	16.3	0.3	0.3	65.1

8.2 An updated Corporate Asset management Strategy (CAMS) for the period 2015-25 was agreed by Cabinet on 22 September 2015 and endorsed by Full Council on 22 October 2015. This revised CAMS records a clear preference for the retention of freeholds but does recognise that in some circumstances, a disposal is the most appropriate course of action. The Capital Receipts target of £1m p.a. is retained but is not a key driver for the sale of property. Capital receipts will reduce the need for borrowing to support the Capital Investment Programme if they can be generated.

8.3 When the Council enters into Prudential Borrowing to fund capital expenditure, there is a revenue impact and therefore an increase to the Councils budget requirement. As an indicative guide to the revenue consequence, there is a cost of approximately £70k for every £1m borrowed or if £10m is borrowed this would equate to an increase in Council Tax of approximately 1%.

8.4 The full impact of borrowing costs associated with the funding of the proposed programme has been included in the Council's current financial planning for 2019/20 to 2023/24. The draft 2019/20 revenue budget elsewhere on this agenda incorporates the required borrowing costs budget requirement for 2019/20.

8.5 Schools Funding

8.5.1 In February 2018 the Government confirmed the Education Maintenance Capital allocations and Devolved Formula Capital (DFC) for 2018/19 and gave an indication that a similar level of grant would be available for 2019/20, subject to downwards adjustments as more schools convert to academy status. Basic Need Grant was confirmed for the three years 2018/19 to 2020/21.

The grant funding was confirmed as follows:

- £4.831 million of basic need funding to provide school places to be paid in 2018/19 with indicative sums of £3.82million paid in 2019/20 and £10.35 million in 2020/21.
- £0.615 million of Maintenance Capital to support the needs of the schools we maintain and for the Sure Start children's centres;
- £0.125 million of Devolved Formula Capital for schools;

8.5.2 All of these allocations will be delivered as capital grant.

8.5.3 The Government is due to confirm in February 2019 the 2019/20 grant figures and issue indicative grant figures for the years 2020/21 and 2021/22. If these figures are available in time they will be included in the report to Cabinet for February 2019.

8.5.4 The Basic Need Grant awarded to Local Authorities includes expansion at academies. The Government also expects all Local Authorities to fund capital works for any new academy arising from a Basic Need requirement unless the new school is funded directly from Central Government.

8.5.5 Government funding is not ring fenced and Southend, like many other authorities, will be spending more on Basic Need than the awarded grant.

8.5.6 Once the 2019/20 maintenance grant has been published officers will produce a draft condition programme. It is hoped, as in previous years, future years indicative amounts will also be included to allow a multi-year programme to be set that will allow schools to plan ahead.

8.5.7 The income received from Central Government for maintenance only covers maintained schools and will continue to reduce in relation to the increase in the

number of academies. Academies are able to bid into a central pot directly to the Department for Education for capital funding.

8.5.8 Although the maintenance grant will decrease as more schools convert to academy status the schools condition programme will continue to address high priority condition items at schools and children’s centres as far as funds allow, which if not done could result in a closure. The replacement of boilers, curtain walling and rewiring continues to dominate the investment programme.

8.5.9 Where already announced and allocated to schemes the capital grant allocations are included in the funding table in paragraph 8.1.

8.6 Highways and Transportation Funding

8.6.1 The expenditure will be delivered by fully un-ringfenced capital grants.

8.6.2 The settlement is as follows:

	2019/20 £'000	2020/21 £'000
Integrated Transport	1,401	1,401
'Needs Based' Highways Capital Maintenance Block	1,121	1,121

8.6.3 The allocations for the Integrated Transport Block (ITB) 2020/21 are indicative and are awaiting confirmation from the Department for Transport (DfT).

8.6.4 Pothole Funding of £250 million was announced in the Budget 2015. This funding is allocated by formula shared by Local Highways Authorities between 2016/17 and 2020/21 based on the road length for which each authority is responsible. The allocated sum to Southend Borough Council is £65k per year until 2020/21.

8.6.5 To allow the full delivery of the 2019/20 Local Transport Plan (LTP) programme, the full spend is proposed to be met 100% by capital grant.

- Typical schemes are presented in the context of four 'Actions' as set out in the Local Transport Plan (LTP3) Implementation Plan 2015/16 to 2020/21.
- The prioritisation process is set out in diagram 1 of the implementation plan. In addition, maintenance schemes will be progressed using the latest information from the Gaist Asset Management work.
- As in previous years, there is flexibility to allocate funding between the two blocks and the LTP actions.

8.6.6 Where already announced the capital grant allocations are included in the funding table in paragraph 8.1.

8.7 The other revenue implications of the proposed new schemes and additions to the capital investment programme are set out in the table at the end of Appendix 6. In summary these are:

- Commercial Property Investment – the rental incomes to at least cover the financing costs;
- ICT – Southend Operation Centre – £198,000 p.a. from 2021/22 generated by selling services to other organisations, £5,000 p.a. running costs for the new museum store;
- Chalkwell Hall Infants Energy Project – the revenues generated covering the financing costs;
- CCTV upgrade – £37,000 p.a. for increased camera support and maintenance costs;
- Civic Centre Boilers - £5,000 p.a. savings in gas costs through greater efficiency.

8.8 In summary, it is the Chief Finance Officer's view that the 2019/20 to 2023/24 proposed capital programme is Prudent, Affordable and Sustainable.

9. Other Options

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

10. Reasons for Recommendations

10.1 The proposed 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.

11. Corporate Implications

11.1 Contribution to the Southend 2050 Road Map

In line with the Capital Investment Strategy the projects contribute to the delivery of the Southend 2050 ambition and achievement of the desired outcomes, five year roadmap and five themes (as shown in Appendix 8).

11.2 Financial Implications

As set out in the report.

11.3 Legal Implications

None at this stage.

11.4 People Implications

None at this stage.

11.5 Property Implications

The Capital Investment Strategy and Corporate Asset Management Strategy (CAMS) may affect the Council's property holdings, assets and liabilities. The Strategy and CAMS will reflect the implications of the agreed capital investment programme and any impact on the level of required borrowing.

The CAMS now also includes a Commercial Property Investment Strategy setting out the Council's clear intention to proceed to make commercial property investments on the basis of specialist independent advice and where there is a good, sustainable return to be made both in terms of on-going revenue and long term capital appreciation.

11.6 Consultation

Consultation has taken place as agreed in the budget timetable, for example the large scale borough-wide 2018 Residents Perception Survey as a key part of the Southend 2050 engagement programme.

11.7 Equalities and Diversity Implications

Assessments have been carried out for all capital investment proposals where appropriate.

11.8 Risk Assessment

All capital projects are delivered using best practice project management tools as appropriate. This requires a full risk assessment and management review to be carried out. The programme includes an appropriate sum within each project to cover build risk and claims.

11.9 Value for Money

All projects are required to follow and adhere to procurement guidance issued by the Council. They must also comply with procedure rules for entering into and managing contracts with suppliers.

11.10 Community Safety Implications

Assessments have been carried out for all capital investment proposals where appropriate.

11.11 Environmental Impact

Assessments have been carried out for all capital investment proposals where appropriate.

12. Background Papers

12.1 Corporate Asset Management Strategy 2015-2025:

http://www.southend.gov.uk/downloads/file/2074/corporate_asset_management_strategy_2015-2025

13. Appendices

Appendix 1 – Approved Capital Investment Programme November 2018

Appendix 2 – Capital Investment Strategy – 2019/20 to 2023/24

Appendix 3 – Virements Between Approved Schemes

Appendix 4 – Re-profiles Between Years

Appendix 5 – New External Funding

Appendix 6 – Proposed New Schemes and Additions to the Capital Investment Programme

Appendix 7 – Summary of Changes to Approved Capital Investment Programme

Appendix 8 – Amended Capital Investment Programme 2019/20 to 2023/24 (2018/19 shown for information)

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Current Approved Capital Investment Programme 2018/19 to 2021/22 - Summary by Area of Investment (Cabinet 6/11/18)

Appendix 1

Scheme	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
General Fund Housing	1,372	2,020	900	577	4,869
Council Housing and New Build Programme	9,453	8,131	6,200	-	23,784
Social Care	3,214	7,538	2,362	-	13,114
Schools	13,352	13,714	391	-	27,457
Enterprise and Regeneration	4,841	12,600	7,520	5,698	30,659
Southend Pier	3,158	2,218	3,915	5,900	15,191
Culture and Tourism	7,095	4,145	13,530	3,950	28,720
Community Safety	233	667	-	-	900
Highways and Infrastructure	10,736	13,150	15,824	-	39,710
Works to Property	1,170	4,591	4,643	8,432	18,836
Energy Saving	714	1,592	-	-	2,306
ICT	3,998	1,874	40	-	5,912
S106/S38/CIL	1,145	773	35	171	2,124
TOTAL CAPITAL INVESTMENT PROGRAMME	60,481	73,013	55,360	24,728	213,582

Total budget for 2019/20 to 2021/22:

153,101

Current Approved Capital Investment Programme 2018/19 to 2021/22 (Cabinet 6/11/18)

Appendix 1

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
General Fund Housing						
Disabled Facilities Grant	C10145	922	900	900	577	3,299
Empty Dwelling Management	C10020	150	207			357
PSH Works in Default - Enforcement Work	C10503	50	88			138
Private Sector Renewal	C10146	250	825			1,075
Total General Fund Housing		1,372	2,020	900	577	4,869
Council Housing and New Build Programme						
Bathroom Refurbishment	C10161	130				130
Central Heating	C10162	1,079				1,079
Common Areas Improvement	C10168	1,709				1,709
Environmental - H&S works	C10163	1,517				1,517
Kitchen Refurbishments	C10164	649				649
Rewiring	C10165	193				193
Roofs	C10166	1,075				1,075
Windows and Doors	C10167	432				432
Future Programme (MRA & Decent Homes)	C10298		6,359	6,200		12,559
HRA Disabled Adaptations - Major Adaptations	C10015	784				784
HRA Disabled Adaptations - Minor Adaptations	C10257	100				100
Sheltered Housing DDA works	C10177		345			345
S106 HRA Land Review	C10685	1,455	1,258			2,713
Construction of New Housing on HRA Land	C10684	45				45
Acquisition of leasehold property	C10909	115				115
Acquisition of tower block leaseholds - Queensway	C10614	170	169			339
Total Council Housing and New Build Programme		9,453	8,131	6,200	-	23,784
Social Care						
Community Capacity	C10526	177				177
Dementia Friendly Environments	C10598	17				17
Children's Residential Care Provision	C10960		400			400
SEND Module and Integration with Liquid Logic	C10961	30	90			120
Learning Management System	C10929	120				120
Mental Health Funding Stream	C10184	36				36
Transforming Care Housing	C10689		163			163
LATC - Delaware and Priory	C10621	2,834	6,885	2,362		12,081
Total Social Care		3,214	7,538	2,362	-	13,114

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
Schools						
AHDC Short Breaks for Disabled Children	C10282		64			64
Healthy School Capital Funding	C10991	52				52
Adult Community College rainwater goods	C10989	67				67
Chalkwell Hall Infants replace relocatables (SBC 50%)	C10988		109			109
Chalkwell Hall Juniors roofs	C10987	10	100			110
Children's Centre - Lanlords Maintenance	C10990	45				45
Earls Hall Primary heating	C10986	40				40
Eastwood Primary roof	C10985	100	100			200
Fairways Primary Boiler	New	60				60
Fairways Primary roof	C10983	15				15
Fairways Primary curtain walling	C10984	150	240			390
Future condition projects	C10024	73				73
Futures Heating and Pipe Ducts	C10714	68				68
Leigh North Street boiler	C10982	110				110
West Leigh Infant Boiler	New		160			160
Devolved Formula Capital	C10014	125				125
Frars Primary School	C10864	332				332
Temple Sutton - Early Years	C10992	10				10
Expansion of 2 yr old Childcare Places	C10558	65				65
School Improvement and Provision of School Places	C10475	11,800	12,711			24,511
Special Provisiion Capital Fund	C10910	230	230	391		851
Total Schools		13,352	13,714	391	-	27,457
Enterprise and Regeneration						
Airport Business Park (including Local Growth Fund)	C10261	4,200	11,600	7,520	5,698	29,018
City Deal - Incubation Centre	C10668	31				31
Better Queensway - Regeneration	C10747	610	750			1,360
Housing Infrastructure Feasibility	C10956		250			250
Total Enterprise and Regeneration		4,841	12,600	7,520	5,698	30,659
Southend Pier						
Southend Pier - Bearing Refurbishment (Phase One)	C10885	919				919
Southend Pier - Condition Works Engineers	C10697	750	1,200	415		2,365
Southend Pier - Condition Works Surveyors	C10918	354	518			872
Southend Pier - Pier Entrance Enhancement	C10887	186				186
Southend Pier - Pier Pavilion Platform Detailed Design (Gateway Review One)	C10884	49				49
Southend Pier - Prince George Extension (Phase Two)	C10905	150		1,000	1,158	2,308
Southend Pier - Structural Works	New			500		500
Southend Pier - Timber Outer Pier Head	C10886	750	500	2,000	4,742	7,992
Total Southend Pier		3,158	2,218	3,915	5,900	15,191

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
Culture and Tourism						
Belfairs Swim Centre	C10623		42			42
Chase Sports and Fitness Centre - Lighting Fitting Replacement	C10875	54				54
Shoeburyness Leisure Centre – Building Management	C10965	85				85
Southchurch Park Bowls Pavillion	C10739		20			20
Southend Cliffs - Replacement of Handrails	C10881	31				31
Southend Leisure and Tennis Centre - Building Management System (BMS) Control	C10882	47				47
Wheeled Sports Facility Central Southend Area	C10966	25	225			250
Allotments Water Supply Upgrade	C10967	100	110			210
Badger Setts in Priory Park and Sidmouth Park	C10993	70				70
Chalkwell Park and Priory Park Tennis Courts	C10682	30				30
Parks Feasibility and Options Appraisals	C10968	25				25
Playground Gates	C10779		123			123
Replacement and Upgrade of Parks Furniture	C10879	30	30	30		90
Replacement of Play Equipment	C10780	47				47
Shoebury Common Regeneration	C10964	50	250			300
Sidmouth Park - Replacement of Play Equipment	C10880	5	64			69
Southchurch Park Tow Path	C10781	199				199
Forum II – SBC Match Funding to LGF	C10979	500	1,000	13,500	3,950	18,950
Kiosks in Libraries	New		40			40
Library Review	C10624	186				186
Cliffs Pavilion – Auditorium Air Handling Unit	C10969	25	90			115
Cliffs Pavilion – Boiler Flues	C10970	10	115			125
Cliffs Pavilion – Chiller	C10971	5	170			175
Cliffs Pavilion - External Refurbishment works	C10876	56	250			306
Joint Theatres and Leisure Centres – Asbestos	C10972	115				115
Palace Theatre - Air Handling Units	C10782	230				230
Palace Theatre Boilers Replacement	C10877	13				13
Palace Theatre - Replacement of Asbestos Stage Safety Curtain	C10878	83				83
Central Museum Works	C10867		249			249
Inflatable Planetarium	New		35			35
New Museum - Gateway Review	C10776	1,181				1,181
Prittlewell Prince Research	C10043	38				38
Prittlewell Prince Storage	C10696		35			35
New Artist Studios	C10973	875				875
Belton Hills Steps	C10777	1,485				1,485
Energy Improvements in Culture Property Assets	C10565		110			110
Fire Improvement Works	C10974	500	500			1,000
"Make Southend Sparkle" Initiative	C10778	16				16
Property Refurbishment Programme	C10626	750	487			1,237
Pump Priming Budget	C10044	128	200			328
Queen Victoria statue - security fence	C10997	25				25
Resorts Services Signage	New	45				45
Resorts Assets	C10883	31				31
Total Culture and Tourism		7,095	4,145	13,530	3,950	28,720

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
Community Safety						
CCTV Equipment Renewal	C10894	133	267			400
Security Measures	C10957	100	400			500
Total Community Safety		233	667	-	-	900
Highways and Infrastructure						
Cliff Slip Investigation Works	C10784	100	153			253
Coastal Defence (Shoebury Common Sea Defence Scheme)	C10011	186	200	3,795		4,181
Improving Resilience of the Borough to Flooding from Extreme Weather Events	C10888	221				221
Manor Road Cliff Stabilisation	C10963	100	225			325
Flood Prevention Works	C10962		1,125	1,125		2,250
Carriageways and Footways Improvements	C10786	1,000	1,000			2,000
Cinder Path	C10115	100				100
Highways Maintenance - Potholes	C10588	146	65	65		276
Improve Footway Condition Around Highway Trees	C10953	150	200			350
Improved Car Park Signage and Guidance Systems	C10890	329	25			354
Town Centre Redevelopment Improvements - Highways (NPIF)	C10889	615	1,235			1,850
Pittlebrook Greenway - Undermining	C10923	75				75
Southend Highway Flood Reduction and Resilience Improvement Scheme	C10921	565				565
Coach Parking	C10954	250				250
Parking Strategy	C10955	200				200
LTP (Integrated Transport block) - Bridge Strengthening	C10512	306	575	300		1,181
LTP (Integrated Transport block) - Better Sustainable Transport	C10384	533	400	400		1,333
LTP (Integrated Transport block) - Better Networks	C10671	639	400	400		1,439
LTP (Integrated Transport block) - Traffic Management Schemes	C10513	400	400	400		1,200
LTP (Integrated Transport block) - Traffic Control Systems	C10470	316	201	201		718
LTP - Maintenance	C10076	1,006	696	671		2,373
LTP - Maintenance - Street Lighting	C10708	150	150	150		450
Local Growth Fund - A127 Growth Corridor	C10699	1,872	4,100	6,317		12,289
Local Growth Fund - Southend Central Area Action Plan (SCAAP) Growth Point (Transport)	C10702	976	2,000	2,000		4,976
A127 Junction Improvements	C10553	397				397
HCA Progress Road	C10254	18				18
Southend Transport Model	C10058	40				40
Travel Centre - Bus Service Provision in the Town Centre	C10892	46				46
Total Highways and Infrastructure		10,736	13,150	15,824	-	39,710

Current Approved Capital Investment Programme 2018/19 to 2021/22 (Cabinet 6/11/18)

Appendix 1

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
Works to Property						
62 Avenue Road - demolition	C10922	5	44			49
Belfairs Park Restaurant/Golf Club Preventative Works	C10959	190				190
Civic East Car Park Redevelopment	C10748	8	42		4,790	4,840
Commercial Property Investment	C10749		3,778			3,778
Darlows Green former WCs demolition	C10919	40				40
East Beach Café Project	C10644		32			32
Herbert Grove Security	C10854	8				8
Land Acquisition Works	C10913				1,867	1,867
Library Car Park Reconstruction and Enhancement	C10750	50		4,083	1,775	5,908
New Beach Huts Phase 2	C10631	6				6
Pier Arches External Landlord Works	C11003	93				93
Pier Arches toilets - waterproofing solution	C10734	30				30
Porters Civic House and Cottage	C10571	5				5
Priory House EPH Fire Alarms	C10977	32				32
Ropers Farm Cottages - water supply	C10840	5				5
Seaways Development Enabling Works	C10643	4				4
Seaways - HCA Condition Funding	C10656		170			170
SMAC Eastern Esplanade Slipway	C11000	27				27
Working Environment	C11001	50				50
Urgent Works To Property	C10181	13				13
Cemetery - Ride on Mower	New			30		30
Essential Crematorium/Cemetery Equipment	C10572	17				17
Pergola Walk Memorial Scheme	C10755	7				7
Replacement Boiler at Southend Crematorium	C10866	130				130
Civic Centre Boilers	C10980	245				245
Replacement of Coffin Charger	New		40			40
Sutton Road Cemetery Road Repairs	New			40		40
Priority Works	C10121	205	485	490		1,180
Total Works to Property		1,170	4,591	4,643	8,432	18,836
Energy Saving						
Beecroft - Theatre Lighting and Draughtproofing	C10996	8				8
Civic Centre Boilers - Low Loss Header	C10676		20			20
Civic Centre CHP/Lifts Feasibility	C10930	5				5
Civic Centre Lifts Regeneration	C10931	33				33
Energy Efficiency Projects	C10788	32	727			759
Old Beecroft Ground Source Heat Pump Feasibility	C10932	15				15
Pier Energy Efficiency Scheme	C10933	58				58
Real Time Air Quality Measurement - Feasibility	C10958	10	65			75
Solar PV Projects	C10789	500	457			957
Schools and Council Buildings Solar PV	C10740	23	323			346
Two Tree Island Contamination Study	C10995	30				30
Total Energy Saving		714	1,592	-	-	2,306

Current Approved Capital Investment Programme 2018/19 to 2021/22 (Cabinet 6/11/18)

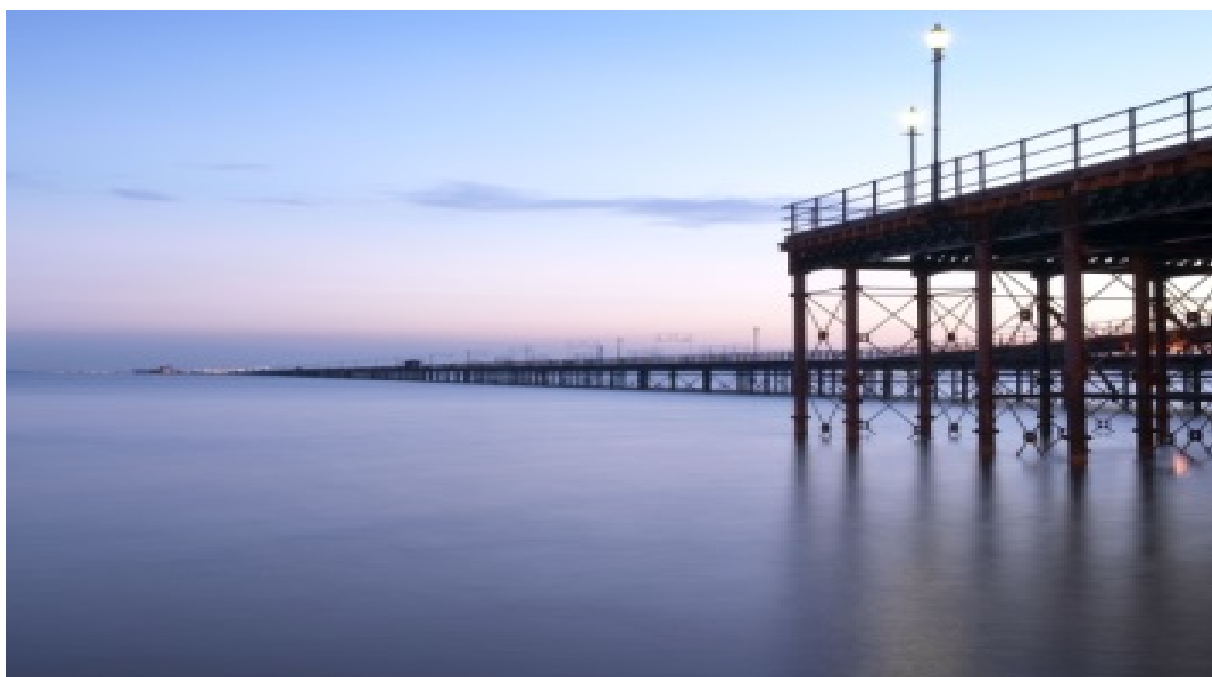
Appendix 1

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
ICT						
Channel Shift	C10757	493				493
DEFRA Inspire III	C10640	4				4
Disaster Recovery Relocation	New	55				55
Extending WiFi in Council Premises	C11002	40				40
HR Recruitment Contract Implementation	C10994	150				150
N3 Connectivity in Civic Building	C10767	146	85			231
ICT - Core Application and Database Migration	C10895		71			71
ICT - Childrens and Adults Social Care - Development of the Liquid Logic Case Management System	C10637	1,010				1,010
ICT - Central Government IT Security Compliance	C10898	139				139
ICT – Cyber Security/Public Services Network	C10950	40	40	40		120
ICT - Southend Operation Centre	C10904	78	400			478
ICT - Digitally Enable the Council Offices	C10897	19				19
ICT Enterprise Agreement	C10636	329	345			674
ICT – Health and Social Care – GovRoam	C10951	20				20
ICT - Phones Migration and Re-Tender	C10900	172				172
ICT Rolling Replacement Programme	C10576	259	250			509
ICT - Southend Network Monitoring Equipment	C10901	19				19
ICT – Wide Area Network Enhancements	C10952	120				120
Mobile Device End Point Protection Replacement	C10768	90				90
Northgate - Revenues and Benefits application	C11004	50				50
Place - Culture and Enterprise and Tourism - EPOS System	C10758	26				26
Remote Working Enhancements	New		50			50
Replacement and Enhancement to Cash Receipting System	C10578	238				238
Software Licencing	C10426	400	400			800
IoT Smart City Delivery	C10580	101	233			334
Total ICT		3,998	1,874	40	-	5,912
S106/S38/CIL						
S106 3 Acacia Drive 1401434FULM - affordable housing	C10857		177			177
S106 Essex House 1600116DOV - affordable housing	C10852		320			320
S106 3-5 High Street 1501496AMDT - affordable housing	C10915	196				196
S106 845-849 London Rd 1601030AMDT – affordable housing	C10946	143				143
S106 St Hildas 1700530AMDT - affordable housing	C10934	11				11
S106 32-36 Valkyrie Rd 1700893DOV5 - affordable housing	C10926	218				218
S106 23/04/2015 Hinguar and Saxon - public art contribution	C10845	18				18
S106 Ajax Works 0300130ful - landscaping maintenance	C10199	6				6
S106 Albany Court 1500369AMDT - public art contribution	C10846	25				25
S106 Avenue Works 1401968AMDT - Public Art	C10801		15			15
S106 Former Balmoral 1400914FULM – public art contribution	C10861	1				1
S106 Bellway Prittlebrook 1400943FULM - Local play facilities	C10804	15				15
S106 Former College 1000225FUL - Tree Replacement	C10207	11				11
S106 Garrison 0000777 Deposit - information boards	C10811	2				2
S106 Garrison 0000777 Deposit - Junior Play Area maintenance	C10812	10				10
S106 Garrison 0000777 Deposit - Toddler Play Area maintenance	C10815	6				6
S106 Garrison Park Store	C10188	1				1

Current Approved Capital Investment Programme 2018/19 to 2021/22 (Cabinet 6/11/18)

Appendix 1

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	Total Current Budget £000
S106 Lifstan Way 0000273 Out - Open Space Maintenance	C10269	81				81
S106 North Shoebury Road 0301504out - Public Art	C10819	62				62
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	C10205	45				45
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	C10820	35	35	35	171	276
S106 Sunlight Ldry 1400411FULM - Public Art	C10821	13				13
S106 22-23 The Leas 0700820FULM - bus service contribution	C10832		43			43
S106 Essex House 1500521FULM - bus stop improvement	C10793		3			3
S106 Former College 1500803BC4M - parking survey contribution	C10893	10				10
S106 Avenue Works 1401968AMDT - cycleway improvement	C10727	1				1
S106 Bellway Prittlebrook 1400943FULM - TRO Contribution	C10808	4				4
S106 High Works Shoe Garrison	C10213	2				2
S106 Albany Court 1500369AMDT - signage contribution	C10842	10				10
S106 Hinguar 1401672BC4M - highway contribution	C10851	5				5
S106 North Road and Salisbury Ave 1200056 - Highway Works Contribution	C10816	2				2
S106 Sunlight Ldry 1400411FULM - Highway Works	C10686	2				2
S106 Texsol Kenway 1500468FULM - highway	C10849	2				2
S106 Texsol Kenway 1500468FULM – public realm contribution	C10858	14				14
S106 Seec 0200500ful - Highway Works	C10073	104				104
S106 Univ H-Way0401561ful	C10196	13				13
S38/S278 Airport 0901960 Fulm	C10275	14	65			79
S38 Bellway Homes 14/00943/fulm	C10746	4	74			78
S38 Old Hinguar School	C10859	4				4
S78 Bellway Homes 14/00943/fulm	C10730	2	8			10
S38 Fossetts Farm Bridleway	C10193	20	28			48
S38 Garrison NBP Road Supp Fee	C10267	3	5			8
S38 Inspection Magazine Rd	C10190	5				5
CIL Ward NA – Chalkwell – Landscaping on Chalkwell	C10936	2				2
CIL Ward NA – Kursaal – Annual community event at Southchurch Hall	C10937	1				1
CIL Ward NA – Milton – Milton Park improvements	C10938	5				5
CIL Ward NA – Milton – Street signs	C10939	2				2
CIL Ward NA – Milton – Park Street replacement bollards	C10940	3				3
CIL Ward NA – St Lukes – Cluny Sq Park improvements (5 a side goals/seating)	C10942	1				1
S106 Audley Court 0200874 Ful - CCTV	C10276	10				10
S106 Garrison 0000777 Depost - CCTV	C10810	1				1
Total S106/S38/CIL		1,145	773	35	171	2,124
TOTAL CAPITAL INVESTMENT PROGRAMME		60,481	73,013	55,360	24,728	213,582



Southend-on-Sea Borough Council **Capital Investment Strategy**

2019/20 – 2023/24

January 2019

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Annexes:

Annex 1 – Capital Investment Policy

Annex 2 – Capital Investment Strategy – links to other corporate strategies and plans

Annex 3 – Specific risks and their proposed mitigation

Annex 4 – Monitoring lifecycle for capital investment programme expenditure

Annex 5 – Gateway Review process

Annex 6 – Key Project Stages

Annex 7 – Policies for funding capital expenditure and investment

SOUTHEND-ON-SEA BOROUGH COUNCIL

CAPITAL INVESTMENT STRATEGY

1 Introduction

Southend 2050 is a mind-set rather than one single publication or statement. It looks to translate the desires of local people and stakeholders into action that is needed, both now and in the medium term, and looks to the long term. It comprises the Council's ambition, associated outcomes by theme that set the context, a Five Year Road Map and a suite of other delivery plans, strategies and policies that fit the context of Southend 2050.

The ambition is an overarching view of the Council's future direction which aims to articulate the visible changes to the environment and the more fundamental effects on people's lives, essentially capturing how it could feel to live, work or visit Southend in the future. It was developed following extensive conversations with those who live, work, visit, do business and study in Southend. The ambition complements the Essex 2050 vision, The Future of Essex developed by Essex wide stakeholders and the emerging South Essex 'proposition', titled 'What sort of place are we making?' This is being developed by South Essex local authorities who are collectively looking to the future.

This ambition is supported by five themes:

- Theme 1: Pride and Joy – by 2050 Southenders are fiercely proud of, and go out of their way, to champion what our city has to offer;
- Theme 2: Safe and Well – by 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives;
- Theme 3: Active and Involved – by 2050 we have a thriving, active and involved community that feel invested in our city;
- Theme 4: Opportunity and Prosperity – by 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all of our people;
- Theme 5: Connected and Smart – by 2050 people can easily get in, out and around our borough and we have a world class digital infrastructure.

As steps towards that ambition the Council will agree five year roadmaps. The road map outlines the Council's role in achieving the ambition and provides a high level guide for Councillors, staff, partners and others in aligning their capacity and resources to priorities. It builds on our existing achievements and outlines what the Council wants to achieve in the coming five years. There will be five strategic delivery plans, one per theme reflecting the road map. These will be supported by delivery plans which reflect our ambition and which focus on achieving desired outcomes in five years' time:

Pride and Joy

- There is a tangible sense of pride in the place and local people are actively, and knowledgeably, talking up Southend-on-Sea;
- The variety and quality of our outstanding cultural and leisure offer has increased and we have become the first choice English coastal destination for visitors;
- We have invested in protecting and nurturing our coastline, which continues to be our much loved and best used asset;
- Our streets and public spaces are clean and inviting.

Safe & Well

- People in all parts of the borough feel safe and secure at all times;
- Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives;
- We are well on our way to ensuring that everyone has a home that meets their needs;
- We are all effective at protecting and improving the quality of life for the most vulnerable in our community;
- We act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling.

Active and Involved

- Even more Southenders agree that people from different backgrounds are valued and get on well together;
- The benefits of community connection are evident as more people come together to help, support and spend time with each other;
- Public services are routinely designed - and sometimes delivered - with their users to best meet their needs;
- A range of initiatives help communities come together to enhance their neighbourhood and environment;
- More people have active lifestyles and there are significantly fewer people who do not engage in any physical activity.

Opportunity and Prosperity

- The Local Plan is setting an exciting planning framework for the Borough;
- We have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities;

- Our children are school and life ready and our workforce is skilled and job ready;
- Key regeneration schemes, such as Queensway, seafront developments and the Airport Business Park are underway and bringing prosperity and job opportunities to the Borough;
- Southend is a place that is renowned for its creative industries, where new businesses thrive and where established employers and others invest for the long term.

Connected and Smart

- It is easier for residents, visitors and people who work here to get around the borough;
- People have a wide choice of transport options;
- We are leading the way in making public and private travel smart, clean and green;
- Southend is a leading digital city with world class infrastructure that enables the whole population.

The aims, priorities and objectives of delivery plans will align with the ambition and desired outcomes. Accordingly resources will be prioritised and reallocated to deliver the Five Year Road Map. All capital expenditure and capital investment will therefore be driven by the aim of contributing to the delivery of the ambition and the desired outcomes. This capital investment strategy has been written in this context.

2 Purpose

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital investment strategy to demonstrate that capital expenditure and investment decisions are taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability.

The Capital Investment Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.

3 Scope

This Capital Investment Strategy includes all capital expenditure and capital investment decisions, not only as an individual local authority but also those entered into under group arrangements. It sets out the long term context in which decisions are made with reference to the life of the projects/assets.

4 Capital Expenditure

Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset. Fixed assets are tangible or intangible assets that yield benefits to the Council generally for a period of more than one year, e.g. land, buildings, roads, vehicles. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services.

The capital investment programme is the authority's plan of capital works for future years, including details on the funding of the schemes. Included are the projects such as the purchase of land and buildings, the construction of new buildings, design fees and the acquisition of vehicles and major items of equipment. Also included could be service and commercial investments.

5 Capital vs. Treasury Management Investments

Treasury Management investment activity covers those investments which arise from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.

For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Treasury Management Policy and the Annual Treasury Management Investment Strategy.

The CIPFA Treasury Management Code recognises that organisations may make investments for policy reasons outside of normal treasury management activity. These may include service and commercial investments. The management of associated risk for these investments is set out in the Capital Investment Policy attached as Annex 1 to this strategy.

6 Links to other corporate strategies and plans

To support the outcomes set out in the introduction a number of key strategies have been agreed, for example the Core Strategy, Digital Strategy and the

Housing, Homelessness and Rough Sleeping Strategy. To support the delivery of these key strategies a number of other interrelated strategies and plans are in place, such as the Medium Term Financial Strategy, Capital Investment Strategy, Corporate Asset Management Strategy (and related asset management plans), Treasury Management Strategy and Annual Treasury Management Investment Strategy.

The operation of all these strategies and plans is underpinned by the Council's constitution, in particular the Contract Procedure Rules and the Financial Regulations.

Annex 2 shows how this Capital Investment Strategy links to the other corporate strategies and plans. This is all in the context of the activities of the Council's group portfolio, the South Essex 2050 plan and the wider national context.

Capital resources should be directed to those programmes and projects that optimise the achievement of these outcomes. The following processes are designed to ensure this happens.

7 Risk Management

Risk is the threat that an event or action will adversely affect the Council's ability to achieve its desired outcomes and to execute its strategies successfully.

Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.

The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties. The corporate risk register sets out the key risks to the successful delivery of the Council's corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks, or maximise opportunities.

To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.

It is important to identify the appetite for risk by each scheme and for the capital investment programme as a whole, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle applies of control of risk and optimising returns consistent with the level of risk.

Risk appetite:

The Council accepts there will be a certain amount of risk inherent in delivering the desired outcomes of the 2050 Ambition. The Council seeks to keep the risk of

capital projects to a low level whilst making the most of opportunities for improvement. Where greater risks are identified as necessary to achieve desired outcomes, the Council seeks to mitigate or manage those risks to a tolerable level. All key risks identified as part of the capital planning process are considered for inclusion in the corporate risk register.

The Strategic Director (Finance and Resources) will report explicitly on the deliverability, affordability and risk associated with the Capital Investment Strategy. Where appropriate he will have access to specialised advice to enable him to reach his conclusions.

Specific risks and their proposed mitigation are set out in Annex 3.

8 The Capital Budget Setting Process

8.1 Key Criteria Set by Members

For any particular budget setting year, the process starts in the spring of the preceding year with sessions held with Members of the Cabinet to help identify and discuss the key criteria by which proposals will be considered. These may include:

- Achievement of the Council's strategic outcomes for Southend 2050;
- Maintenance of the essential infrastructure of the organisation;
- Essential Health and Safety works;
- Essential rolling programmes;
- Whether wholly financed by external/internal funding;
- Match funded investment for regeneration projects;
- Commercial investment that generates a revenue stream and/or a strategic asset holding;
- Invest to save schemes.

8.2 Identifying the need for Capital Expenditure/Investment

The need for a capital scheme may be identified through one or more of the following processes.

- Service areas prepare plans for the delivery and improvement of their services which align with the overall desired outcomes of the Council; these must identify any capital investment needed to meet future service

outcomes. This should be the main method of identifying and planning for outcome driven capital requirements;

- The Corporate Asset Management Strategy and the Education and Schools Asset Management Plans highlight deficiencies in the condition, suitability and sufficiency of the Council's existing building stock and identify future areas of need;
- The Housing Asset Management Plan highlights deficiencies in the condition, suitability and sufficiency of the Council's existing housing stock and identifies future areas of need;
- The Transport Asset Management Plan is the Council's primary transport asset planning tool to ensure the highway infrastructure and public realm is managed sustainably and in a way that underpins the wider corporate outcomes;
- The Performance Management System may identify problem areas where capital investment is needed in order to improve service delivery and meet key performance measures;
- Reviews and external Inspections may also identify areas that need capital investment;
- The need to respond to Government initiatives and new laws and regulations;
- The need to generate a revenue income to contribute to the delivery of desired outcomes.

These plans and review outcomes must be considered by Cabinet Members and their Chief Officers. Cabinet Members must identify their key capital priorities for the relevant planning period by the end of summer each year.

8.3 Deciding which Schemes are to be put forward

Once the list of key capital priorities has been identified, in preparing capital project proposals consideration should be given to the key criteria identified earlier in the year.

Additionally, due consideration should be given to:

Prudence:

- Recognition of the ability to prioritise and refocus following transformation work;
- Recognition of the capacity in the organisation to deliver such a programme;
- Recognition of the knowledge and skills available and whether these are commensurate with the appetite for risk;

- Recognition of the future vision of the authority;
- The approach to commercial activities including ensuring effective due diligence, expert advice and scrutiny, defining the risk appetite and considerations of proportionality in respect of overall resources;
- The approach to treasury management and the management of risk as set out in the Treasury Management Strategy.

Affordability:

- Revenue impact of the proposals on the Medium Term Financial Plan;
- The borrowing position of the Council, projections of external debt and the use of internal borrowing to support capital expenditure;
- The authorised limit and operational boundary for the following year;
- Whether schemes are profiled to the appropriate financial year.

Sustainability:

- A long-term view of capital expenditure plans, where long term is defined by the financing strategy of and risks faced with reference to the life of the project/assets;
- Provision for the repayment of debt over the life of the underlying debt as set out in the Minimum Revenue Provision policy;
- An overview of asset management planning including maintenance requirements and planned disposals.

All bids are submitted using the agreed template and in line with the appropriate timetable. The template includes for each project or scheme:

- Title and description;
- High level aims and outcomes;
- The project sponsor;
- Outcomes expected from the scheme;
- Proposed capital cost and funding source in each relevant future year(s);
- Revenue implications in each relevant future year(s);
- Expected improvements to service delivery;
- Consultation;
- Risk assessment;
- Equalities Impact Assessment.

Cabinet Members must be briefed and understand the expected outcomes and the budget consequences, both revenue and capital, of completing the scheme. Possible sources of funding can then be considered for each of the proposed capital schemes. Each project will be considered in terms of revenue funding to cover the operational running costs of the asset and any borrowing repayment costs, and also how the asset will be funded in terms of capital expenditure.

The proportionality of the proposals as a whole will then be considered in respect of overall resources and longer term sustainability and risk. The Strategic Director (Finance and Resources) will take an overall view on the prudence, affordability and sustainability of the overall borrowing level if all bids are accepted.

Once the Strategic Director (Finance and Resources) has taken a view of the prudence of the overall borrowing level, the Corporate Management Team will then consider the bids from a corporate priority perspective.

8.4 Prioritisation of Schemes put forward

Capital investment can be a means to contribute to the achievement of revenue sustainability and local or regional growth ambition. However, there will inevitably be a gap between the capital investment programme ambition and the available resources, which are finite and there is a limit on the number and value of schemes that are affordable and deliverable. A formalised corporate system for prioritising capital projects has been adopted by the Council. This has resulted in:

- Identifying the long term capital needs for investment to support the high level outcomes to achieve the Southend 2050 ambition;
- Utilising feasibility studies where needed;
- Adopting a Gateway Review approach for larger strategic schemes to enter the programme at the required time;
- Inclusion of schemes that are subject to external funding approval or the approval of a viable business case;
- The ability to enter items into the capital investment programme in a managed way through firstly the annual budget round and secondly when the programme is reviewed mid-year and consequently the November Cabinet cycle;
- Being mindful of the current level of the programme in relation to capacity to deliver, the relevant financing of schemes and any other running costs.

This will result in a list of capital project proposals to be considered as part of that year's budget approval process and a 'waiting list' of other capital project proposals that may be put forward for consideration later in the year or as part of the following year's budget approval process.

8.5 Member Approval Process

In autumn, managers will present the agreed list of key capital projects to the Corporate Management Team. Then the Administration is presented with a description of the scheme, the outcomes that the project is expected to achieve, the proposed funding and the revenue implications. At this stage funding details are sometimes unavailable, as Government funding allocations are announced later in the year. The presentations inform Members of the key projects to be completed over the next few years.

Where appropriate schemes will be reported to Members based on the schemes being subject to external funding or viable business case approval.

These overall capital investment programme totals are then reported to Cabinet Members as part of the annual budget process, who then make recommendations on the overall capital investment programme.

The Cabinet receive the capital investment programme in draft in January each year which is then subject to scrutiny via all the relevant scrutiny committees. Then the Cabinet receive the updated capital investment programme in February each year and in turn make their recommendations to full Council.

Members approve the overall borrowing levels at the budget meeting in February each year as part of the Treasury Management Report. The taking of loans then becomes an operational decision for the Strategic Director (Finance and Resources) who will decide on the basis of the level of reserves and money market position whether borrowing should be met internally from the Capital Reserve/Capital Receipts or whether to enter into external borrowing.

Once the Council has approved the capital investment programme, then expenditure can be committed against these approved schemes subject to the normal contract procedure rules and the terms and conditions of funding.

Whether capital projects are funded from grant, contributions, capital allocations or borrowing, the revenue costs must be able to be met from existing revenue budgets or identified (and underwritten) savings or income streams.

Following approval by Council the capital investment programme expenditure is then monitored on a monthly basis.

9 The Place Capital Programme Board

A significant proportion of the capital investment programme relates to the Department for Place. The Place Capital Programme Board (PCPB) oversees and guides the delivery of the Place capital investment programme to ensure that it is managed in line with corporate requirements, is in compliance with corporate

policies and is within the terms of any relevant grant funding agreement and/or Service Level Agreement.

The Board seeks to:

- Agree a pipeline of investment propositions and co-ordinate the preparation and approval of business cases and appropriate bid documents;
- Manage resources (financial and operational) to deliver the Place capital investment programme in an effective manner, to time and budget;
- Manage key programme risks and scope changes;
- Ensure that the conditions exist for desired benefits/outcomes to be realised;
- Promote a consistent, and successful approach to project governance across the department.

The Board meets monthly and comprises the Deputy Chief Executive (Place) and their Directors. It is also attended by a Finance Manager to provide financial updates on the programme and individual projects. It is also attended by the Place Capital Investment Programme Manager who provides Board members with monthly highlight reports on the status of projects throughout the lifecycle of the programme.

10 Monitoring of the Capital Investment Programme Expenditure

Once detailed capital investment programmes have been approved by Members, the financial spend is monitored on a monthly basis. There is a distinct lifecycle for monitoring which is summarised in the diagram in Annex 4.

11 Multi-Year Schemes

Payments for capital schemes often occur over many years, depending on the size and complexity of the project. Therefore, estimated payment patterns are calculated for each project so that the expected capital expenditure per year is known. This is called a cash flow projection or budget profiling.

The length of the planning period should be defined by the financing strategy and the risks faced with reference to the life of the project/assets. For example some schemes may span two or three years (e.g. building an extension to a school) whereas others may be over much longer timeframes (e.g. the 30 year business plan for the HRA decent homes programme).

The approval of a rolling multi-year capital investment programme assists the Council in a number of ways. It assists service managers, allowing them to develop longer term capital plans for service delivery.

It allows greater flexibility in planning workloads and more certainty for preparation work for future schemes. It will also allow greater integration of the revenue budget and capital investment programme. It also matches the time requirement for scheme planning and implementation since capital schemes can have a considerable initial development phase.

12 Options Appraisals, Feasibility Studies and the Gateway Review Process

As part of the process of producing a list of potential schemes for the capital investment programme service managers should complete option appraisals to determine the most cost effective way to optimise the desired outcomes.

By submitting the project the service manager is agreeing to fund all operational and running costs of the scheme and to find any necessary capital resources to fund the scheme or make the Cabinet aware of the full requirement of the use of corporate resources.

Some projects may require a feasibility study. As part of any feasibility study an assessment of the maintenance costs per annum averaged over the whole life of the asset should be calculated. As a minimum this will be based on the RICS (Royal Institute of Chartered Surveyors) recommended benchmark figure prevailing at the time.

A Gateway Review process will operate as part of the setting and monitoring of the capital investment programme. The extent to which each stage is monitored will depend on the risk, complexity, cost and impact of the project. The process will operate in six stages as set out in Annex 5.

Further resources to progress any of these gateway schemes will need to be approved separately by Cabinet and/or as part of the annual review of the capital investment programme and would be subject to the relevant resources being available.

Annex 6 shows the key project stages.

13 In Year Opportunities

Given the 'waiting list' of other capital project proposals that resulted from the prioritisation process, these can be put forward for entry into the capital investment programme in a managed way when the programme is reviewed in the early summer as part of the June Cabinet cycle or mid-year as part of the

November Cabinet cycle. Outside of this timetable a separate Cabinet report would be needed to seek approval at any other meeting in the Cabinet cycle.

Any other schemes which arise during the year will only be considered for borrowing or funding from central resources if they meet a key criteria set out in section 8.1 or one or more of the following criteria:

- The location of the property to be purchased will bring added value to the estate;
- The requirement for the asset is an extraordinary service demand which could not be anticipated in the normal planning processes;
- There is a limited time span when the opportunity is available.

Requests for approval of revisions to the profiling of scheme expenditure across financial years and the movement of budget between schemes (known as a virement) will be considered by Cabinet at the appropriate points during the financial year. These will be at June Cabinet when the capital outturn report is considered, at November Cabinet when the mid-year review of the programme is considered and at the January/February Cabinet meetings when the new capital bids are considered.

14 Funding Strategy and Capital Policies

Annex 7 sets out the policies of the Council in relation to funding capital expenditure and investment.

15 Procurement and Value for Money

Procurement is the purchase of goods and services, with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.

The Council has a Procurement team that ensures they provide value for money and to see where efficiency savings can be achieved. This also covers capital procurement.

It is essential that all procurement activities comply with prevailing regulations and best practice. Guidance on this can be sought from the Procurement team. Procurement must also comply with the Councils policies and regulations such as Contract Procedural Rules and Financial Regulations.

The main aim is to hold 'value for money' as a key goal in all procurement activity to optimise the combination of cost and quality.

16 Partnerships and Relationships with other Organisations

Capital planning will be undertaken within the context of the South Essex 2050 strategic plans.

Wherever possible and subject to the usual risk assessments services should look to expand the number of capital schemes which are completed on a partnership basis and continually look for areas where joint projects can be implemented.

17 Management Framework

The governance structure of the Council has the Corporate Management Team that takes a strategic and group view on the capital investment programme.

The Corporate Management Team will also ensure a strategic and group portfolio perspective to the use and allocation of the Council's capital assets and those within its control in planning capital investment. The team receives reports on proposed capital projects and recommends to the Cabinet proposals for the development of the capital investment programme.

18 Performance Management

Clear measurable outcomes should be developed for each capital scheme. After the scheme has been completed, services should check if outcomes have been achieved.

Post scheme evaluation reviews should be completed by Departments for all schemes over £0.5 million and for strategic capital projects.

Reviews should look at the effectiveness of the whole project in terms of service delivery outcomes, design and construction, financing etc. and identify good practice and lessons to be learnt in delivering future projects.

19 Other Considerations

Capital Schemes must comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.

January 2019

SOUTHEND-ON-SEA BOROUGH COUNCIL

CAPITAL INVESTMENT POLICY

1 Scope of this policy

- 1.1 This investment policy covers capital investments, including service and commercial investments and loans. (Treasury Management investments are covered by the Annual Treasury Management Investment Strategy, which forms part of the Treasury Management Strategy.)

2 Investment Objectives

- 2.1 The underlying objectives for these investments will be:

- Security – protecting the capital sum invested from loss;
- Liquidity – ensuring the funds invested are available for expenditure when needed;
- Yield – consideration of the yield obtainable consistent with proper levels of security and liquidity.

- 2.2 Due to the nature of the assets or for valid service reasons, such investments do not always give priority to security and liquidity over yield. In these cases, such a decision will be explicit, with the additional risks set out and the impact on financial sustainability identified and reported.

3 Policy regarding capital investments

- 3.1 Capital investment will only be undertaken if it contributes to the delivery of Southend 2050 and the Council's ambition, strategic delivery plans and desired outcomes.
- 3.2 Before capital investments can be entered into they must be included as part of the approved capital investment programme, either directly or via a pooled budget (e.g. commercial property).
- 3.3 The Council's risk appetite and approach to risk management for capital projects is set out in the risk management section of the Capital Investment Strategy.
- 3.4 The Strategic Director (Finance and Resources) will ensure that the Council has the appropriate legal powers to undertake such investments. Annex A sets out each type of investment, the primary purpose and the legal powers to be used.

- 3.5 The Strategic Director (Finance and Resources) will ensure the proportionality of all investments so that the Council does not undertake a level of investing which exposes it to an excessive level of risk compared to its financial resources.

4 Service investments

- 4.1 These will be investments held clearly and explicitly in the course of the provision and for the purposes of operational services, including regeneration.

5 Commercial investments

- 5.1 These will be investments entered into as part the Council's wider strategy, for example economic development and growth. These may include investments arising as part of business structure, such as shares and loans in subsidiaries or other outsourcing structures such as IT providers or building services providers.
- 5.2 These may be investments that include an aim of making a financial surplus for the Council, but this may or may not be the primary purpose of the investment.
- 5.3 Commercial investments may also include fixed assets which are held primarily for financial benefit, such as investment properties.
- 5.4 The Council's Commercial Property Investment Strategy (including the purpose of the Investment Portfolio) is set out in the Corporate Asset Management Strategy. Appendix 3 of that strategy sets out the Investment Property Selection Criteria.
- 5.5 The Strategic Director (Finance and Resources) will assess the extent to which the Council's balanced budget and Council Tax setting is dependent on returns from commercial investments.

6 Loans

- 6.1 These may be loans to local enterprises, local charities or third sector bodies, wholly owned companies and joint ventures. They may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity but would be entered into as part the Council's wider strategy, for example economic development and growth.
- 6.2 Such loans will only be entered into if the Strategic Director (Finance and Resources) is satisfied that the financial exposure to these types of loans is proportionate and that the expected credit losses have been appropriately assessed in accordance with International Financial Reporting Standard (IFRS) 9 Financial Instruments.
- 6.3 Any overdue payments would be recovered using the credit control arrangements set out in the Council's Debt Management Strategy.

6.4 The total level of loans will be formally agreed as part of the process for inclusion in the capital investment programme.

7 Financing of Investments

7.1 As capital investments the above will be financed by any of the sources in the funding strategy section of the Capital Investment Strategy.

7.2 Where the secondary purpose of commercial property investments and loans is to generate an income stream the Strategic Director (Finance and Resources) may choose to finance these capital investments by borrowing. Where this is the case the Strategic Director (Finance and Resources) will set out the rationale for doing so and how the risks of the investment are to be managed (e.g. risk of not achieving the desired returns or the risk of the borrowing costs increasing) and that all the appropriate due diligence has been undertaken.

8 Due Diligence

8.1 For all capital investments, the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of additional risk being considered.

8.2 Due diligence process and procedures may include:

- effective scrutiny of proposed investments by the relevant committee;
- identification of the risk to both the capital sums invested and the returns;
- understanding the extent and nature of any external underwriting of those risks;
- the potential impact on the financial sustainability of the Council if those risks come to fruition;
- identification of the assets being held for security against debt and any prior charges on those assets;
- where necessary independent and expert advice will be sought.

8.3 The Strategic Director (Finance and Resources) will ensure that Members are adequately informed and understand the risk exposures being taken on.

9 Governance and Scrutiny of Capital Investments

- 9.1 The approach to capital investment is set out in the Corporate Asset Management Strategy and includes Members and Chief Officers at key stages.
- 9.2 Significant or strategic capital investments will be overseen by the Corporate Management Team (CMT) and managed by project boards and teams appropriate to the scale of the investment.
- 9.3 CMT will agree which projects should proceed to Cabinet for decisions and scrutiny and on to full Council for approval as part of the capital investment programme.
- 9.4 For Commercial Property Investment an overall budget will be put forward for approval as part of the capital investment programme and individual properties can then be acquired within that budget envelope. Decisions will need to be made commercially and often quickly and efficiently and will be taken by the Strategic Director (Finance and Resources) in accordance with his delegated authority set out in the Council's Constitution. These decisions will be included as part of the next scheduled capital reporting to Cabinet.

Type of investment	Primary purpose	Secondary purpose	Legal power to undertake investment
Service investments	Contribute to the delivery of Southend 2050 and the Council’s ambition, strategic delivery plans and desired outcomes.	Provision of operational services, including regeneration	Notes 1 and 2
Commercial property investments		To generate an income stream	Notes 1, 2 and 5
Commercial investments		To support wider strategy	Notes 1, 2 and 3
Loans		To generate an income stream	Notes 1, 2 and 4
Loans		To support wider strategy	Notes 1, 2 and 4

Note 1 – Capital expenditure defined in S16 of Local Government Act 2003.

Note 2 – Power to borrow – S1 of Local Government Act 2003.

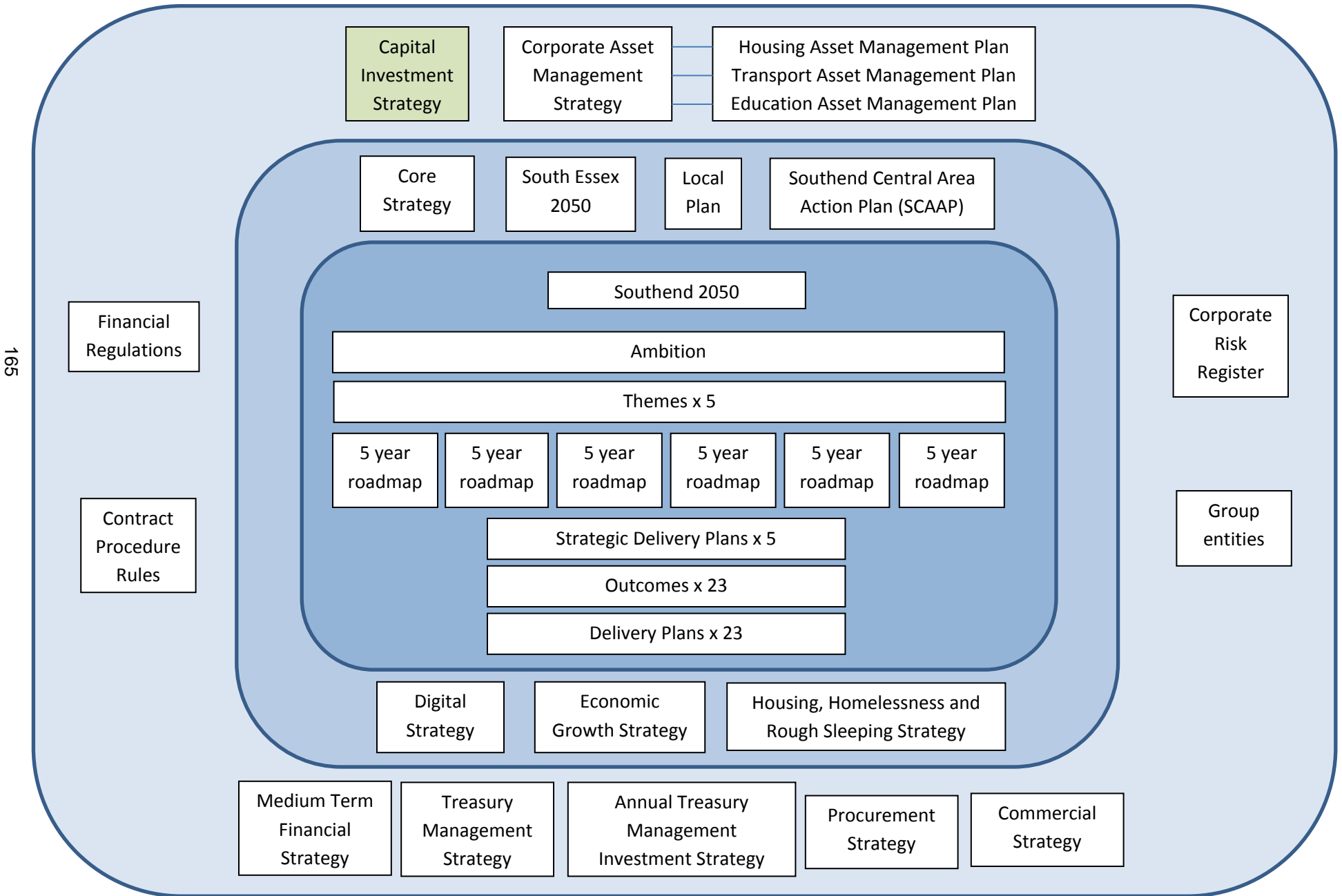
Note 3 - The Local Authorities (Capital Finance and Accounting (England) Regulations 2003 – section 25(1)(d) – the acquisition of share capital or loan capital in any body corporate

Note 4 – The Local Authorities (Capital Finance and Accounting (England) Regulations 2003 – section 25(1)(b) – the giving of a loan, grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure which would, if incurred by the authority, be capital expenditure.

Note 5 – The Council can build and manage an investment portfolio under the general power of competence set out in Section 1 of the Localism Act 2011. In accordance with this Act, the Council has the legal powers to purchase assets inside or outside the borough (or the UK) and manage them for investment and commercial gain.

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CAPITAL INVESTMENT STRATEGY – LINKS TO OTHER CORPORATE STRATEGIES AND PLANS



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SPECIFIC RISKS AND THEIR PROPOSED MITIGATION

Credit Risk

This is the risk that the organisation with which we have invested capital monies becomes insolvent and cannot pay us our investment returns or complete the agreed contract. Accordingly, the Council will ensure that robust due diligence procedures cover all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.

Liquidity Risk

This is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. This is also the risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. Our exposure to this risk will be monitored via the revenue and capital budget monitoring processes. Where possible appropriate interventions will occur as early as possible.

Interest Rate Risk

This is the risk that interest rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Interest rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Exchange Rate Risk

This is the risk that exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Where relevant, exchange rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Inflation Risk

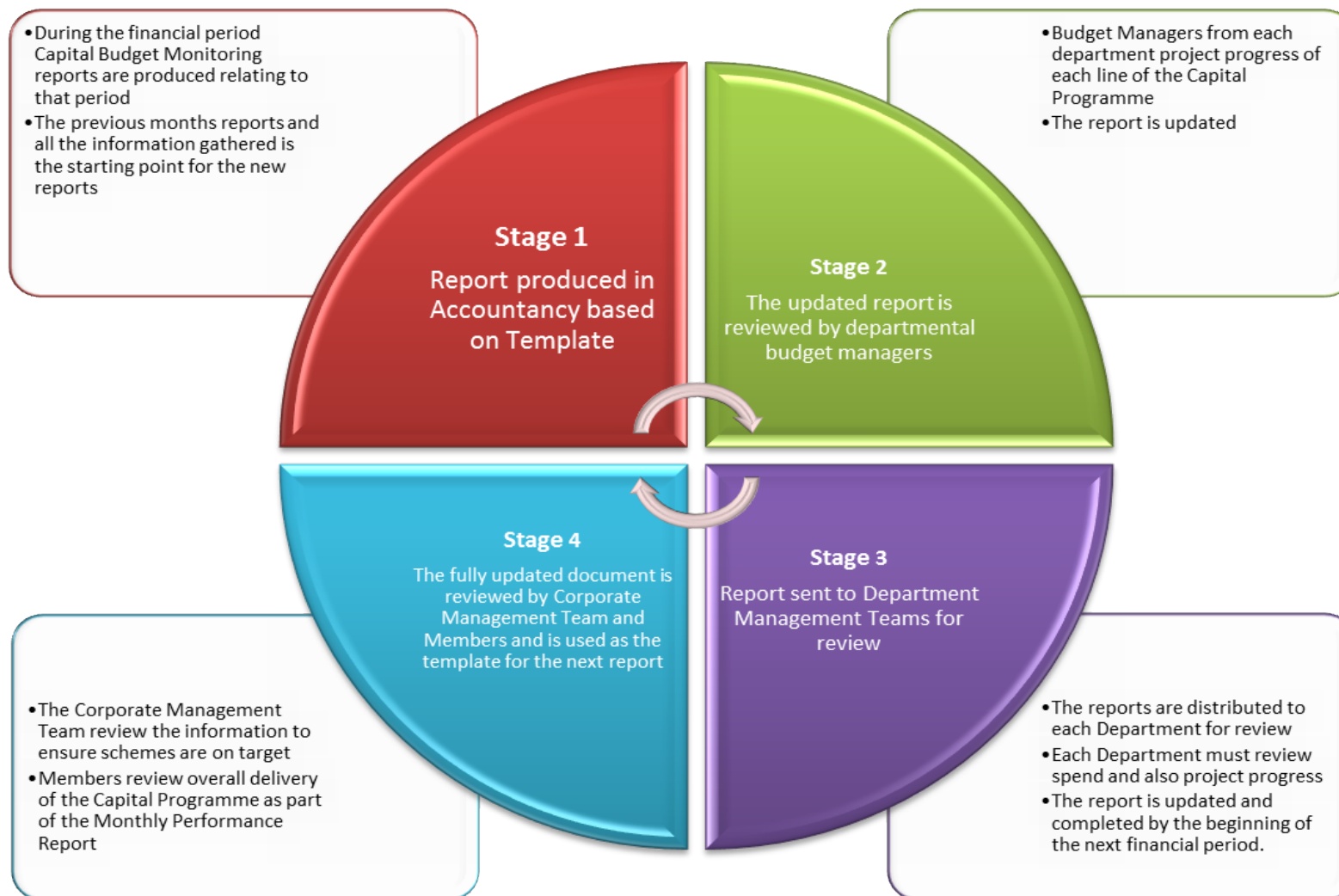
This is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary contract re-negotiations.

Legal and Regulatory Risk

This is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before entering into capital expenditure or making capital investments, the Council will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.

Fraud, Error and Corruption

This is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the Council's policies and procedures. The Council has an on-going programme of 'Doing the Right Thing' through our values, principles and appropriate behaviour. This is supported by the Employee Code of Conduct and detailed policies such as Anti-Fraud and Corruption, Anti Money Laundering, Whistle Blowing and Declaration of Interests.



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SIX STAGES OF THE GATEWAY REVIEW PROCESS

Stage One – Project Mandate

- the department or service area takes ownership of a project idea, confirming that it is in line with the outcomes that it is seeking to achieve;
- commissioning the next stage of project development work;

Stage Two – Project Proposal

- a more detailed review of the strategic fit to determine if the project is the most effective way to meet the identified programme objectives;
- a comprehensive review of the potential corporate considerations relevant to the proposed project;
- a higher level risk and impact assessment which will determine further approval and monitoring requirements;

Stage Three – Business Case

- the detailed project planning work is undertaken, including:
 - appraisal of project delivery options;
 - resource planning for project development and delivery;
 - detailed risk and stakeholder analysis;
 - value for money assessment;
- at completion of this stage a decision can be made whether to formally accept the project into the capital investment programme;

Stage Four – Project Start-up

- relevant programme boards or management teams confirm whether all necessary preparation for the project has been completed. This will include:
 - establishing and briefing the project team and (where necessary) the project board;
 - establishing project stages and milestones;
 - setting up reporting templates;
 - confirming the project scope and exclusions;
 - agreeing tolerances and change controls;

Stage Five – Project Delivery

- stage reviews scheduled at appropriate points during project delivery;
- the number and frequency of these will depend on the scale and complexity of the project;
- in addition, project reviews can be requested at any point where there are concerns about progress, or where the project moves outside its agreed timescale or budget tolerances;

Stage Six – Project Close

- reviews should be carried out for completed projects to ensure benefits realisation plans and any post- contract management arrangements are in place and to capture lessons to be learned.

Key Project Stages

	1. Project definition Any project starts with an idea which needs to be defined to gain support and be accepted as a project.	2. Preparation and initial project brief Develops the project mandate/idea into a more detailed proposal.	3. Preparation of full Business Case This is where detailed project planning work is undertaken.	4. Project start-up This stage involves final preparation for project delivery.	5. Delivery This is where you get to deliver the plan.	6. Project closure Closing a project gives the opportunity to assess how successful the project has been.
Project planning	Describe the project. What are the likely outputs and outcomes and how do these fit with corporate priorities. This can be brought together as an outline business case or project mandate.	Establish project objectives and project outcomes. Identify options; undertake Feasibility Studies and review site information.	Detailed project planning including appraisal of delivery options and appraisal of VfM. Development of project plan. Size and complexity of business case will depend on type of project.	A good project plan: <ul style="list-style-type: none"> • What and how? • When it needs to be done • Who will do it/ how much • Sign off and agreement • Communications Brought together in PID	Implement the project plan. Manage all project resources. Project reviews at key stages identified in project plan. Actions to address concerns about progress or movement outside agreed tolerances.	Before you close the project: <ul style="list-style-type: none"> • Have all 'products' been accepted? • Communications outstanding • All the invoices/bills paid • All risk/issue actions completed? • Captured lessons?
Resource planning	Identify the Project Sponsor (senior officer supporting the project) and likely Project Manager . Do you have a likely indication of the budget required and where the money will come from?	Clarify wider Project Roles . Identify required inputs from internal and external partners. Total value of project (capital/revenue) and likely funding source. Outline timescales.	Complete revenue and/or capital budgets. This should be a 'whole life'. Prepare funding plan. Confirm key inputs required from corporate partners – can they do what you want when you want?	Confirm funding is in place. Identify project cost codes. Reporting templates and frequencies. Confirm staff and specialist support resources.	Budget monitoring, keep track of: <ul style="list-style-type: none"> • Expenditure profile • Forecast spend • Project cash-flow/income • Action to address over/underspend • Project resources - people 	Budget reconciliation. Assign any ongoing budget responsibility.
Risk management		Provide indication of main risks and a summary of how these will be dealt with.	Prepare detailed risk register with risk assessments.	Have risks been reviewed and updated?	Review and update risks and maintain risk register.	Complete all risk actions and capture lessons learned.
(Town) Planning	Will the project require any planning permissions or consents?	Pre-application discussions	Submission of application and determination.	Reflect any planning conditions in delivery plans and risk/issues logs.	Delivery of project in line with agreed permissions. Liaise as appropriate.	Compliance certified.
Procurement		Consider any procurement requirements and prepare outline procurement plan.	Clarify procurement plan and ensure all requirements are met.	Commence procurement with appropriate support.	Conclude any procurement and manage to achieve project objectives.	Ensure contract management arrangements in place. Capture lessons learned.
Stakeholder management	Identify who the key project stakeholders might be.	Identify stakeholders and undertake consultation to shape initial brief.	Stakeholder analysis – what and why?	Communications plan and on-going stakeholder analysis.	Communications plan and on-going stakeholder analysis.	Complete final communication activities and celebrate success.
Project controls	The project idea will need approval from your line manager to proceed to the next stage.	Develop issues log, change controls, version control. Financial monitoring	Maintain issues log, change controls, version control. Financial monitoring	Agree project scope and exclusions. Maintain issues log, change controls, version control. Financial monitoring	Maintain issues log, change controls, version control. Financial monitoring. Benefits realisation plan.	Complete a project close review to ensure benefits realisation plans and post contract management arrangements in place.
Governance & reporting	What approvals will the project need if it proceeds?	What approvals are needed to progress to next stage.	Identify project governance – project team and project board.	What reports - where and when? Reporting templates and agree tolerances. Approval to proceed	Report within agreed governance framework.	Project close reviews should be completed
Output	Project mandate	Develop initial project brief or strategic outline case for major projects.	Full business case	Project initiation document (PID)	Project outputs. Lessons learned.	Project closure.

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POLICIES IN RELATION TO FUNDING CAPITAL EXPENDITURE AND INVESTMENT

External Funding

Services must seek to maximise external funding wherever possible to support capital schemes. This can be in the form of grants and contributions from outside bodies including central government. However, services must underwrite any cost overruns on externally funded schemes. If services bid for external funding for schemes and say at tender or during construction or procurement, costs exceed the available funding, then services must fund any shortfall from their existing resources (either revenue or capital).

Prior to submitting bids for grant funding, an assessment of the risk of a contract price increase, associated with market conditions or abnormal building plan demands attached to some grants, must be completed to estimate the likelihood of additional funding being needed.

In respect of match funding bids then the relevant service must fully identify the necessary match funding resources from within existing budgets. If this is not possible then the appropriate service must raise this for consideration with the members of the Corporate Management Team and the relevant Cabinet Member prior to submitting any bid for funding.

Capital Receipts

A capital receipt is an amount of money exceeding £10,000 which is received from the sale of an asset. They cannot be spent on revenue items.

The Strategic Director (Finance and Resources) will review all of the Council's property annually against the aims and objectives of the Corporate Asset Management Strategy. The general policy is that any capital receipts are then pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from loans, as permitted by the regulations.

Revenue Funding

Services may use their revenue budgets to fund capital expenditure. This may be via earmarked reserves such as the capital reserve which is an internal fund set up to finance capital expenditure as an alternative to external borrowing.

The Director of the service and the Strategic Director (Finance and Resources) will take an overview and decide the most appropriate way of funding their service areas. In doing that the Strategic Director (Finance and Resources) will take account of the strategy regarding the levels of general and earmarked reserves.

Prudential/Unsupported Borrowing

Local Authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the Government so the Council needs to ensure it can fund the repayment costs. This borrowing may also be referred to as Prudential Borrowing. The Council's Minimum Revenue Provision Policy sets out a prudent approach to the amount set aside for the repayment of debt.

Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. The Council must be able to afford the borrowing repayment and interest charges on the loan from existing revenue budgets or the Council must see this as their key priority for the budget process and to be factored into the medium term financial strategy accordingly.

The Strategic Director (Finance and Resources) will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested. The impact of this borrowing will be reported in the Treasury Management Strategy alongside the Prudential Indicators required by CIPFA's Prudential Code for Capital Finance.

The view of the Strategic Director (Finance and Resources) will be fed into the corporate bidding process so that, should the borrowing levels be unaffordable or not prudent, then the schemes will be prioritised against the available funding from borrowing using the corporate prioritisation system.

The Strategic Director (Finance and Resources) will also determine whether the borrowing should be from internal resources such as the Capital Reserve or whether to enter into external borrowing.

Pump Priming and Invest to Save Schemes

Occasionally projects arise for which services require assistance with meeting the set up costs of projects which may bring long term service delivery improvements and/or cost savings. The initial set up costs may be of a revenue or capital nature. Assistance for these schemes must be considered on an individual basis by the Corporate Management Team and then the Cabinet with consideration to the Council's overall priorities and resources.

For 'invest to save' schemes assistance may be given for initial set up costs, but it is expected that in the longer term these schemes will produce savings and/or additional income that will as a minimum fund any additional operational or borrowing costs. If the additional savings/income does not cover the additional costs incurred, then the service will be required to fund the gap from their existing budgets (i.e. they will underwrite the savings/income).

Leasing

The Strategic Director (Finance and Resources) may enter into finance leasing agreements to fund capital expenditure on behalf of services. However, a full option appraisal and comparison of other funding sources must be made and the Strategic Director (Finance and Resources) must be certain that leasing provides the best value for money method of funding the scheme.

Under the Prudential Code finance leasing agreements are counted against the overall borrowing levels when looking at the prudence of the authority's borrowing.

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VIREMENTS BETWEEN APPROVED SCHEMES

Appendix 3

Scheme/Event	Investment Area	Project Code	Project Description	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
HRA Capital Programme	Council Housing	C10161	Bathroom Refurbishment		176					176
	Council Housing	C10162	Central Heating		882					882
	Council Housing	C10168	Common Areas Improvement		3,270					3,270
	Council Housing	C10163	Environmental - H&S works		961					961
	Council Housing	C10164	Kitchen Refurbishments		205					205
	Council Housing	C10165	Rewiring		198					198
	Council Housing	C10166	Roofs		459					459
	Council Housing	C10167	Windows and Doors		147					147
	Council Housing	C10257	Disabled Adaptations - Minor		50					50
	Council Housing	C10015	Disabled Adaptations - Major		11					11
	Council Housing	C10298	Future Programme (MRA & Decent Homes)		(6,359)					(6,359)
	<u>Budget Adjustments already actioned</u>									
Priority Works	Works to Property	C10121	Priority Works	(113)						(113)
	Works to Property	C11009	Demolition of Public WCs at Pitmans Close	30						30
	Works to Property	C11010	Conduit repointing and refurbishment	5						5
	Works to Property	C10181	Victoria Avenue Land	3						3
	ICT	C10900	ICT - Phones Migration and Re-Tender	75						75
	Works to Property	C10121	Priority Works		17					17
	Works to Property	C11011	Replacement of Coffin Charger		(17)					(17)
				0	0	0	0	0	0	0

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RE-PROFILES AND AMENDMENTS

Appendix 4

Scheme/Event	Investment Area	Code	Code Description	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Asset Management Capital Programme	Works to Property	C10749	Commercial Property Investment	300	(3,778)	3,478				0
Cemeteries and Crematorium Capital Programme	Works to Property	C11011	Replacement of Coffin Charger	23	(23)					0
	Works to Property	C10866	Replacement Boiler at Southend Crematorium	(129)	129					0
Social Care Capital Programme	Social Care	C10621	LATC - Delaware and Priory	(2,334)	2,334					0
General Fund Housing Capital Programme	General Fund Housing	C10146	Private Sector Renewal	(150)	(325)	475				0
Schools Capital Programme	Schools	C10988	Chalkwell Hall Infants Insulation	25	(25)					0
	Schools	C10985	Eastwood Primary Roof	50	(50)					0
Culture Capital Programme	Culture and Tourism	C10044	Pump Priming Budget		(110)	110				0
	Culture and Tourism	C10973	New Artist Studios	(800)	800					0
Coastal Defence Capital Programme	Highways & Infrastructure	C10962	Flood Prevention Works		(1,125)		1,125			0
Energy Saving Capital Programme	Energy Saving	C10788	Energy Efficiency Projects		(527)	250	277			0
	Energy Saving	C10740	Schools and Council Buildings Solar PV		(200)	100	100			0
HRA Capital Programme	Council Housing	C10161	Bathroom Refurbishment	(87)	87					0
	Council Housing	C10162	Central Heating	(69)	69					0
	Council Housing	C10168	Common Areas Improvement	(93)	93					0
	Council Housing	C10163	Environmental - H&S works	263	(263)					0
	Council Housing	C10164	Kitchen Refurbishments	(486)	486					0
	Council Housing	C10165	Rewiring	(23)	23					0
	Council Housing	C10166	Roofs	40	(40)					0
Council Housing	C10167	Windows and Doors	(100)	100					0	
				(3,570)	(2,345)	4,413	1,502	0	0	0

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SCHEMES FINANCED BY NEW EXTERNAL FUNDING

Appendix 5

Scheme/Event	Investment Area	Project Code	Project Description	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Schools Capital Programme	Schools	C10870	Chalkwell Infants Main Building Windows	1						1
	Schools	C10647	Friars Fire Systems Replacement	1						1
Highways Capital Programme	Highways and Infrastructure	C10588	Highways Maintenance - Potholes	617						617
				619	0	0	0	0	0	619

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CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

SUMMARY OF NEW SCHEMES/ADDITIONS SET OUT IN SECTION 1 (Pages 4 to 15)

Investment Area/Theme	Code	Scheme Description	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Southend Pier	New	Southend Pier - Replacement of Pier Trains	250	3,000				3,250
Total Pride and Joy			250	3,000	0	0	0	3,250
Social Care	C10960	Children's Residential Care Home	300					300
Works to Property	New	Crematorium Drives and Car Park Resurfacing	10	60				70
Works to Property	New	Crematorium - Urgent Structural Repairs to Chimney	500					500
Community Safety	C10894	CCTV Upgrade	1,040	1,000				2,040
Culture and Tourism	New	Cliffs Pavilion - Power Supply Equipment	30	140				170
Culture and Tourism	New	Palace Theatre - Power Supply Equipment	30	140				170
Schools	New	Chalkwell Hall Infants Energy Project	300					300
Works to Property	C10980	Civic Centre Boilers	300	1,000				1,300
Works to Property	New	Public Toilet Provision	40	660				700
Total Safe and Well			2,550	3,000	0	0	0	5,550
Works to Property	New	Civic Campus - Efficient Use of Space	200	150	150			500
ICT	C11002	ICT - Extending WiFi in Council Premises	70					70
Highways & Infrastructure	C10786	Highways Planned Maintenance Investment	1,000	1,000	1,000			3,000
Highways & Infrastructure	New	Car Park Improvements	100	100	100	100	100	500
Highways & Infrastructure	C10058	Southend on Sea Traffic Model	525	325	95	95	95	1,135
Highways & Infrastructure	New	Traffic Signs Upgrade	100	100	100	100	100	500
Total Connected and Smart			1,995	1,675	1,445	295	295	5,705
TOTAL GENERAL FUND			4,795	7,675	1,445	295	295	14,505
Housing and New Build Programme	Various	HRA Future Investment Programme	640	480	6,600	6,560	6,560	20,840
Total Safe and Well			640	480	6,600	6,560	6,560	20,840
TOTAL HOUSING REVENUE ACCOUNT			640	480	6,600	6,560	6,560	20,840
New schemes/additions:			5,435	8,155	8,045	6,855	6,855	35,345

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

SUMMARY OF SCHEMES SUBJECT TO EXTERNAL FUNDING APPROVAL SET OUT IN SECTION 2 (Pages 16 and 17)

Schemes Subject to External Funding Approval:			2019/20	2020/21	2021/22	2022/23	2023/24	Total Budget (all years)
Investment Area	Code	Scheme Description	Budget	Budget	Budget	Budget	Budget	
			£000	£000	£000	£000	£000	£000
Highways & Infrastructure	C10553	A127 Bell Junction Improvements		2,150				2,150
Culture and Tourism	New	Cart and Wagon Shed	200	650				850
Total Local Growth Fund			200	2,800	0	0	0	3,000

SUMMARY OF SCHEMES SUBJECT TO VIABLE BUSINESS CASE APPROVAL SET OUT IN SECTION 3 (Pages 18 to 20)

Schemes Subject to Viable Business Case Approval:			2019/20	2020/21	2021/22	2022/23	2023/24	Total Budget (all years)
Investment Area	Code	Scheme Description	Budget	Budget	Budget	Budget	Budget	
			£000	£000	£000	£000	£000	£000
ICT	C10904	ICT - Southend Operation Centre	1,000	1,000				2,000
Culture and Tourism	C10876	Cliffs Pavilion - External Refurbishment Works	100	900				1,000
Southend Pier	New	Southend Pier - Pavilion Platform Technical Design (Gateway Review Two) and Construction	500	7,000	3,000			10,500
Schemes Subject to Viable Business Case Approval			1,600	8,900	3,000	0	0	13,500
Works to Property	C10749	Commercial Property Investment						20,000
Total Schemes Subject to Viable Business Case Approval:								33,500

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

SUMMARY BY INVESTMENT AREA

Area of investment	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Council Housing and New Build Programme	640	480	6,600	6,560	6,560	20,840
Social Care	300	-	-	-	-	300
Schools	300	-	-	-	-	300
Southend Pier	250	3,000	-	-	-	3,250
Culture and Tourism	60	280	-	-	-	340
Community Safety	1,040	1,000	-	-	-	2,040
Highways and Infrastructure	1,725	1,525	1,295	295	295	5,135
Works to Property	1,050	1,870	150	-	-	3,070
ICT	70	-	-	-	-	70
Total	5,435	8,155	8,045	6,855	6,855	35,345

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

1. PROPOSED INVESTMENT SCHEMES BY THEME

THEME 1: PRIDE AND JOY

C1 Southend Pier – Replacement of Pier Trains - £3,250,000

19/20 - £250,000

20/21 - £3,000,000

The Pier Trains were introduced in 1986 with a 20 year lifespan. Replacement parts have now become impossible to source and a replacement system is required. The improvement to the system with replacement trains will enhance the visitor offer and will support growth in overall visitor numbers and satisfaction levels.

The trains form part of the evacuation procedure for the pier and are important in providing access to facilities for people with disabilities. The full process from procurement to delivery of trains will take around 19 months with the construction and implementation phase in place during financial year 2020/21.

Southend 2050:

Outcome - the variety and quality of our outstanding cultural and leisure offer has increased and we have become the first choice English coastal destination for visitors;

Roadmap – 2021 - potentially links to the Pier Pavilion as it will be a key means of accessing the facility;

Justification - without the train system as part of the evacuation plan there is a possibility that the Pier would have to close. Electric golf carts have previously been used but have been found to damage the boarding on the pier.

Funding:

Capital – corporate borrowing;

Revenue – none.

Sub-Total – Pride and Joy:

£3,250,000

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

THEME 2: SAFE AND WELL

C2 Children's Residential Care Home - £300,000

19/20 - £300,000

This scheme is to purchase a property to increase the level of Residential Care provision in Southend. This will reduce the number of high cost out of borough placements and offer the option of respite/interim care provision to reduce the need for long term placements.

This is in addition to the £400,000 already in the approved capital programme in 2019/20 funded from corporate borrowing.

Southend 2050:

Outcome - we are all effective at protecting and improving the quality of life for the most vulnerable in our community;

Roadmap - 2020 – reviewing and delivering a more integrated children's pathway across health and social care to include community paediatrics service;

Justification - if deferred it puts at risk one of the Roadmap projects.

Funding:

Capital – corporate borrowing;

Revenue – placement savings from a combination of children's residential care, part time placements and respite placements were included in the original bid.

C3 HRA Future Investment Programme – £20,840,000

19/20 - £640,000

20/21 - £480,000

21/22 - £6,600,000

22/23 - £6,560,000

23/24 - £6,560,000

The investment relates to

- the continuance of completing the Decent Homes programme to bring the housing stock to decency levels;
- common area improvements;
- environmental health & safety works;
- disabled adaptations works;

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

Southend 2050:

Outcome – we are well on our way to ensuring that everyone has a home that meets their needs;

Roadmap – no specific link;

Justification – to continue to keep the Council’s housing stock in a decent and safe condition.

Funding:

Capital – wholly funded through the HRA, from the Major Repairs Reserve;

Revenue – none.

C4 Crematorium Drives and Car Park Resurfacing - £70,000

19/20 - £10,000

20/21 - £60,000

This scheme is to resurface the crematorium drives and car park which are breaking up, to avoid further damage and more costly infrastructure repairs.

Southend 2050:

Outcome - no specific link;

Roadmap - no specific link;

Justification – there are no contractual commitments but delay will lead to further deterioration and higher costs of repair.

Funding:

Capital – corporate borrowing;

Revenue – avoiding more costly infrastructure works if the drives and car park deteriorate further.

C5 Crematorium – Urgent Structural Repairs to Chimney - £500,000

19/20 - £500,000

This scheme is to stabilise and repair the crematorium chimney stack. Following a survey and report from property services, the chimney stack has been found to be unstable and needs urgent repairs. Additional supports have temporarily been put in place. The scheme cost allows for a temporary flue for the cremators, the scaffolding and access requirements to the tower and for the cost of stonemasons.

Southend 2050:

Outcome - no specific link;

Roadmap - no specific link;

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

Justification – works must be completed to address structural weaknesses, should parts of the chimney collapse, the crematorium would be unable to operate and there would be no cremation service in Southend.

Funding:

Capital – corporate borrowing;

Revenue – avoiding the costs of temporary closure.

Funding:

Capital – corporate borrowing;

Revenue – none.

C6 CCTV Upgrade - £2,040,000

19/20 - £1,040,000

20/21 - £1,000,000

This scheme is for Phase 2 of the upgrade from analogue to digital for existing CCTV cameras and installation of a number of new cameras in priority locations following consultation. £40,000 of this scheme is for a facial recognition pilot in conjunction with the Business Improvement District and the Police. 75% of the scheme cost is for the equipment with the rest to cover integration with the control centre, project management and testing.

This is in addition to the £400,000 currently in the approved capital programme profiled across the years 2018/19 and 2019/20 financed by corporate borrowing.

Southend 2050:

Outcome – people in all parts of the borough feel safe and secure at all times;

Roadmap – 2019 – A Town Centre that feels safe with an active approach to the street community;

Justification – the town centre and safety is a significant priority.

Funding:

Capital – corporate borrowing;

Revenue – £37,000 p.a. for increased camera support and maintenance costs.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

C7 Cliffs Pavilion – Power Supply Equipment - £170,000

19/20 - £30,000

20/21 - £140,000

This scheme is to replace the main incoming power supply which is the original switch gear (the combination of electrical disconnect switches, fuses or circuit breakers used to control, protect and isolate electrical equipment). In the long term this will fail if not replaced. If the electricity supply fails causing the theatre to close the Council will be liable to a claim from HQ theatres for loss of income. The works are anticipated to take three months and if the theatre is unable to close for that period then the power will need to be run from generators with an extra cost of £280,000.

The theatre is scheduled to close for three months in summer 2020 to allow works to take place.

Southend 2050:

Outcome - people in all parts of the borough feel safe and secure at all times;

Roadmap – 2021 – Cliffs Pavilion upgraded;

Justification – to progress a Roadmap project – works need to be scheduled in a period where the building can close to avoid a £280,000 additional cost for generators.

Funding:

Capital – corporate borrowing;

Revenue – loss of theatres revenues if theatre closes.

C8 Palace Theatre – Power Supply Equipment - £170,000

19/20 - £30,000

20/21 - £140,000

This scheme is to replace the main incoming power supply which is the original switch gear (the combination of electrical disconnect switches, fuses or circuit breakers used to control, protect and isolate electrical equipment). In the long term this will fail if not replaced. If the electricity supply fails causing the theatre to close the Council will be liable to a claim from HQ theatres for loss of income. The works are anticipated to take three months and if the theatre is unable to close for that period of dark then the power will need to be run from generators with an extra cost of £280,000.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

Most of the Palace Theatre is a trust asset owned by The Palace Theatre Charity, with the exception of the extension which includes the entrance area and the Dixon Studio.

Southend 2050:

Outcome - people in all parts of the borough feel safe and secure at all times;

Roadmap – no specific link;

Justification – possible electrical failure - works need to be scheduled in a period where the building can close to avoid a £280,000 additional cost for generators.

Funding:

Capital – corporate borrowing;

Revenue – loss of theatres revenues if theatre closes.

C9 Chalkwell Hall Infants Energy Project - £300,000

19/20 - £300,000

This scheme is to replace three demountable classrooms which are 39 years old, with new modern buildings to house four classrooms, together with new LED lighting, solar PV, boiler room insulation and in-classroom heating controls. The existing classrooms are so poor in their heating and insulation that children are being taught in coats during the winter. There is not enough available in the education budget to replace these classrooms whilst a lesser project to insulate them leaves us with old insulated wooden boxes that would still need replacing.

The total scheme cost would be £485,000, with £100,000 of this from the school's capital programme and £85,000 financed by a Salix interest free loan taken out by the school.

Southend 2050:

Outcome – we act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling;

Roadmap – 2021 – All schools will be good or outstanding;

Justification – without funding the replacement of the classrooms will not proceed with a consequent impact on the school children.

Funding:

Capital – £110,000 of Government grant relating to schools, £190,000 of corporate borrowing with the revenues generated covering the financing costs;

Revenue – the shared benefits to cover the financing costs.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

C10 Civic Centre Boilers - £1,300,000

19/20 - £300,000

20/21 - £1,000,000

This scheme is for the replacement of life expired plant and to ensure the continued provision of heating and hot water to both the Civic Centre and the Court House. Works would include new boilers, replacement flues, hot water systems, heating circulation pumps, cold water booster system, building management system and the pipework.

Southend 2050:

Outcome – we act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling;

Roadmap – no specific link;

Justification – the boilers are in need of urgent replacement and a temporary solution has already been introduced. The temporary solution has a limited life expectancy and if works aren't carried out there is a significant risk that there will be no heating in the winter of 2021.

Funding:

Capital – discussions would need to take place with the Court House regarding a contribution to the works, with the rest from corporate borrowing;

Revenue – £5,000 savings in gas costs through greater efficiency.

C11 Public Toilet Provision - £700,000

19/20 - £40,000

20/21 - £660,000

This scheme is to investigate and review the public toilet provision and location and implement the construction of a new toilet facility to meet the requirement identified. This may be in the form of one large block or multiple small blocks. The main focus will be the seafront facing wards that contain the main facilities. For instance, following the successful pilot during Summer 2018 a proposal for permanent improvements to the City Beach toilet provision has been identified.

Southend 2050:

Outcome – no specific link;

Roadmap – no specific link;

Justification – the profile of this proposal allows for the purchase of 'portaloo's' which can be deployed along the seafront during 2019/20. It

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

would also allow for the completion of design work for the new facilities which could be implemented from 2020/21.

Funding:

Capital – corporate borrowing;

Revenue – cleaning and maintenance costs anticipated to be covered by the existing revenue budgets.

Sub-Total – Safe and Well:

£26,390,000

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

THEME 5: CONNECTED AND SMART

C12 Civic Campus – Efficient Use of Space - £500,000

19/20 - £200,000

20/21 - £150,000

21/22 - £150,000

This scheme is to fund feasibility studies, plans, furniture and physical changes at the Civic Campus to enable improved agile working and space efficiency, potentially releasing additional space to let to partners.

Southend 2050:

Outcome – no specific link;

Roadmap – 2020 – Agile working culture being embedded in Council;

Justification – if deferred it puts at risk one of the Roadmap projects.

Funding:

Capital – corporate borrowing;

Revenue – at this stage it is not possible to quantify the reduced costs or savings which will arise from the delivery of enhanced space and digital enablement. The potential rental income from partner organisations is also unquantifiable at this pre-planning stage.

C13 ICT – Extending WiFi in Council Premises - £70,000

19/20 - £70,000

This scheme is to provide WiFi services in Council owned sites in order to enable flexible working for staff and internet access for visitors/guests. There is demand for improved use of Council premises and extended use of mobile equipment.

This scheme will incur £10,000 p.a. of extra software licencing costs from 2020/21 which would need accommodated within the ICT – Software Licencing scheme.

Southend 2050:

Outcome – Southend is a leading digital city with world class infrastructure;

Roadmap – 2020 – Agile working culture being embedded in Council;

Justification – if deferred it puts at risk one of the Roadmap projects.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

Funding:

Capital – £20,000 contribution from the University of Essex and £10,000 contribution from the South Essex College in relation to the Forum, with the rest from corporate borrowing;

Revenue – none

C14 Highways Planned Maintenance Investment - £3,000,000

19/20 - £1,000,000

20/21 - £1,000,000

21/22 - £1,000,000

This scheme is for additional investment in the highway network including the classified and unclassified carriageway network as well as the entire footway network. It will focus on changing the status of the highway condition from critical to good.

This scheme is in addition to the £1,000,000 p.a. budget for Carriageways and Footways Improvements already in the approved capital programme until 2019/20, funded by corporate borrowing. This scheme is also in addition to the £2,373,000 budget already in the approved capital programme profiled across the years 2018/19 to 2020/21, funded by Local Transport Plan (LTP) grant monies.

Southend 2050:

Outcome – It is easier for residents, visitors and people who work here to get around the borough;

Roadmap – no specific link;

Justification – to focus on changing the status of the highway condition from critical to good.

Funding:

Capital – corporate borrowing;

Revenue – none.

C15 Car Park Improvements - £500,000

19/20 - £100,000

20/21 - £100,000

21/22 - £100,000

22/23 - £100,000

23/24 - £100,000

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

This scheme is for improvements and major works to car parks such as resurfacing, signage, pay and display machines. All of the Borough's pay to park areas have been awarded ParkMark, a national scheme designed to inform motorists that a car park is safe, secure and well managed. Some areas require resurfacing, replacement of signage and fencing replacement to contribute to a good appearance and to indicate that the car parks are well managed.

The car parks scheduled for 2019/20 are: Tylers Avenue, Clarence Road, Warrior Square and Fairheads Green.

Southend 2050:

Outcome – people have a wide choice of transport options;

Roadmap – no specific link;

Justification – if deferred there is increased risk of injury, risk of reduced revenues and the safer car parks accreditation may be affected.

Funding:

Capital – corporate borrowing;

Revenue – to maintain car parking income and prevent future increases in maintenance costs.

C16 Southend-on-Sea Traffic Model - £1,135,000

19/20 - £525,000

20/21 - £325,000

21/22 - £95,000

22/23 - £95,000

23/24 - £95,000

This scheme is for the extension and update to the Council's traffic modelling system to ensure compliance with the Department for Transport's (DfT) appraisal guidance and toolkit. This proposal includes Rochford District Council although discussions are ongoing with them regarding their involvement and funding of this project.

Southend 2050:

Outcome – it is easier for residents, visitors and people who work here to get around the borough;

Roadmap – no specific link;

Justification – if the model is not compliant it could not be used for DfT/LTP funding bids and the Council will lose its opportunities for receiving funding.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

Funding:

Capital – anticipated external contributions from Rochford District Council of £360,000 if the scheme includes their area, with the rest funded by corporate borrowing;

Revenue – none.

C17 Traffic Signs Upgrade - £500,000

19/20 - £100,000

20/21 - £100,000

21/22 - £100,000

22/23 - £100,000

23/24 - £100,000

This scheme is upgrade the Council's traffic signs in accordance with regulation and to evaluate the impact of the parking and access strategy on the rest of the Borough including where traffic signing needs to be upgraded.

Southend 2050:

Outcome – it is easier for residents, visitors and people who work here to get around the borough;

Roadmap – no specific link;

Justification – to reduce the Council's liability in the event of any accidents involving a sign requiring replacement.

Funding:

Capital – corporate borrowing;

Revenue – none.

Sub-Total – Connected and Smart: £5,705,000

All proposed schemes by year:

2019/20	£5,435,000
2020/21	£8,155,000
2021/22	£8,045,000
2022/23	£6,855,000
2023/24	£6,855,000
<u>TOTAL CAPITAL SCHEMES – ALL YEARS</u>	<u>£35,345,000</u>
<u>TOTAL CAPITAL SCHEMES – ALL YEARS – GENERAL FUND</u>	<u>£14,505,000</u>
<u>TOTAL CAPITAL SCHEMES – ALL YEARS – HRA</u>	<u>£20,840,000</u>

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

2. SCHEMES SUBJECT TO EXTERNAL FUNDING APPROVAL

C18 A127 Bell Junction Improvements - £2,150,000

20/21 - £2,150,000

This scheme is for improvements at the A127 Bell Junction including an additional left turn lane and the extension of the right turn lane on the eastbound carriageway, the provision of new pedestrian crossings.

The total for this Growth Corridor scheme is £7,170,000 with £4,300,000 to be funded by existing Local Growth Fund (LGF) monies and £720,000 already funded by borrowing.

Southend 2050:

Outcome – it is easier for residents, visitors and people who work here to get around the borough;

Roadmap – 2021 - A127 Bell Junction improvement completed;

Justification – if deferred it puts at risk one of the Roadmap projects.

Funding:

Capital – LGF monies if the SELEP bid is successful, if not this will need to be financed by corporate borrowing;

Revenue – none.

C19 Cart and Wagon Shed - £850,000

19/20 - £200,000

20/21 - £650,000

This scheme is to fit out the space of this building at Shoebury for the coastal community team to use as part of their community interest company. The building is just a shell at present but is starting to deteriorate.

Southend 2050:

Outcome – a range of initiatives help communities come together to enhance their neighbourhood and environment;

Roadmap – links to the tourism strategy, Destination Southend ;

Justification – avoiding more costly infrastructure works if the building deteriorates further.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

Funding:

Capital – LGF monies if the SELEP bid is successful, if not this will need to be financed by corporate borrowing;

Revenue – repairs and maintenance costs of the newly fitted building are anticipated to be no more than the current costs for the deteriorating building.

Sub-Total Schemes Subject to External Funding approval **£3,000,000**

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

3. SCHEMES SUBJECT TO VIABLE BUSINESS CASES:

Viabie business cases will need to be produced and approved before these schemes can progress and be brought into the capital investment programme.

C20 Commercial Property Investment - £20,000,000

The Commercial Property Investment Strategy was approved as part of the Corporate Asset Management Strategy 2015-2025 at Cabinet on 22 September 2015. In accordance with that, this scheme is to continue to grow an investment portfolio to enable the Council to secure and maintain long-term growing income streams and capital appreciation. The portfolio will require active management in terms of acquisition, management and disposal decisions. Decisions will need to be made commercially and often quickly and efficiently.

This is a budget provision and the profile across years and whether it will be spent in full will depend on the number and size of appropriate and cost effective opportunities that arise.

Southend 2050:

Outcome – no specific link;

Roadmap – 2021 – Council moving towards financial independence;

Justification – to continue to grow an investment portfolio to secure and maintain long-term growing income streams and capital appreciation.

Funding:

Capital - corporate borrowing;

Revenue – the rental incomes from the commercial investment to at least cover the financing costs.

C21 ICT – Southend Operation Centre - £2,000,000

19/20 - £1,000,000

20/21 - £1,000,000

This scheme comprises two phases, each distinct but to be delivered simultaneously. Phase 1 (£1,560,000) refers to the construction of an Operation Centre which can discharge 24/7 control of core council services including CCTV, Parking and Transport, Careline/Telehealth and Environmental Monitoring. This includes £320,000 for the re-provision of the museum store. As yet no alternative for the store has been identified – the service may want to rationalise other stores while they are doing this.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

Phase 2 (£440,000) refers to the ability to improve the use of data for both day to day operational and longer term strategic planning purposes.

This scheme is in addition to the £478,000 budget already in the approved capital programme profiled across the years 2018/19 and 2019/20, funded from corporate borrowing.

This scheme will incur £325,000 p.a. of extra software licencing costs from 2020/21, this would need to be considered as part of the viable business case and if agreed this amount would need to be included in the ICT – Software Licencing scheme.

Southend 2050:

Outcome – Southend is a leading digital city with world class infrastructure;

Roadmap – 2020 – Data Warehouse using Real Time information;

Justification – if deferred beyond 2020/21 it puts at risk one of the Roadmap projects.

Funding:

Capital – corporate borrowing;

Revenue – £198,000 p.a. income from 2021/22 generated by selling services to other organisations. £5,000 p.a. running costs for the new museum store;

C22 Cliffs Pavilion – External Refurbishment Works - £1,000,000

19/20 - £100,000

20/21 - £900,000

This scheme is to address all of the external areas to rejuvenate the building and present this as an upmarket offer for the Borough. A three month closure (during summer 2020) has been agreed with HQ theatres to allow the work to take place. As a consequence works cannot be slipped.

This scheme is in addition to the £306,000 budget already in the approved capital programme, funded from corporate borrowing.

Southend 2050:

Outcome - the variety and quality of our outstanding cultural and leisure offer has increased and we have become the first choice English coastal destination for visitors;

Roadmap - 2021 – Cliffs Pavilion upgraded;

Justification - if deferred it puts at risk one of the Roadmap projects.

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

*Funding:**Capital – corporate borrowing;**Revenue – by completing refurbishment works this will save further repair costs in the future.***C23 Southend Pier – Pavilion Platform Technical Design (Gateway Review Two) and Construction - £10,500,000****19/20 - £500,000****20/21 - £7,000,000****21/22 - £3,000,000**

This scheme is to progress a preferred option for developing the Pavilion Deck of the Pier including development of a full technical design for construction tendering and a construction budget allocation (subject to Gateway Review Two sign off).

The only option to defer would require the opening date on the 2050 roadmap to change.

*Southend 2050:**Outcome - the variety and quality of our outstanding cultural and leisure offer has increased and we have become the first choice English coastal destination for visitors;**Roadmap - 2021 – Pier Pavilion opens;**Justification - if deferred it puts at risk one of the Roadmap projects.**Funding:**Capital – corporate borrowing;**Revenue – none.***Sub-Total Schemes Subject to Viable Business Cases****£33,500,000**

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

The annual profile of this total investment would be as follows;

Year	Pride and Joy £000	Safe and Well £000	Connected and Smart £000	Total £000	Scheme Subject to External Funding Approval £000	Scheme Subject to Viable Business Cases £000
2019/20	250	3,190	1,995	5,435	200	1,600
2020/21	3,000	3,480	1,675	8,155	2,800	8,900
2021/22	-	6,600	1,445	8,045	-	3,000
2022/23	-	6,560	295	6,855	-	-
2023/24	-	6,560	295	6,855	-	-
Commercial Property Investment						20,000
TOTAL	3,250	26,390	5,705	35,345	3,000	33,500

The annual funding for this total investment would be as follows;

Year	General Fund Borrowing £000	General Fund Borrowing where financing costs to be met from savings/income generation £000	General Fund External Funding £000	General Fund Existing Funding ⁽¹⁾ £000	Housing Revenue Account Self- Funded £000	Total £000	Scheme Subject to External Funding Approval £000	Scheme Subject to Viable Business Cases £000
2019/20	4,265	190	340	-	640	5,435	200	1,600
2020/21	7,575	-	100	-	480	8,155	2,800	8,900
2021/22	1,425	-	20	-	6,600	8,045	-	3,000
2022/23	275	-	20	-	6,560	6,855	-	-
2023/24	275	-	20	-	6,560	6,855	-	-
Commercial Property Investment								20,000
TOTAL	13,815	190	500	-	20,840	35,345	3,000	33,500

Note 1- Capital receipts or revenue contributions to capital including from earmarked reserves

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

The funding by total cost of scheme would be as follows;

No.	Scheme name	Capital						Revenue per annum			
		General Fund Borrowing £000	General Fund Borrowing where financing costs to be met from savings/income generation £000	General Fund External Funding £000	General Fund Existing Funding ⁽¹⁾ £000	Housing Revenue Account Self-Funded £000	Total £000	Corporate Financing Costs £000	Additional Budget for Service Costs £000	Service Savings / Income Generation £000	Total £000
C1	Southend Pier - Replacement of Pier Trains	3,250	0	0	0	0	3,250	228	0	0	228
206	Pride and Joy Total	3,250	0	0	0	0	3,250	228	0	0	228
C2	Children's Residential Care Home	300	0	0	0	0	300	21	0	0	21
C3	HRA Future Investment Programme	0	0	0	0	20,840	20,840	0	0	0	0
C4	Crematorium Drives and Car Park Resurfacing	70	0	0	0	0	70	5	0	0	5
C5	Crematorium - Urgent Repairs to Chimney	500	0	0	0	0	500	35	0	0	35
C6	CCTV Upgrade	2,040	0	0	0	0	2,040	143	37	0	180

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

No.	Scheme name	Capital						Revenue per annum			
		General Fund Borrowing £000	General Fund Borrowing where financing costs to be met from savings/income generation £000	General Fund External Funding £000	General Fund Existing Funding ⁽¹⁾ £000	Housing Revenue Account Self-Funded £000	Total £000	Corporate Financing Costs £000	Additional Budget for Service Costs £000	Service Savings / Income Generation £000	Total £000
C7	Cliffs Pavilion - Power Supply Equipment	170	0	0	0	0	170	12	0	0	12
207 C8	Palace Theatre - Power Supply Equipment	170	0	0	0	0	170	12	0	0	12
C9	Chalkwell Hall Infants Energy Project	0	190	110	0	0	300	13	0	(13)	0
C10	Civic Centre Boilers	1,300	0	0	0	0	1,300	91	0	(5)	86
C11	Public Toilet Provision	700	0	0	0	0	700	49	0	0	49
	Safe and Well Total	5,250	190	110	0	20,840	26,390	381	37	(18)	400
C12	Civic Campus - Efficient Use of Space	500	0	0	0	0	500	35	0	0	35
C13	ICT - Extending WiFi in Council Premises	40	0	30	0	0	70	3	0	0	3

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

No.	Scheme name	Capital						Revenue per annum			
		General Fund Borrowing £000	General Fund Borrowing where financing costs to be met from savings/income generation £000	General Fund External Funding £000	General Fund Existing Funding ⁽¹⁾ £000	Housing Revenue Account Self-Funded £000	Total £000	Corporate Financing Costs £000	Additional Budget for Service Costs £000	Service Savings / Income Generation £000	Total £000
C14	Highways Planned Maintenance Investment	3,000	0	0	0	0	3,000	210	0	0	210
C15	Car Park Improvements	500	0	0	0	0	500	35	0	0	35
2006 C16	Southend-on-Sea Traffic Model	775	0	360	0	0	1,135	54	0	0	54
C17	Traffic Signs Upgrade	500	0	0	0	0	500	35	0	0	35
	Connected and Smart Total	5,315	0	390	0	0	5,705	372	0	0	372
	Overall Total	13,815	190	500	0	20,840	35,345	980	37	(18)	999

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

No.	Scheme Subject to External Funding Approval:	Capital						Revenue per annum			
		General Fund Borrowing £000	General Fund Borrowing where financing costs to be met from savings/income generation £000	General Fund External Funding £000	General Fund Existing Funding ⁽¹⁾ £000	Housing Revenue Account Self-Funded £000	Total £000	Corporate Financing Costs £000	Additional Budget for Service Costs £000	Service Savings / Income Generation £000	Total £000
C18	A127 Bell Junction Improvements	0	0	2,150	0	0	2,150	0	0	0	0
C19	Cart and Wagon Shed	0	0	850	0	0	850	0	0	0	0
209	Scheme Subject to External Funding Approval Total	0	0	3,000	0	0	3,000	0	0	0	0

CAPITAL INVESTMENT PROGRAMME - NEW SCHEMES/ADDITIONS
2019/20 to 2023/24

No.	Schemes Subject to Viable Business Cases:	Capital						Revenue per annum			
		General Fund Borrowing £000	General Fund Borrowing where financing costs to be met from savings/income generation £000	General Fund External Funding £000	General Fund Existing Funding ⁽¹⁾ £000	Housing Revenue Account Self-Funded £000	Total £000	Corporate Financing Costs £000	Additional Budget for Service Costs £000	Service Savings / Income Generation £000	Total £000
C20	Commercial Property Investment	0	20,000	0	0	0	20,000	1,400	0	(1,400)	0
C21	ICT - Southend Operation Centre	2,000	0	0	0	0	2,000	140	5	(198)	(53)
210 C22	Cliffs Pavilion - External Refurbishment Works	1,000	0	0	0	0	1,000	70	0	0	70
C23	Southend Pier - Pavilion Platform Technical Design (Gateway Review Two) and Construction	10,500	0	0	0	0	10,500	735	0	0	735
	Schemes Subject to Viable Business Cases Total	13,500	20,000	0	0	0	33,500	2,345	5	(1,598)	752

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 7

Scheme/Event	Investment Area	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Approved Capital Investment Programme - November Cabinet (Appendix 1)		60,481	73,013	55,360	24,728	0	0	213,582
Proposed changes:								
S106 Audley Court 0200874 Ful - CCTV	Community Safety	(10)						(10)
Civic Centre low loss headers	Energy Saving		(20)					(20)
"Make Southend Sparkle" initiative	Culture and Tourism		10	10	10			30
Acquisition of leasehold property	Council Housing	160						160
Schemes Subject to Viable Business Cases:								
Commerical Property Investment (see box on next page)	Works to Property			(3,478)				(3,478)
LATC - Delaware and Priory (see box on next page)	Social Care		(9,219)	(2,362)				(11,581)
Virements (see Appendix 3)	Various	0	0	0	0	0	0	0
Budget re-profiles (see Appendix 4)	Various	(3,570)	(2,345)	4,413	1,502	0	0	0
New external funding (see Appendix 5)	Various	619	0	0	0	0	0	619
Proposed Additions (see Appendix 6)	Various	0	5,435	8,155	8,045	6,855	6,855	35,345
Current Investment Programme - following amendments		57,680	66,874	62,098	34,285	6,855	6,855	234,647

Total budget for 2019/20 to 2023/24:

176,967

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 7

General Fund Schemes Subject to External Funding Approval	Investment Area	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
A127 Bell Junction Improvements	Highways and Infrastructure			2,150				2,150
Cart and Wagon Shed	Culture and Tourism		200	650				850
		0	200	2,800	0	0	0	3,000

General Fund Schemes Subject to Viable Business Case Approval	Investment Area	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
LATC - Delaware and Priory	Social Care		9,219	2,362				11,581
ICT - Southend Operations Centre	ICT		1,000	1,000				2,000
Cliffs Pavilion - External Refurbishment Works	Culture and Tourism		100	900				1,000
Southend Pier - Pavilion Platform Technical Design (Gateway Review Two) & Construction	Southend Pier		500	7,000	3,000			10,500
		0	10,819	11,262	3,000	0	0	25,081
Commercial Property Investment	Works to Property							23,478
								48,559

Proposed Capital Investment Programme 2018/19 to 2023/24 - Summary by Area of Investment

Scheme	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
General Fund Housing	1,222	1,695	1,375	577	-	-	4,869
Council Housing and New Build Programme	9,058	9,326	6,680	6,600	6,560	6,560	44,784
Social Care	880	953	-	-	-	-	1,833
Schools	13,429	13,939	391	-	-	-	27,759
Enterprise and Regeneration	4,841	12,600	7,520	5,698	-	-	30,659
Southend Pier	3,158	2,468	6,915	5,900	-	-	18,441
Culture and Tourism	6,295	4,905	13,930	3,960	-	-	29,090
Community Safety	233	1,707	1,000	-	-	-	2,940
Highways and Infrastructure	11,353	13,750	17,349	2,420	295	295	45,462
Works to Property	1,289	1,969	6,513	8,582	-	-	18,353
Energy Saving	714	845	350	377	-	-	2,286
ICT	4,073	1,944	40	-	-	-	6,057
S106/S38/CIL	1,135	773	35	171	-	-	2,114
TOTAL CAPITAL INVESTMENT PROGRAMME	57,680	66,874	62,098	34,285	6,855	6,855	234,647

Total budget for 2019/20 to 2023/24: 176,967

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
General Fund Housing								
Disabled Facilities Grant	C10145	922	900	900	577			3,299
Empty Dwelling Management	C10020	150	207					357
PSH Works in Default - Enforcement Work	C10503	50	88					138
Private Sector Renewal	C10146	100	500	475				1,075
Total General Fund Housing		1,222	1,695	1,375	577	-	-	4,869
Council Housing and New Build Programme								
Bathroom Refurbishment	C10161	43	263	42	59	52	96	555
Central Heating	C10162	1,010	951	374	197	161	771	3,464
Common Areas Improvement	C10168	1,616	3,364	864	864	864	864	8,436
Environmental - H&S works	C10163	1,780	698	1,080	1,080	1,080	1,080	6,798
Kitchen Refurbishments	C10164	163	691	984	1,002	875	1,107	4,822
Rewiring	C10165	170	221	342	501	739	411	2,384
Roofs	C10166	1,115	419	1,184	1,335	1,145	1,187	6,385
Windows and Doors	C10167	332	247	1,110	862	944	344	3,839
Future Programme (MRA & Decent Homes)	C10298	-	-	-	-	-	-	-
HRA Disabled Adaptations - Major Adaptations	C10015	784	650	650	650	650	650	4,034
HRA Disabled Adaptations - Minor Adaptations	C10257	100	50	50	50	50	50	350
Sheltered Housing DDA works	C10177		345					345
S106 HRA Land Review	C10685	1,455	1,258					2,713
Construction of New Housing on HRA Land	C10684	45						45
Acquisition of leasehold property	C10909	275						275
Acquisition of tower block leaseholds - Queensway	C10614	170	169					339
Total Council Housing and New Build Programme		9,058	9,326	6,680	6,600	6,560	6,560	44,784
Social Care								
Community Capacity	C10526	177						177
Dementia Friendly Environments	C10598	17						17
Children's Residential Care Provision	C10960		700					700
SEND Module and Integration with Liquid Logic	C10961	30	90					120
Learning Management System	C10929	120						120
Mental Health Funding Stream	C10184	36						36
Transforming Care Housing	C10689		163					163
LATC - Delaware and Priory	C10621	500	-	-				500
Total Social Care		880	953	-	-	-	-	1,833

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Schools								
AHDC Short Breaks for Disabled Children	C10282		64					64
Healthy School Capital Funding	C10991	52						52
Adult Community College rainwater goods	C10989	67						67
Chalkwell Infants Main Building Windows	C10870	1						1
Chalkwell Hall Infants replace relocatables (SBC 50%)	C10988	25	84					109
Chalkwell Hall Infants Energy Project	New		300					300
Chalkwell Hall Juniors roofs	C10987	10	100					110
Children's Centre - Lanlords Maintenance	C10990	45						45
Earls Hall Primary heating	C10986	40						40
Eastwood Primary roof	C10985	150	50					200
Fairways Primary Boiler	New	60						60
Fairways Primary roof	C10983	15						15
Fairways Primary curtain walling	C10984	150	240					390
Friars Fire Systems Replacement	C10647	1						1
Future condition projects	C10024	73						73
Futures Heating and Pipe Ducts	C10714	68						68
Leigh North Street boiler	C10982	110						110
West Leigh Infant Boiler	New		160					160
Devolved Formula Capital	C10014	125						125
Friars Primary School	C10864	332						332
Temple Sutton - Early Years	C10992	10						10
Expansion of 2 yr old Childcare Places	C10558	65						65
School Improvement and Provision of School Places	C10475	11,800	12,711					24,511
Special Provisiion Capital Fund	C10910	230	230	391				851
Total Schools		13,429	13,939	391	-	-	-	27,759
Enterprise and Regeneration								
Airport Business Park (including Local Growth Fund)	C10261	4,200	11,600	7,520	5,698			29,018
City Deal - Incubation Centre	C10668	31						31
Better Queensway - Regeneration	C10747	610	750					1,360
Housing Infrastructure Feasibility	C10956		250					250
Total Enterprise and Regeneration		4,841	12,600	7,520	5,698	-	-	30,659
Southend Pier								
Southend Pier - Bearing Refurbishment (Phase One)	C10885	919						919
Southend Pier - Condition Works Engineers	C10697	750	1,200	415				2,365
Southend Pier - Condition Works Surveyors	C10918	354	518					872
Southend Pier - Pier Entrance Enhancement	C10887	186						186
Southend Pier - Pier Pavilion Platform Detailed Design (Gateway Review One)	C10884	49						49
Southend Pier - Prince George Extension (Phase Two)	C10905	150		1,000	1,158			2,308
Southend Pier - Replacement of Pier Trains	New		250	3,000				3,250
Southend Pier - Structural Works	New			500				500
Southend Pier - Timber Outer Pier Head	C10886	750	500	2,000	4,742			7,992
Total Southend Pier		3,158	2,468	6,915	5,900	-	-	18,441

Proposed Capital Investment Programme 2018/19 to 2023/24

Appendix 8

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Culture and Tourism								
Belfairs Swim Centre	C10623		42					42
Chase Sports and Fitness Centre - Lighting Fitting Replacement	C10875	54						54
Shoeburyness Leisure Centre – Building Management	C10965	85						85
Southchurch Park Bowls Pavillion	C10739		20					20
Southend Cliffs - Replacement of Handrails	C10881	31						31
Southend Leisure and Tennis Centre - Building Management System (BMS) Control	C10882	47						47
Wheeled Sports Facility Central Southend Area	C10966	25	225					250
Allotments Water Supply Upgrade	C10967	100	110					210
Badger Setts in Priory Park and Sidmouth Park	C10993	70						70
Chalkwell Park and Priory Park Tennis Courts	C10682	30						30
Parks Feasibility and Options Appraisals	C10968	25						25
Playground Gates	C10779		123					123
Replacement and Upgrade of Parks Furniture	C10879	30	30	30				90
Replacement of Play Equipment	C10780	47						47
Shoebury Common Regeneration	C10964	50	250					300
Sidmouth Park - Replacement of Play Equipment	C10880	5	64					69
Southchurch Park Tow Path	C10781	199						199
Forum II – SBC Match Funding to LGF	C10979	500	1,000	13,500	3,950			18,950
Kiosks in Libraries	New		40					40
Library Review	C10624	186						186
Cliffs Pavilion – Auditorium Air Handling Unit	C10969	25	90					115
Cliffs Pavilion – Boiler Flues	C10970	10	115					125
Cliffs Pavilion – Chiller	C10971	5	170					175
Cliffs Pavilion - External Refurbishment works	C10876	56	250					306
Cliffs Pavilion - Power Supply Equipment	New		30	140				170
Joint Theatres and Leisure Centres – Asbestos	C10972	115						115
Palace Theatre - Air Handling Units	C10782	230						230
Palace Theatre Boilers Replacement	C10877	13						13
Palace Theatre - Power Supply Equipment	New		30	140				170
Palace Theatre - Replacement of Asbestos Stage Safety Curtain	C10878	83						83
Central Museum Works	C10867		249					249
Inflatable Planetarium	New		35					35
New Museum - Gateway Review	C10776	1,181						1,181
Prittlewell Prince Research	C10043	38						38
Prittlewell Prince Storage	C10696		35					35
New Artist Studios	C10973	75	800					875
Belton Hills Steps	C10777	1,485						1,485
Energy Improvements in Culture Property Assets	C10565		110					110
Fire Improvement Works	C10974	500	500					1,000
"Make Southend Sparkle" Initiative	C10778	16	10	10	10			46
Property Refurbishment Programme	C10626	750	487					1,237
Pump Priming Budget	C10044	128	90	110				328
Queen Victoria statue - security fence	C10997	25						25
Resorts Services Signage	New	45						45
Resorts Assets	C10883	31						31
Total Culture and Tourism		6,295	4,905	13,930	3,960	-	-	29,090

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Community Safety								
CCTV Equipment Renewal	C10894	133	1,307	1,000				2,440
Security Measures	C10957	100	400					500
Total Community Safety		233	1,707	1,000	-	-	-	2,940
Highways and Infrastructure								
Cliff Slip Investigation Works	C10784	100	153					253
Coastal Defence (Shoebury Common Sea Defence Scheme)	C10011	186	200	3,795				4,181
Improving Resilience of the Borough to Flooding from Extreme Weather Events	C10888	221						221
Manor Road Cliff Stabilisation	C10963	100	225					325
Flood Prevention Works	C10962		-	1,125	1,125			2,250
Carriageways and Footways Improvements	C10786	1,000	2,000	1,000	1,000			5,000
Cinder Path	C10115	100						100
Highways Maintenance - Potholes	C10588	763	65	65				893
Improve Footway Condition Around Highway Trees	C10953	150	200					350
Improved Car Park Signage and Guidance Systems	C10890	329	25					354
Town Centre Redevelopment Improvements - Highways (NPIF)	C10889	615	1,235					1,850
Traffic Signs Upgrade	New		100	100	100	100	100	500
Prittlebrook Greenway - Undermining	C10923	75						75
Southend Highway Flood Reduction and Resilience Improvement Scheme	C10921	565						565
Car Park Improvements	New		100	100	100	100	100	500
Coach Parking	C10954	250						250
Parking Strategy	C10955	200						200
LTP (Integrated Transport block) - Bridge Strengthening	C10512	306	575	300				1,181
LTP (Integrated Transport block) - Better Sustainable Transport	C10384	533	400	400				1,333
LTP (Integrated Transport block) - Better Networks	C10671	639	400	400				1,439
LTP (Integrated Transport block) - Traffic Management Schemes	C10513	400	400	400				1,200
LTP (Integrated Transport block) - Traffic Control Systems	C10470	316	201	201				718
LTP - Maintenance	C10076	1,006	696	671				2,373
LTP - Maintenance - Street Lighting	C10708	150	150	150				450
Local Growth Fund - A127 Growth Corridor	C10699	1,872	4,100	6,317				12,289
Local Growth Fund - Southend Central Area Action Plan (SCAAP) Growth Point (Transport)	C10702	976	2,000	2,000				4,976
A127 Junction Improvements	C10553	397						397
HCA Progress Road	C10254	18						18
Southend Transport Model	C10058	40	525	325	95	95	95	1,175
Travel Centre - Bus Service Provision in the Town Centre	C10892	46						46
Total Highways and Infrastructure		11,353	13,750	17,349	2,420	295	295	45,462

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
Works to Property								
62 Avenue Road - demolition	C10922	5	44					49
Belfairs Park Restaurant/Golf Club Preventative Works	C10959	190						190
Civic Campus - Efficient Use of Space	New		200	150	150			500
Civic East Car Park Redevelopment	C10748	8	42		4,790			4,840
Commercial Property Investment	C10749	300	-	-				300
Conduit repointing and refurbishment	C11010	5						5
Darlows Green former WCs demolition	C10919	40						40
Demolition of Public WCs at Pitmans Close	C11009	30						30
East Beach Café Project	C10644		32					32
Herbert Grove Security	C10854	8						8
Land Acquisition Works	C10913				1,867			1,867
Library Car Park Reconstruction and Enhancement	C10750	50		4,083	1,775			5,908
New Beach Huts Phase 2	C10631	6						6
Pier Arches External Landlord Works	C11003	93						93
Pier Arches toilets - waterproofing solution	C10734	30						30
Porters Civic House and Cottage	C10571	5						5
Priory House EPH Fire Alarms	C10977	32						32
Ropers Farm Cottages - water supply	C10840	5						5
Seaways Development Enabling Works	C10643	4						4
Seaways - HCA Condition Funding	C10656		170					170
SMAC Eastern Esplanade Slipway	C11000	27						27
Working Environment	C11001	50						50
Urgent Works To Property	C10181	16						16
Cemetery - Ride on Mower	New			30				30
Crematorium Drives and Car Park Resurfacing	New		10	60				70
Crematorium - Urgent Structural Repairs to Chimney	New		500					500
Essential Crematorium/Cemetery Equipment	C10572	17						17
Pergola Walk Memorial Scheme	C10755	7						7
Replacement Boiler at Southend Crematorium	C10866	1	129					130
Civic Centre Boilers	C10980	245	300	1,000				1,545
Public Toilet Provision	New		40	660				700
Replacement of Coffin Charger	C11011	23	-					23
Sutton Road Cemetery Road Repairs	New			40				40
Priority Works	C10121	92	502	490				1,084
Total Works to Property		1,289	1,969	6,513	8,582	-	-	18,353
Energy Saving								
Beecroft - Theatre Lighting and Draughtproofing	C10996	8						8
Civic Centre CHP/Lifts Feasibility	C10930	5						5
Civic Centre Lifts Regeneration	C10931	33						33
Energy Efficiency Projects	C10788	32	200	250	277			759
Old Beecroft Ground Source Heat Pump Feasibility	C10932	15						15
Pier Energy Efficiency Scheme	C10933	58						58
Real Time Air Quality Measurement - Feasibility	C10958	10	65					75
Solar PV Projects	C10789	500	457					957
Schools and Council Buildings Solar PV	C10740	23	123	100	100			346
Two Tree Island Contamination Study	C10995	30						30
Total Energy Saving		714	845	350	377	-	-	2,286

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
ICT								
Channel Shift	C10757	493						493
DEFRA Inspire III	C10640	4						4
Disaster Recovery Relocation	New	55						55
Extending WiFi in Council Premises	C11002	40	70					110
HR Recruitment Contract Implementation	C10994	150						150
N3 Connectivity in Civic Building	C10767	146	85					231
ICT - Core Application and Database Migration	C10895		71					71
ICT - Childrens and Adults Social Care - Development of the Liquid Logic Case Management System	C10637	1,010						1,010
ICT - Central Government IT Security Compliance	C10898	139						139
ICT – Cyber Security/Public Services Network	C10950	40	40	40				120
ICT - Southend Operation Centre	C10904	78	400					478
ICT - Digitally Enable the Council Offices	C10897	19						19
ICT Enterprise Agreement	C10636	329	345					674
ICT – Health and Social Care – GovRoam	C10951	20						20
ICT - Phones Migration and Re-Tender	C10900	247						247
ICT Rolling Replacement Programme	C10576	259	250					509
ICT - Southend Network Monitoring Equipment	C10901	19						19
ICT – Wide Area Network Enhancements	C10952	120						120
Mobile Device End Point Protection Replacement	C10768	90						90
Northgate - Revenues and Benefits application	C11004	50						50
Place - Culture and Enterprise and Tourism - EPOS System	C10758	26						26
Remote Working Enhancements	New		50					50
Replacement and Enhancement to Cash Receipting System	C10578	238						238
Software Licencing	C10426	400	400					800
IoT Smart City Delivery	C10580	101	233					334
Total ICT		4,073	1,944	40	-	-	-	6,057
S106/S38/CIL								
S106 3 Acacia Drive 1401434FULM - affordable housing	C10857		177					177
S106 Essex House 1600116DOV - affordable housing	C10852		320					320
S106 3-5 High Street 1501496AMDT - affordable housing	C10915	196						196
S106 845-849 London Rd 1601030AMDT – affordable housing	C10946	143						143
S106 St Hildas 1700530AMDT - affordable housing	C10934	11						11
S106 32-36 Valkyrie Rd 1700893DOV5 - affordable housing	C10926	218						218
S106 23/04/2015 Hinguar and Saxon - public art contribution	C10845	18						18
S106 Ajax Works 0300130ful - landscaping maintenance	C10199	6						6
S106 Albany Court 1500369AMDT - public art contribution	C10846	25						25
S106 Avenue Works 1401968AMDT - Public Art	C10801		15					15
S106 Former Balmoral 1400914FULM – public art contribution	C10861	1						1
S106 Bellway Prittlebrook 1400943FULM - Local play facilities	C10804	15						15
S106 Former College 1000225FUL - Tree Replacement	C10207	11						11
S106 Garrison 0000777 Deposit - information boards	C10811	2						2
S106 Garrison 0000777 Deposit - Junior Play Area maintenance	C10812	10						10
S106 Garrison 0000777 Deposit - Toddler Play Area maintenance	C10815	6						6
S106 Garrison Park Store	C10188	1						1

Proposed Capital Investment Programme 2018/19 to 2023/24

Appendix 8

Scheme	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
S106 Lifstan Way 0000273 Out - Open Space Maintenance	C10269	81						81
S106 North Shoebury Road 0301504out - Public Art	C10819	62						62
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	C10205	45						45
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	C10820	35	35	35	171			276
S106 Sunlight Ldry 1400411FULM - Public Art	C10821	13						13
S106 22-23 The Leas 0700820FULM - bus service contribution	C10832		43					43
S106 Essex House 1500521FULM - bus stop improvement	C10793		3					3
S106 Former College 1500803BC4M - parking survey contribution	C10893	10						10
S106 Avenue Works 1401968AMDT - cycleway improvement	C10727	1						1
S106 Bellway Prittlebrook 1400943FULM - TRO Contribution	C10808	4						4
S106 High Works Shoe Garrison	C10213	2						2
S106 Albany Court 1500369AMDT - signage contribution	C10842	10						10
S106 Hinguar 1401672BC4M - highway contribution	C10851	5						5
S106 North Road and Salisbury Ave 1200056 - Highway Works Contribution	C10816	2						2
S106 Sunlight Ldry 1400411FULM - Highway Works	C10686	2						2
S106 Texsol Kenway 1500468FULM - highway	C10849	2						2
S106 Texsol Kenway 1500468FULM – public realm contribution	C10858	14						14
S106 Seec 0200500ful - Highway Works	C10073	104						104
S106 Univ H-Way0401561ful	C10196	13						13
S38/S278 Airport 0901960 Fulm	C10275	14	65					79
S38 Bellway Homes 14/00943/fulm	C10746	4	74					78
S38 Old Hinguar School	C10859	4						4
S78 Bellway Homes 14/00943/fulm	C10730	2	8					10
S38 Fossetts Farm Bridleway	C10193	20	28					48
S38 Garrison NBP Road Supp Fee	C10267	3	5					8
S38 Inspection Magazine Rd	C10190	5						5
CIL Ward NA – Chalkwell – Landscaping on Chalkwell	C10936	2						2
CIL Ward NA – Kursaal – Annual community event at Southchurch Hall	C10937	1						1
CIL Ward NA – Milton – Milton Park improvements	C10938	5						5
CIL Ward NA – Milton – Street signs	C10939	2						2
CIL Ward NA – Milton – Park Street replacement bollards	C10940	3						3
CIL Ward NA – St Lukes – Cluny Sq Park improvements (5 a side goals/seating)	C10942	1						1
S106 Garrison 0000777 Depost - CCTV	C10810	1						1
Total S106/S38/CIL		1,135	773	35	171	-	-	2,114
TOTAL CAPITAL INVESTMENT PROGRAMME		57,680	66,874	62,098	34,285	6,855	6,855	234,647

Proposed Capital Investment Programme 2018/19 to 2023/24 - Schemes subject to external funding approval/viable business cases

General Fund Schemes Subject to External Funding Approval	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
A127 Bell Junction Improvements	C10699			2,150				2,150
Cart and Wagon Shed	New		200	650				850
TOTAL SCHEMES SUBJECT TO EXTERNAL FUNDING APPROVAL		-	200	2,800	-	-	-	3,000

General Fund Schemes Subject to Viable Business Cases	Project code	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	Total Budget (all years) £000
LATC - Delaware and Priory	C10621		9,219	2,362				11,581
ICT - Southend Operations Centre	C10904		1,000	1,000				2,000
Cliffs Pavilion - External Refurbishment Works	C10876		100	900				1,000
Southend Pier - Pavilion Platform Technical Design (Gateway Review Two) and Construction	New		500	7,000	3,000			10,500
SCHEMES SUBJECT TO VIABLE BUSINESS CASES		-	10,819	11,262	3,000	-	-	25,081
Commercial Property Investment	C10749							23,478
TOTAL SCHEMES SUBJECT TO VIABLE BUSINESS CASES:								48,559

Proposed Capital Investment Programme 2018/19 to 2023/24 - Total

	Total Budget (all years) £000
TOTAL CAPITAL INVESTMENT PROGRAMME (ASSUMING ALL SCHEMES SUBJECT TO EXTERNAL FUNDING /VIABLE BUSINESS CASES ARE APPROVED)	286,206

Scheme	Pride and Joy	Safe and Well	Active and Involved	Opportunity and Prosperity	Connected and Smart
General Fund Housing					
Disabled Facilities Grant		✓			
Empty Dwelling Management		✓			
PSH Works in Default - Enforcement Work		✓			
Private Sector Renewal		✓			
Council Housing and New Build Programme					
Bathroom Refurbishment		✓			
Central Heating		✓			
Common Areas Improvement		✓			
Environmental - H&S works		✓			
Kitchen Refurbishments		✓			
Rewiring		✓			
Roofs		✓			
Windows and Doors		✓			
Future Programme (MRA & Decent Homes)		✓			
HRA Disabled Adaptations - Major Adaptations		✓			
HRA Disabled Adaptations - Minor Adaptations		✓			
Sheltered Housing DDA works		✓			
S106 HRA Land Review		✓			
Construction of New Housing on HRA Land		✓			
Acquisition of leasehold property		✓			
Acquisition of tower block leaseholds - Queensway		✓			
Social Care					
Community Capacity			✓		
Dementia Friendly Environments		✓			
Children's Residential Care Provision		✓			
SEND Module and Integration with Liquid Logic					✓
Learning Management System					✓
Mental Health Funding Stream		✓			
Transforming Care Housing		✓			
LATC - Delaware and Priory		✓			

Scheme	Pride and Joy	Safe and Well	Active and Involved	Opportunity and Prosperity	Connected and Smart
Schools					
AHDC Short Breaks for Disabled Children		✓			
Healthy School Capital Funding				✓	
Adult Community College rainwater goods				✓	
Chalkwell Infants Main Building Windows				✓	
Chalkwell Hall Infants replace relocatables (SBC 50%)				✓	
Chalkwell Hall Infants Energy Project		✓			
Chalkwell Hall Juniors roofs				✓	
Children's Centre - Lanlords Maintenance				✓	
Earls Hall Primary heating				✓	
Eastwood Primary roof				✓	
Fairways Primary Boiler				✓	
Fairways Primary roof				✓	
Fairways Primary curtain walling				✓	
Friars Fire Systems Replacement				✓	
Future condition projects				✓	
Futures Heating and Pipe Ducts				✓	
Leigh North Street boiler				✓	
West Leigh Infant Boiler				✓	
Devolved Formula Capital				✓	
Frars Primary School				✓	
Temple Sutton - Early Years				✓	
Expansion of 2 yr old Childcare Places				✓	
School Improvement and Provision of School Places				✓	
Special Provisiion Capital Fund				✓	
Enterprise and Regeneration					
Airport Business Park (including Local Growth Fund)				✓	
City Deal - Incubation Centre				✓	
Better Queensway - Regeneration				✓	
Housing Infrastructure Feasibility				✓	
Southend Pier					
Southend Pier - Bearing Refurbishment (Phase One)	✓				
Southend Pier - Condition Works Engineers	✓				
Southend Pier - Condition Works Surveyors	✓				
Southend Pier - Pier Entrance Enhancement	✓				
Southend Pier - Pier Pavilion Platform Detailed Design (Gateway Review One)	✓				
Southend Pier - Pavilion Platform Technical Design (Gateway Review Two) and Construction	✓				
Southend Pier - Prince George Extension (Phase Two)	✓				
Southend Pier - Replacement of Pier Trains	✓				
Southend Pier - Structural Works	✓				
Southend Pier - Timber Outer Pier Head	✓				

Scheme	Pride and Joy	Safe and Well	Active and Involved	Opportunity and Prosperity	Connected and Smart
Culture and Tourism					
Belfairs Swim Centre	✓				
Chase Sports and Fitness Centre - Lighting Fitting Replacement		✓			
Shoeburyness Leisure Centre – Building Management		✓			
Southchurch Park Bowls Pavillion	✓				
Southend Cliffs - Replacement of Handrails	✓				
Southend Leisure and Tennis Centre - Building Management System (BMS) Control		✓			
Wheeled Sports Facility Central Southend Area			✓		
Allotments Water Supply Upgrade		✓			
Badger Setts in Priory Park and Sidmouth Park	✓				
Chalkwell Park and Priory Park Tennis Courts	✓				
Parks Feasibility and Options Appraisals	✓				
Playground Gates		✓			
Replacement and Upgrade of Parks Furniture	✓				
Replacement of Play Equipment	✓				
Shoebury Common Regeneration				✓	
Sidmouth Park - Replacement of Play Equipment	✓				
Southchurch Park Tow Path	✓				
Forum II – SBC Match Funding to LGF	✓				
Kiosks in Libraries	✓				
Library Review	✓				
Cliffs Pavilion – Auditorium Air Handling Unit		✓			
Cliffs Pavilion – Boiler Flues		✓			
Cliffs Pavilion – Chiller		✓			
Cliffs Pavilion - External Refurbishment works	✓				
Cliffs Pavilion - Power Supply Equipment		✓			
Joint Theatres and Leisure Centres – Asbestos		✓			
Palace Theatre - Air Handling Units		✓			
Palace Theatre Boilers Replacement		✓			
Palace Theatre - Replacement of Asbestos Stage Safety Curtain		✓			
Palace Theatre - Power Supply Equipment		✓			
Central Museum Works	✓				
Inflatable Planetarium	✓				
New Museum - Gateway Review	✓				
Prittlewell Prince Research	✓				
Prittlewell Prince Storage	✓				

Scheme	Pride and Joy	Safe and Well	Active and Involved	Opportunity and Prosperity	Connected and Smart
New Artist Studios	✓		✓		
Cart and Wagon Shed					
Belton Hills Steps	✓				
Energy Improvements in Culture Property Assets		✓			
Fire Improvement Works		✓			
"Make Southend Sparkle" Initiative	✓				
Property Refurbishment Programme	✓				
Pump Priming Budget	✓				
Queen Victoria statue - security fence	✓				
Resorts Services Signage					✓
Resorts Assets	✓				
Community Safety					
CCTV Equipment Renewal		✓			
Security Measures		✓			
Highways and Infrastructure					
Cliff Slip Investigation Works		✓			
Coastal Defence (Shoebury Common Sea Defence Scheme)	✓				
Improving Resilience of the Borough to Flooding from Extreme Weather Events		✓			
Manor Road Cliff Stabilisation		✓			
Flood Prevention Works		✓			
Carriageways and Footways Improvements					✓
Cinder Path					✓
Highways Maintenance - Potholes					✓
Improve Footway Condition Around Highway Trees					✓
Car Park Improvements					✓
Improved Car Park Signage and Guidance Systems					✓
Town Centre Redevelopment Improvements - Highways (NPIF)					✓
Prittlebrook Greenway - Undermining					✓
Southend Highway Flood Reduction and Resilience Improvement Scheme					✓
Coach Parking					✓
Parking Strategy					✓
LTP (Integrated Transport block) - Bridge Strengthening					✓
LTP (Integrated Transport block) - Better Sustainable Transport					✓
LTP (Integrated Transport block) - Better Networks					✓
LTP (Integrated Transport block) - Traffic Management Schemes					✓
LTP (Integrated Transport block) - Traffic Control Systems					✓
LTP - Maintenance					✓
LTP - Maintenance - Street Lighting					✓
Local Growth Fund - A127 Growth Corridor					✓
Local Growth Fund - Southend Central Area Action Plan (SCAAP) Growth Point (Transport)					✓
A127 Junction Improvements					✓
HCA Progress Road					✓
Southend Transport Model					✓
Traffic Signs Upgrade					✓
Travel Centre - Bus Service Provision in the Town Centre					✓

Scheme	Pride and Joy	Safe and Well	Active and Involved	Opportunity and Prosperity	Connected and Smart
Works to Property					
62 Avenue Road - demolition		✓			
Belfairs Park Restaurant/Golf Club Preventative Works	✓				
Civic Campus - Efficient use of Space					✓
Civic East Car Park Redevelopment		✓			
Commercial Property Investment				✓	
Conduit repointing and refurbishment		✓			
Darlows Green former WCs demolition		✓			
Demolition of Public WCs at Pitmans Close		✓			
East Beach Café Project	✓				
Herbert Grove Security		✓			
Land Acquisition Works				✓	
Library Car Park Reconstruction and Enhancement					✓
New Beach Huts Phase 2	✓				
Pier Arches External Landlord Works		✓			
Pier Arches toilets - waterproofing solution		✓			
Porters Civic House and Cottage	✓				
Porters House EPH Fire Alarms		✓			
Public Toilet Provision		✓			
Ropers Farm Cottages - water supply		✓			
Seaways Development Enabling Works				✓	
Seaways - HCA Condition Funding				✓	
SMAC Eastern Esplanade Slipway	✓				
Working Environment		✓			
Urgent Works To Property		✓			
Cemetery - Ride on Mower		✓			
Essential Crematorium/Cemetery Equipment		✓			
Crematorium Drives and Car Park Resurfacing		✓			
Crematorium - Urgent Structural Repairs to Chimney		✓			
Pergola Walk Memorial Scheme	✓				
Replacement Boiler at Southend Crematorium		✓			
Civic Centre Boilers		✓			
Replacement of Coffin Charger		✓			
Sutton Road Cemetery Road Repairs		✓			
Priority Works		✓			
Energy Saving					
Beecroft - Theatre Lighting and Draughtproofing		✓			
Civic Centre CHP/Lifts Feasibility		✓			
Civic Centre Lifts Regeneration		✓			
Energy Efficiency Projects		✓			
Old Beecroft Ground Source Heat Pump Feasibility		✓			
Pier Energy Efficiency Scheme		✓			
Real Time Air Quality Measurement - Feasibility		✓			
Solar PV Projects		✓			
Schools and Council Buildings Solar PV		✓			
Two Tree Island Contamination Study		✓			

Scheme	Pride and Joy	Safe and Well	Active and Involved	Opportunity and Prosperity	Connected and Smart
ICT					
Channel Shift					✓
DEFRA Inspire III					✓
Disaster Recovery Relocation					✓
Extending WiFi in Council Premises					✓
HR Recruitment Contract Implementation					✓
N3 Connectivity in Civic Building					✓
ICT - Core Application and Database Migration					✓
ICT - Childrens and Adults Social Care - Development of the Liquid Logic Case Management System					✓
ICT - Central Government IT Security Compliance					✓
ICT – Cyber Security/Public Services Network					✓
ICT - Southend Operation Centre					✓
ICT - Digitally Enable the Council Offices					✓
ICT Enterprise Agreement					✓
ICT – Health and Social Care – GovRoam					✓
ICT - Phones Migration and Re-Tender					✓
ICT Rolling Replacement Programme					✓
ICT - Southend Network Monitoring Equipment					✓
ICT – Wide Area Network Enhancements					✓
Mobile Device End Point Protection Replacement					✓
Northgate - Revenues and Benefits application					✓
Place - Culture and Enterprise and Tourism - EPOS System					✓
Remote Working Enhancements					✓
Replacement and Enhancement to Cash Receipting System					✓
Software Licencing					✓
IoT Smart City Delivery					✓
S106/S38/CIL					
S106 3 Acacia Drive 1401434FULM - affordable housing		✓			
S106 Essex House 1600116DOV - affordable housing		✓			
S106 3-5 High Street 1501496AMDT - affordable housing		✓			
S106 845-849 London Rd 1601030AMDT – affordable housing		✓			
S106 St Hildas 1700530AMDT - affordable housing		✓			
S106 32-36 Valkyrie Rd 1700893DOV5 - affordable housing		✓			
S106 23/04/2015 Hinguar and Saxon - public art contribution	✓				
S106 Ajax Works 0300130ful - landscaping maintenance	✓				
S106 Albany Court 1500369AMDT - public art contribution	✓				
S106 Avenue Works 1401968AMDT - Public Art	✓				
S106 Former Balmoral 1400914FULM – public art contribution	✓				
S106 Bellway Prittlebrook 1400943FULM - Local play facilities	✓				
S106 Former College 1000225FUL - Tree Replacement	✓				
S106 Garrison 0000777 Deposit - information boards					✓
S106 Garrison 0000777 Deposit - Junior Play Area maintenance		✓			
S106 Garrison 0000777 Deposit - Toddler Play Area maintenance		✓			
S106 Garrison Park Store	✓				

Scheme	Pride and Joy	Safe and Well	Active and Involved	Opportunity and Prosperity	Connected and Smart
S106 Lifstan Way 0000273 Out - Open Space Maintenance	✓				
S106 North Shoebury Road 0301504out - Public Art	✓				
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	✓				
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	✓				
S106 Sunlight Ldry 1400411FULM - Public Art	✓				
S106 22-23 The Leas 0700820FULM - bus service contribution					✓
S106 Essex House 1500521FULM - bus stop improvement					✓
S106 Former College 1500803BC4M - parking survey contribution					✓
S106 Avenue Works 1401968AMDT - cycleway improvement					✓
S106 Bellway Prittlebrook 1400943FULM - TRO Contribution					✓
S106 High Works Shoe Garrison					✓
S106 Albany Court 1500369AMDT - signage contribution					✓
S106 Hinguar 1401672BC4M - highway contribution					✓
S106 North Road and Salisbury Ave 1200056 - Highway Works Contribution					✓
S106 Sunlight Ldry 1400411FULM - Highway Works					✓
S106 Teksol Kenway 1500468FULM - highway					✓
S106 Teksol Kenway 1500468FULM – public realm contribution	✓				
S106 Seec 0200500ful - Highway Works					✓
S106 Univ H-Way0401561ful					✓
S38/S278 Airport 0901960 Fulm					✓
S38 Bellway Homes 14/00943/fulm		✓			
S38 Old Hinguar School				✓	
S78 Bellway Homes 14/00943/fulm		✓			
S38 Fossetts Farm Bridleway					✓
S38 Garrison NBP Road Supp Fee					✓
S38 Inspection Magazine Rd					✓
CIL Ward NA – Chalkwell – Landscaping on Chalkwell	✓				
CIL Ward NA – Kursaal – Annual community event at Southchurch Hall			✓		
CIL Ward NA – Milton – Milton Park improvements	✓				
CIL Ward NA – Milton – Street signs					✓
CIL Ward NA – Milton – Park Street replacement bollards					✓
CIL Ward NA – St Lukes – Cluny Sq Park improvements (5 a side goals/seating)	✓				
S106 Garrison 0000777 Depost - CCTV		✓			

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Southend-on-Sea Borough Council

Report of Corporate Management Team
To
Cabinet
On
17 January 2019

Agenda
Item No.

11

Report prepared by: Joe Chesterton
Strategic Director (Finance & Resources)

Draft General Fund Revenue Budget 2019/20
All Scrutiny Committees – Cabinet Member: Councillor John Lamb
Part 1 (Public Agenda Item)

1. Purpose of Report

1.1. To present for consideration a 2019/20 draft revenue budget.

2. Recommendations

That Cabinet;

- 2.1. Endorse the 2019/20 draft revenue budget and any required commencement of consultation, statutory or otherwise;**
- 2.2. Note that the 2019/20 draft revenue budget has been prepared on the basis of a Council Tax increase of 4.49%, being 2.99% for general use and 1.5% for Adult Social Care;**
- 2.3. Note that the 2019/20 draft revenue budget has been prepared using the provisional local government finance settlement and that the outcome from the final settlement will need to be factored into the final budget proposals for Budget Cabinet and Budget Council;**
- 2.4. Refer the 2019/20 draft revenue budget, as approved, for the views of all Scrutiny Committees, Business sector and Voluntary sector to inform Budget Cabinet, which will then recommend the Budget and Council Tax to Budget Council;**
- 2.5. Note the Schools budget position and that the recommendations for the Education Board on 22 January 2019, as set out in Appendices 11 and 11(i) are referred to People Scrutiny Committee and then to Budget Cabinet and Budget Council;**
- 2.6. Endorse the direction of travel for 2020/21 and beyond and noting the need for the organisation to move to a longer term and outcome based budgeting approach (Section 15).**

3. Council Budget Process

- 3.1. The Council must set its revenue budget and Council Tax by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax at Budget Council on 21 February, Members should be aware that it is unlikely that the Council Tax bills could be sent out on time for the 1 April instalment (taking into account the necessary notice period and the time required to print the bills and accompanying leaflet).
- 3.2. It is also good practice to approve the capital investment programme and fees and charges at the same time as the revenue budget and a capital report elsewhere on this agenda deals with the capital investment aspects of the budget. For Fees & Charges they are dealt with in this report. It should be noted that the revenue impact of both reports have been factored into the 2019/20 draft revenue budget proposed in this report.
- 3.3. The Housing Revenue Account (HRA) budget also needs to be agreed in a timely manner to ensure rent reviews can be reflected from 1 April of each year, and so a report on this can also be found elsewhere on this agenda.
- 3.4. The high level decision-making timetable is shown below:

Education Board	18 December 2018 & 22 January 2019 (virtual board)
Cabinet approves draft budget proposals for consideration by Scrutiny Committees, Business and Voluntary sectors	17 January 2019
Cabinet approval (delegated from Council) for the 2019/20 Council Tax base of 58,424.44 equivalent Band D properties	17 January 2019
Scrutiny and Consultation Scrutiny Committees:- - Place - People - Policy & Resources	28 January 2019 29 January 2019 30 January 2019
Business and Voluntary sector consultation	17 January 2019

Precept announcements Leigh-on-Sea Town Council Essex Police and Fire & Rescue Services	22 January 2019 Essex Police, Fire and Crime Panel 24 January 2019 and the Commissioner by 1 March 2019
Cabinet recommends the Revenue Budget, Council Tax, Capital Investment Programme and HRA to Council	12 February 2019
Council approves the revenue and capital budget, Council Tax and HRA	21 February 2019

- 3.5. This report presents the draft General Fund revenue budget for 2019/20 for reference to the Scrutiny Committees and as the basis for consultation with the business and voluntary sectors.
- 3.6. A fuller report including the updated five year Medium Term Financial Strategy and the statutory statement by the Chief Finance Officer on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003, will be presented to the Budget Cabinet at its meeting on 12 February 2019 and to Budget Council at its meeting on 21 February 2019.

4. Government Funding – Grant and Finance Settlement

- 4.1 Government funding of its main revenue support grant is now the third ranked provider of funding for the Council’s total general fund budget (excluding schools) after Council Tax and Business Rates. As such it represents a vastly reducing factor in determining the Council’s revenue budget. The provisional Local Government Finance Settlement for 2019/20 was issued by the Ministry of Housing, Communities and Local Government (MHCLG) on 13 December 2018 and this represents the last year of the Government’s current spending plans. There is a spending review due in 2019 that will inform future years but the timing is dependent upon the Brexit outcome.
- 4.2 The latest Finance Settlement maintains the key changes in the way that Local Government is now financed, which were introduced in April 2013. The settlement provides authorities with a combination of provisional Revenue Support Grant (RSG) allocation and confirmation of Business Rates top up grant.
- 4.3 The Adult Social Care precept is confirmed to continue, subject to the increase in the precept not exceeding the maximum 6% increase allowed over the three years 2017/18 to 2019/20, (in addition to the 2% previously allowed in 2016/17), and that it can be applied in any of the three years as long as the precept did not exceed an additional 3% in 2017/18 and 2018/19 and an additional 2% in 2019/20.

4.4 The key points arising from the provisional settlement for Southend-on-Sea Borough Council are:

- (i) The provisional Settlement Funding Assessment (SFA) (a combination of actual RSG and estimated business rates income) for 2019/20 is £40.654 million. This compares to a SFA of £44.269 million in respect of 2018/19 (a year on year reduction of £3.615 million and equivalent to an 8.2% reduction). At the start of the last spending review period, SFA was £56.639 million. It has therefore fallen £12.985 million, equivalent to 24.2% over the four year period;
- (ii) The RSG element for 2019/20 within the provisional SFA is £5.925 million. This compares to a RSG of £10.318 million in respect of 2018/19 (a year on year reduction of £4.393 million and equivalent to a 42.6% reduction). At the start of the last spending review period, RSG was £21.338 million. It has therefore fallen £15.413 million, equivalent to 72.2% over the four year period;
- (iii) The settlement provides indicative figures only for 2019/20;
- (iv) Some capital and specific grants are provisional and yet to be announced in full;
- (v) As last year there is no Council Tax freeze grant offered by the Government this year;
- (vi) The 2019/20 referendum limit for Council Tax increases has been announced at a level of 6%, being 3% for expenditure on adult social care and 3% for other expenditure, subject to the cumulative increase in adult social care not exceeding 6% over the three year period 2017/18 to 2019/20. The Council Tax increases proposed by this report do not breach the referendum limit;
- (vii) A Government consultation has been announced that seeks views on the approach to measuring the relative needs and resources of local authorities, which will determine new baseline funding allocations for local authorities in England in 2020-21. The consultation closes 21 February 2019. The results of the review are due to be introduced in 2020/21 to coincide with the move to 75% Business Rates Retention in the same year;
- (viii) For 2019/20, funding to support social care and benefit health is being continued through the Better Care Fund (BCF); a pooled budget between the Council and Southend Clinical Commissioning Group (CCG). The actual arrangements and allocations have yet to be announced but for planning purposes the Council's share of the BCF for 2019/20 is expected to be no less than £5.859 million for revenue services plus £1.406 million for disabled facility grants;

- (ix) In addition, as announced in the 2015 Spending Review, the Council is also due to receive the next tranche of a new “improved” BCF directly through a S31 grant to further assist with the inherent pressures in adult social care. The indicative sum for 2019/20 is £6.744 million, an increase of £1.315 million from 2018/19;
- (x) In addition to the increase in Adult Social Care Precept and Better Care Fund resources, the Government have confirmed a one-off social care support grant for 2019/20 of £2,231,667, of which £824,000 must be spent on adult social care through the Better Care Fund regime, with the remaining £1,407,667 being available to address wider social care pressures, including Children’s;
- (xi) Non-domestic rates are set nationally by the Government and collected locally by Councils (billing authorities). Under the current arrangements for the localisation of business rates a sum of 50% is returned to Government who then reappportion this sum back to Local Government as part of their main grant settlement. The remaining 50% is retained 49% by the Council and 1% is distributed to the Essex Fire Authority. The Council’s actual income from business rates is therefore dependent upon the performance of the local economy, the success of any rating appeals and collection rates. The Police Authority receive their funding separately. The provisional small business non-domestic rates multiplier has been set at 49.1p (2018/19=48.0p) with the associated non-domestic multiplier has been set at 50.4p (2018/19=49.3p);
- (xii) The Government has also issued a further consultation paper on their intention of moving to 75% business rates retention for Councils for 2020/21. The stated aim is that this is done in a revenue neutral manner for the sector as a whole, although how this is to be done is still to be fully exemplified;
- (xiii) The Public Health service grant allocation for 2019/20 has been notified as £9.212 million (a reduction of £0.250 million on 2018/19, equivalent to a 2.64% reduction);
- (xiv) The consultation on the provisional finance settlement ended on 10 January 2019. The actual timing of the final announcement has yet to be announced, but would normally follow shortly after the consultation period has ended. A verbal update will be given to Cabinet on any further information surrounding the final finance settlement and any implication on the setting of the Budget.

5. Government Funding – Dedicated Schools Grant (DSG)

- 5.1 The Dedicated Schools Grant (DSG) was introduced in 2006/07, as a 100% specific grant to fund the Schools Budget. It excludes post-16 funding (with the exception of Special Educational Needs) and other specific education grants such as pupil premium.

5.2 2019/20 is the second year, of the Government's National Funding Formula (NFF) as the methodology for distributing national resources down to each education authority. That methodology saw the introduction of a four block model.

- Schools Block
- High Needs Block
- Early Years Block
- Central School Services Block

5.3 The 2019/20 DSG allocation is released in late December, the Schools block and Central block is set and based on information incorporating through the previous October schools census. The Early Years allocation is an estimate, as this is ultimately based on actual participation rather than a fixed budgetary amount, funding is therefore adjusted using both the January 2019 and January 2020 early years census. The High Needs block is also provisional (although not expected to change materially), and will be updated in July 2019, once the import and export adjustment is processed which relates to place funding adjustments for home authority pupils placed in another local authority's area.

5.4 The current estimated total DSG for 2019/20 is £150.2 million (latest allocation for 2018/19 = stands at £147.7 million). In practice the final DSG awarded to the local authority will exclude funding for Academies, and High Need place funding for both colleges and further education providers, and free special schools, as this is awarded directly to them from the Education and Skills Funding Agency. Therefore the final estimated allocation expected to be awarded to the local authority is £46.9 million, after considering these estimated deductions of £103.3 million.

6. **Dedicated School Grant Budget**

6.1 The DSG Budget consists of delegated funding to schools and early years providers, the funding of some central services, and the funding related to individual children such as for children with special educational needs (SEN) also known as 'High Needs'.

6.2 The Schools Budget is funded from the DSG. In addition, funding for post 16 students in schools is received from the Education Funding Agency.

6.3 The Department for Education (DfE) announced on 17 December 2018 the funding details for 2019/20 which are summarised below:

Block	Amount (£'s)	Detail
Schools Block	119,089,568	Allowing for 15,075 primary pupils at £3,958.23 per pupil and 10,899 secondary pupils at £5,254.47 per pupil, plus growth, premises and mobility funding
Early Years Block (Provisional)	9,955,046	Allowing for 2,739 PTE* 3 – 4 year old children @ £4.40 per hour universal entitlement, 660 PTE 3 – 4 year old children @ £4.40 per hour extended entitlement and 422 PTE 2 year old children @ £5.24 per hour PTE* assumes all children access the full 15hrs per week support over 38 weeks in the year
High Needs Block (Provisional)	19,415,963	Includes special school and further education place funding, educational top up funding for ages 2 up to 25 (in some circumstances). Alternative provision funding, hospital education funding, and support for wider SEND services.
Central Schools Services Block	1,747,728	Includes Education Support Grant and historic funding for Council support to education through schools admissions, school improvement, children's partnership and early help
Total DSG 2019/20	150,208,305	

- 6.4 The Department for Education has included a minimum funding increase of 0.5% in pupil led (i.e. ignoring premises related expenditure) funding within the settlement, together with a minimum per pupil amount of funding of £3,500 / £4,800 for primary / secondary schools respectively.
- 6.6 Although the total quantum of DSG is now calculated by a national formula, that indicates the amount of funding the DSG should receive, it currently remains a local decision as to how each block of funding is allocated. Education Board (covering School Forum matters) met on 18 December 2018, and confirmed that it wishes, for mainstream school allocations to continue with the implementation of the NFF locally, and agreed to set using the NFF rates now in full.
- 6.7 Decisions on the allocation of the DSG are effectively made by the Education Board (covering School Forum matters), although their recommendations still need to be confirmed by the Council. The Education Board met on 18 December 2018 and approved the principles upon which DSG resources would be allocated, and are meeting again on 22 January 2019 (virtual meeting) to consider the DSG Budget and determine required allocation to the individual mainstream schools

following the receipt of the DfE allocations. Subject to Cabinet approval, budget allocations to schools will be determined by the recommendations from the Board.

- 6.7 In addition to funding from the DSG, schools will receive Pupil Premium grant, which will provide £1,320 / £935 of funding per primary / secondary pupil who have been registered for free school meals in any of the past 6 years. These rates are unchanged from 2018/19. Based on estimates the total Pupil Premium will provide is an additional £7.9 million for schools in Southend-on-Sea (both Maintained and Academy schools).
- 6.8 As a percentage of their total budget, the overall cash funding for schools will see an increase of circa 1.4% due to pupil number growth and the NFF minimum funding guarantees. However the change in total budget for individual schools will vary depending as this is also driven by pupil numbers.
- 6.9 Following the recommendation of the Schools budget to the Education Board on 22 January 2019 (virtual meeting), Appendices 11 and 11(i) show the detailed breakdown of the proposed 2019/20 Schools budget. The schools position for 2019/20 following the Education Board meeting will then be submitted to the People Scrutiny Committee on 29 January 2019, through to Budget Cabinet on 12 February 2019, and then to the Budget Council on 21 February 2019 for final agreement of the Schools Budget, based on the recommendations from the Education Board and the comments from the Scrutiny Committee. Following this process, final budgets will be issued to schools.

7. Medium Term Financial Strategy (MTFS)

- 7.1 The Medium Term Financial Strategy that was approved in February 2018 was for a four year period up to the financial year 2021/22. It is now in need of updating as a result of the latest Local Government Finance Settlement, changes to the projections in the current financial planning figures and alignment with the Councils 2050 ambition, outcomes and 5 year roadmap.
- 7.2 It is good practice to update the rolling MTFS as part of setting the Council budget and Council Tax to ensure our financial planning is fully aligned and integrated.
- 7.3 The MTFS for the next five year period 2019/20 to 2023/24 will, therefore, be presented as part of the budget proposals for Budget Cabinet on 12 February 2019 and Budget Council on 21 February 2019.

8. 2019/20 Budget Proposals

- 8.1 This Council budget has been prepared against the background of the Governments' spending plans through various Budget speeches, the Chancellor's Autumn Budget Statement and the Local Government provisional finance settlement. The various Government announcements continue to see the most substantial contraction of available public sector funding, but particularly in Local Government, for many decades.

- 8.2 In addition, it continues to be based upon the Government's significant funding reform for Local Government that has been the most radical in generations. As a result of both the significant contraction of available funding and the financial reforms there is a consequent need to continue to produce a budget that will help to support the delivery of the Council's 23 outcomes. As the Local Government funding reforms materialise over the next few years we will need to become a financially self-sufficient organisation, as the key sources of income we will have to rely upon to fund Council services will be Council Tax, Business Rates and any other forms of income we can generate.
- 8.3 Therefore it will be essential to move to a longer term budget process that is outcome based rather than dealing with one financial year in isolation. In addition, we will need to develop further our commercial acumen to assist with the continuance and improvement in the services we deliver. Moving forwards this effectively will mean the prioritisation and reallocation of both our capital and revenue resources (not just financial budgets but our people and physical assets) to our 23 outcomes.
- 8.4 Using cabinet member input a detailed draft budget has been prepared by senior officers for the Cabinet to put forward that addresses the need to set a balanced and robust budget for 2019/20. The various budget consultations have also assisted in informing the compilation of the Council's budget.
- 8.5 Traditionally there has been a separate report on the detailed list of fees and charges for Council services. Cabinet at its meeting of 18 September 2018 approved the introduction of a fees and charges policy and this policy was to cover all fees and charges save parking charges. The Council approved policy enables Chief Officers to set fees and charges annually where the expected yield for a service or category is in line with the budget guideline as set out in the Medium Term Financial Strategy. For 2019/20 the guideline yield was set at 2.5% and therefore fees and charges for 2019/20 have been set by Chief Officers within this guideline. In respect of parking charges it is proposed that there are no changes to the current 2018/19 levels and therefore parking charges will remain frozen in 2019/20 at their current rate.
- 8.6 The draft 2019/20 General Fund revenue base budget requirement before savings and on-going investments is £123.150 million (£326.681 million gross expenditure, offset by £203.531 million gross income derived from service related grants, fees and charges etc). Available funding from estimated Business Rates, previous years council tax surpluses and Revenue Support Grant is £44.892 million, leaving £78.258 to be funded from a combination of Council Tax and Adult Social Care (ASC) precept. However based on the proposed increases in Council Tax and Adult Social Care precept within this report, which are consistent with the Government's referendum principals, the maximum that can be generated from these resources is £80.755 million, meaning there is an initial budget surplus of £2.497 million.

	£M	£M
Net Base Budget		123.150
Less Available Funding		
Revenue Support Grant	(5.925)	
Business Rates	(24.130)	
Business Rates Top-up Grant	(12.337)	
Council Tax Surplus	(2.500)	(44.892)
To be funded from Council Tax & ASC Precept		78.258
Council Tax & ASC Precept Income		(80.755)
Initial Budget Surplus		(2.497)

This unusual situation is being created by the significant additional resources the Government is identifying for adult and children's social care in 2019/20, for which there are full reinvestment proposals below.

- 8.7 A high level budget summary of the position is set out at Appendix 1. The draft 2019/20 revenue budgets for each Portfolio are then set out in Appendices 2 - 8 and show the original budget and probable outturn for 2018/19 and the 2019/20 base budget before reductions and on-going investments.
- 8.8 The budget identifies a number of on-going investments being faced by the Council, which need funding and these total £6.610 million and are set out below and in full in Appendix 9. Of this total £5.7 million of on-going investment is proposed for Children's and Adult Services.

Area of Investment	£'s
Community Safety <i>Addressing in particular permanent staffing for the Community Safety Hub</i>	385,000
Health & Well Being <i>Reflecting loss of housing benefit grant and outdoor sports income</i>	280,000
Children & Lifelong Learning <i>Particularly addressing cost pressures in children's social care</i>	2,338,000
Adult Services <i>Particularly addressing demographic pressures and the on-going impact of the national living wage, together with investment in transformation work</i>	3,362,000
Staffing Capacity <i>Addressing in particular the need to invest in staffing to fully exploit the potential of "MySouthend"</i>	245,000
Total Proposed Investments	6,610,000

- 8.9 Along with all other Local Authorities the Council is facing continued extreme demand and cost pressure in Adult Social Care and Children spending. The Local Government Association (LGA) estimates that Adult Social Care faces a national funding gap of £3.56 billion by 2024/25 based on pressures caused by demography, inflation and the National Living Wage. On a similar basis, the LGA estimate that Children's Social Care requires £1.1 billion in the next year alone just to keep services running at current levels.
- 8.10 The Council's budget setting needs to recognise these spending pressures to ensure that a robust budget is set alongside managing the risks of service delivery in these areas.
- 8.11 Therefore, the budget on-going investment proposals recognise these known cost pressures the Council is currently facing with circa £5 million extra annually proposed for Adults and Children's. The Adult Social Care and Children cost pressures identified for the 2019/20 proposed draft budget reflect the realignment of the respective base budgets to ensure there is adequate budget to manage the required service demands and delivery. The investment in adult social care will fully utilise the increase in the Adult Social Care precept, and the adults ring fenced proportion of the new Social Care grant, alongside the increased better care fund resources. Similarly the investment in children's social care will fully utilise the non-ring fenced element of the Social Care grant.
- 8.12 Additionally, given the volatile national picture outlined above, it is recommended that within the earmarked reserves that specific reserves continue to be identified to act as a precaution to any further in year demands on Adult Social Care and Children spending. The identification of these reserves will form part of the S.151 Officers statement on the adequacy of balances and the robustness of the budget in the final budget to be presented to Cabinet on 12 February 2019.
- 8.13 The inclusion of these new investments requirements creates a budget gap of £4.113 million (Initial budget surplus of £2.497m less investments of £6.610m).
- 8.14 The resultant budget gap is then closed by various savings proposals and house-keeping efficiencies, set out below and more fully in Appendix 10. The house keeping efficiencies have arisen from an internal process of tidying up budgets and identifying small miscellaneous savings from reviewing previous year spend in all areas across the Council.

Area of Saving	£'s
Income – Commercial Activities <i>Arising from commercial acquisition of investment assets and exploitation of others</i>	455,000
Income – New / Additional <i>Arising from the growth in asset rentals and investment income</i>	350,000
Transformation <i>Arising from locality working and community engagement, and the emphasis on preventative work</i>	2,025,000
Staffing Restructures	635,000
Procurement Efficiencies	280,000
Budget Reductions	3,745,000
House Keeping Efficiencies	368,000
Total Proposed Savings	4,113,000

- 8.15 By agreeing the proposed savings of £4.113 million (excluding Public Health net savings of £0.250 million, as these savings are ring fenced against the Public Health grant allocation reduction), this will result in a draft 2019/20 revenue budget of £125.647 million (2018/19 £123.036 million), balanced by the available funding and council tax income.

	2018/19	2019/20
	£M	£M
Net Base Budget		123.150
On-going Investment		6.610
Less;		
Proposed Savings		(3.745)
House Keeping Efficiencies		(0.368)
Revenue Budget	123.036	125.647
Less Available Funding		
Revenue Support Grant	(10.318)	(5.925)
Business Rates	(21.924)	(24.130)
Business Rates Top-up Grant	(12.085)	(12.337)
Council Tax Surplus	(2.500)	(2.500)
To be funded from Council Tax & ASC Precept	76.209	80.755
General Council Tax	(71.699)	(75.022)
ASC Precept Income	(4.510)	(5.733)
Balanced Budget	0	0

8.16 As part of the budget proposals, there are also some one-off investment items that are proposed to be funded for their temporary nature by the use of earmarked reserves. The items of revenue growth are;

Item	2019/20	2020/21	2021/22	TOTAL	Proposed Reserve Use
	£'000	£'000	£'000	£'000	
Local Plan Resource required to support the development of the Southend new Local Plan and contribution to the South Essex Joint Strategic Plan (JSP)	585	410	130	1,125	New Homes Bonus
SMART technologies A dedicated staff resource to drive SMART technology across the economic health and wellbeing and environmental agendas associated with progressing the 2050 outcomes	60	60	0	120	Business Transformation
Corporate Strategy staffing A new Service Redesign team, as part of the overall team restructure, that will work with operational teams and end users to redesign Council services in order to improve outcomes and experiences for customers, to maximise investment and to eradicate duplication across the organisation	185	185	185	555	Business Transformation
Summer Planning To enable recruitment of appropriate staffing and related resourcing for the Town's busy Summer period	75	75	0	150	Business Transformation

Workforce Development team Additional temporary staffing to support the corporate learning and development offer while the services are reconfigured and a new offer is developed to support the organisational priorities, including succession planning and skills development	100	50	0	150	Business Transformation
School Improvement To continue school improvement support including support for pupils to attain Grammar School entrance	(1)	200	200	400	School Improvement
Economic Development To enable continued research and staff support for the promotion of the town	(1)	100	100	200	Business Transformation
Housing Implementation Initial resource to progress the implementation of the Housing, Homelessness and Rough Sleeping Strategy ⁽²⁾	150	150	150	450	New Homes Bonus
Transforming Together Pump priming investment to implement and embed a range of new approaches, tools and techniques that will enable the Council to transform the way it works	100	100	0	200	Business Transformation
TOTAL	1,255	1,330	765	3,350	
Notes (1) In 2018/19 budget round same annual amount set aside as for 2019/20 (2) Additional pump priming resource will be required for the implementation of the Housing, Homelessness and Rough Sleeping Strategy (sum to be identified as part future Cabinet reports)					

8.17 A total of £3.350 million of earmarked reserves are being used to fund the above items of one-off project spending over a three year period of 2019/20 to 2021/22.

8.18 It is recommended that the draft budget is referred to all Scrutiny Committees and their comments considered by the Budget Cabinet on 12 February 2019 to enable the Budget Cabinet to make its recommendation on the 2019/20 budget to full Budget Council on 21 February 2019.

9. Council Tax Base 2019/20 and Estimated Collection Fund Surplus/Deficit 2018/19

9.1 The Council has to formally determine the Council Tax Base (the number of Band D equivalent properties) for 2019/20 and any estimated Collection Fund balance at the end of 2018/19. The Council Tax Base for 2019/20 is as reported in a separate report on this agenda for approval as delegated by Council at 58,424.44 (equivalent Band D properties) including Leigh-on-Sea Town Council.

9.2 The tax base for Leigh-on-Sea Town Council has been calculated for 2019/20 as 8,839.09 Band D equivalents.

9.3 The Council Tax base for Southend-on-Sea has increased as a result of a combination of new properties on the list coupled with the on-going impact of the agreed discounts and exemptions, and also the proposed increase in the Empty Homes Premium to 100% from April 2019.

9.4 The estimated balance on the Collection Fund in respect of Council Tax at the end of 2018/19 will be reported formally to the Budget Cabinet on 12 February 2019. The draft budget and Council Tax implications are currently based on the use of £2.5 million of the projected surplus attributable to the Council.

10 Council Tax (including Precepts)

10.1 The draft budget assumes a Council Tax increase at 2.99% for general use on the Southend-on-Sea element of the total Council Tax. There are no implications arising from this increase for a Council Tax freeze grant, as the Government has again not offered one this year.

10.2 The proposed Council Tax increase for general use of 2.99% will mean a Band D level of £1,284.09 per annum on the Southend-on-Sea element of the Council Tax (2018/19 the Band D level is £1,244.53). This equates to an annual increase of £39.56 and a weekly increase of 75p.

10.3 The Cabinet (and Scrutiny Committees) may wish to bear in mind that a 1% change in Southend-on-Sea Borough Council's element of the Council Tax is £13.24 per annum for a Band D property. This equates to an amount of circa £0.770 million in the revenue budget for each 1% change.

10.4 The total Council Tax payable by tax payers consists of Southend-on-Sea Borough Council precept, the Adult Social Care precept and the precepts for Essex Fire & Rescue Services Authority and Essex Police Authority. Where applicable it also includes the Leigh-on-Sea Town Council precept.

- 10.5 At this stage the precepts from the major precepting authorities (Fire and Police) are not yet finalised. Also, the Leigh-on-Sea Town Council precept is not yet finalised.
- 10.6 Essex Fire & Rescue Services and Essex Police through the Police, Fire and Crime Commissioner has by law to set both precepts no later than 1 March 2019 (after consideration by the Essex Police, Fire and Crime Panel on 24 January 2019). No indication has been given of either of the relevant precept levels for 2019/20.
- 10.7 Leigh-on-Sea Town Council is due to set its precept at its Council meeting on 22 January 2019. No indication has been given of the relevant precept level for 2019/20.
- 10.8 The precepts will form part of the formal Council Tax setting at Budget Council on 21 February 2019. As part of the draft budget, estimations have been made of the expected precept levels pending formal approval by the precepting authorities. Any variances from that contained in the draft budget are expected to be minimal and will be contained within the overall budget proposals that will be presented to Budget Council.
- 10.9 In addition, the draft budget also assumes the continuation of the Adult Social Care precept at a level of 8.0% of the main council tax (an increase of 1.5% over the previous year). The ability to apply this precept was introduced by the Government as part of the 2016/17 Local Government finance settlement. It was introduced to assist with the increasing demand and demographic expenditure pressures from Adult Social Care that Local Government has been experiencing and are continuing to face. The proposed increase of 1.5% equates to an annual increase of £1.223 million (from £78.29 to £98.13) equivalent to a weekly increase of 37p.

11 Staffing implications of budget proposals

- 11.1 The reduction and investment proposals outlined in this report will show a net growth of 35.6 permanent full time equivalent (fte) posts across the Council. Within the budget reduction proposals currently 3 out of 8 posts have been identified as voluntary redundancies.
- 11.2 Formal redundancy consultation with the recognised Trades Unions has commenced where appropriate and all staff have been fully briefed on the implications of these proposals.
- 11.3 In addition, within the People Department there are two transformation projects (C1 and C2), which have the potential to displace staff. Once the transformation plans are fully scoped, the appropriate formal staff consultation processes for these areas will also take place. There will be other services across the Council that will be redesigned throughout 2019/20 as the organisation moves to focussing on outcomes. Where this redesign impacts on staff, the appropriate consultation will take place.
- 11.4 Any staffing reductions will be managed in accordance with the Councils policies on the Managing Organisational Change and Redundancy.

- 11.5 The Council's Workforce Planning Panel will continue to control recruitment to vacant posts (permanent and temporary) and, wherever possible, staff identified as 'at risk' of redundancy will be redeployed through the Talent Pool. In addition, the Council will be working with other Essex authorities and partners in order to maximise redeployment opportunities across the county region.
- 11.6 Volunteers for redundancy will be considered in order to minimise the number of compulsory redundancies.
- 11.7 A comprehensive package of support for all staff but particularly those directly affected by these proposals has been put into place. This includes coaching and counselling, as well as practical support with job applications and money management.

12 **Southend 2050**

- 12.1 During spring 2018 the Council embarked on a major engagement exercise with residents and key local stakeholders to develop a shared and jointly owned ambition for Southend-on-Sea in 2050. Its purpose was to shape a long term vision for the borough whilst providing a focus on shorter term outcomes deliverable by the Council, its partners and local communities. The resulting ambition aims to articulate not only the visible changes to our environment but also highlight the more fundamental effects on people lives – essentially capturing how it will feel to live, work, visit or do business here in the future.
- 12.2 The engagement programme was well-publicised, extensive and varied so that the broadest possible range of stakeholders have had the opportunity to contribute. A variety of different methods have been used to conduct open and ambitious conversations in locations right across the borough. These included facilitated workshops with business leaders, deliberative sessions with targeted resident representatives, meetings with local interest and community groups, public events and venues, and in-depth 1:1 interviews with citizens.
- 12.3 People also enthusiastically shared their thoughts on-line with literally thousands of comments being generated via the Southend 2050 survey as well as through social media, a virtual 'Stickyworld' online forum and the Southend 2050 website. Young people and schools have responded particularly positively through a number of imaginative competitions and events, including a lively future-themed Youth Council float at Southend Carnival.
- 12.4 In addition, a great deal of valuable quantitative feedback has been generated from more traditional consultation methods, such as the large scale borough-wide 2018 Residents Perception Survey. Councillors and Council staff have also actively participated throughout the process.
- 12.5 The process for a new borough vision has seen the introduction of a revised approach to the Council's business planning framework. The 2050 Road Map, incorporating the Ambition, Themes and Outcomes, is a high level document, replacing the Corporate Plan. It will be supported by 5 Strategic Delivery Plans (one per theme). The 5 themes are:

- Pride & Joy – By 2050 Southenders are fiercely proud of, and go out of their way, to champion what our city has to offer;
- Safe & Well – By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives;
- Active & Involved – by 2050 we have a thriving, active and involved community that feel invested in our city;
- Opportunity & Prosperity – By 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all of our people;
- Connected & Smart – By 2050 people can easily get in, out and around our borough and we have world class digital infrastructure.

Each of the five themes has 4-5 focussed outcomes for the next five years (23 outcomes in total).

- 12.6 Underpinning the high level plans are associated outcome delivery plans. While setting the Ambition for the coming decades to 2050, the Road Map and associated documentation should not be seen as set in stone. They will need to respond to inevitably changing circumstances, locally, nationally and internationally, and future documentation will reflect this. The Roadmap will shape the Council's Medium Term Financial Strategy, ensuring resources are aligned with the Council's agreed priorities.
- 12.7 Appendix 12 sets out the framework for Southend 2050.

13 Budget Consultation

- 13.1 There is an expectation that local authorities will engage communities in the difficult decisions that will determine what services are delivered by the Council and how.
- 13.2 The Council has undertaken a number of targeted consultations which have focused on service redesign and renewal of contracts for commissioned services to implement previously agreed savings, improve the service offer and help inform budget proposals for 2019/20. Such consultations with service users and wider stakeholders have included those on: carers support; advocacy service review; air quality action plan; low emissions strategy; Essex HMO amenity service, gambling licensing policy, 0-5 years health visiting service; Leigh Port; integrated sexual health services; Southend teenage pregnancy service; and healthy lifestyle services.
- 13.3 Alongside the targeted consultations, and as part of the Southend 2050 engagement programme, a residents' perception survey was undertaken in the summer of 2018. This included insight into perceptions of council services and satisfaction with the council.
- 13.4 The overall results and comments from the consultations have continued to help inform the preparation of the 2019/20 revenue budget.

14 Equality Assessments (EA) – Making fair financial decisions

- 14.1 Each department has produced a departmental equality analysis taking into consideration any equality and cohesion impacts that restructuring their service may have on staff and service users. The results were then challenged by an internal team of officers and then by the Corporate Management Team.
- 14.2 As before the aim will be to protect delivery of key frontline services as well as highlight greater opportunities for collaborative working with partners to deliver services. Staff, Councillors, Trade Unions, Service users and residents were consulted and engaged in the process. These include but were not limited to, Chief Executive briefing sessions, Departmental Management and Team meetings, workshops and resident engagement via the budget consultation process.
- 14.3 Recommendations made in departmental supporting action plans identify how each department will aim to address and mitigate any indirect differential impact on staff and services over the coming year.
- 14.4 An overarching EA is attached at Appendix 13.

15 2020/21 and Beyond

- 15.1 In addressing the national economic situation the Government has continued to emphasise the need to look further at a programme of public sector spending restraint and reconfiguration. This was reinforced in the Chancellor's Autumn Budget Statement on 29 October 2018 with further restriction placed on the Government's public spending plans for Local Government. The tightening and reduction of Government funding contributions to local government funding along with the Government's current and future funding reforms, means that the current financial challenges for 2020/21 and beyond will continue. This needs to be seen as part of a continued period of financial entrenchment that Local Government has already encountered. Councils will need to consider a much longer spending reduction programme than previously identified by Central Government and which also links into the impending need for Council's to work towards a position of financial self-sustainability.
- 15.2 This report predominantly addresses, as we are required to do, a detailed budget for 2019/20 but it is also appropriate to identify the areas the Council should continue to explore in order to meet the budget constraints of future years and also tailor the services it provides and review its role within national policy and local circumstances. As we start addressing the Councils Ambition 2050 and the South Essex vision 2050 we need to be mindful of how we align and prioritise our resources to achieve these visions but also ensure we focus on delivering our required outcomes.
- 15.3 Like all local authorities in England, Southend-on-Sea Borough Council is facing unprecedented financial challenges. The Council has, over a number of years, addressed significant funding gaps whilst also achieving improved efficiency and service delivery. In the current, and forecast, period of national financial stringency the scale of financial contraction is such as to challenge the scale, nature and purpose of the role of the Council.

- 15.4 Traditionally, and particularly over recent years, the nature of Council activity has seen an increase in the level of directly delivered services for the local populace and for local businesses and visitors. Many services have been delivered on a universal basis and free or at limited cost. As funding continues to reduce greater pressure is being placed upon the services provided by the Council and also the way in which these are delivered. Since the beginning of the national fiscal situation the Council has striven to sustain its full range of services but this will need to be challenged as we move forward and work towards delivering against the Council's agreed 23 outcomes.
- 15.5 The Council may need to increase focus on the delivery of its services in a targeted way, concentrating on delivering services to those residents who need the Council's help. The Council will also need to adopt this as an approach in tailoring the delivery of its many statutory services. To underpin this approach the Council will also reposition its role as one to work alongside the community, its residents and businesses, to help support the many factors affecting their lives as is possible.
- 15.6 The Council will continue to adopt an increasing approach of working, and delivering services, in partnership with other agencies, the voluntary and commercial sectors, and the community itself. As part of this approach the Council will encourage the sustenance of community services in collaboration with the local communities, encouraging community capacity to operate in appropriate circumstances.
- 15.7 The Council will also seek to address critical issues such as equality, disadvantage, lack of attainment and poverty by working with communities themselves, seeking enhanced training and opportunity and by fostering and promoting the local economy and thereby enhancing opportunities for aspiration, attainment, household income and personal achievement.
- 15.8 As the Government funding reforms are implemented we will soon be in a position where our funding to maintain/improve our council services will come from three main areas;
- Business Rates
 - Council Tax
 - Other forms of income we can generate e.g. Fees & Charges, commercial activity, traded services, etc

Therefore, this will mean an era of financial self-sustainability for Local Authority's and that longer term and focussed outcome based budgeting will be the key. This essentially will mean the prioritisation and reallocation to our outcomes of all our resources both Capital and Revenue alongside our people and our physical assets.

- 15.9 The Council will therefore seek to ensure that the Council Tax and Business rates bases are improved and income collection levels are at least maintained. In addition, the Council will explore innovative income generation opportunities that will assist with increasing the Council's revenue sources to assist with meeting the need to be financially self-sustainable and to support the delivery of our outcomes. As part of this there is the intention to look greater at commercial opportunities for services of the Council.

- 15.10 Given the financial challenge we have and will continue to face for a number of years, a continued programme of corporate working will continue with this efficiency drive and to help support the identification of savings for future years. This will allow us to have a programme driving transformational change in the organisation and will allow a clear focus on delivery of the required savings that will be required over this period.
- 15.11 Over the coming year it will be extremely important to consider future year potential savings proposals in anticipation of delivering tailored services for the community whilst addressing the known budget reductions required from our total budget and reflecting the estimated significant government grant reductions. It is currently anticipated arising from the Autumn Budget Statement in late 2018, that further savings in the order of £18 million will be required from the Council's circa £230 million annual gross budget (after excluding Schools, HRA and Housing Benefits) for the four years 2020/21 to 2023/24.

16 Corporate Implications

16.1 Contribution to the Southend 2050 Road Map

The budget strategy is an integral part of the Council's Corporate Service and Resources Planning Framework. The delivery of a revenue budget in line with the recommendations in this report will contribute to the delivery of the Southend 2050 ambition and achievement of the desired outcomes and five year roadmap.

16.2 Financial Implications

As set out in the body of the report.

16.3 Legal Implications

None at this stage.

16.4 People Implications

The draft budget will have an impact on staffing levels and the implications are set out in section 11 of this report.

16.5 Property Implications

None

16.6 Consultation

Consultation has taken place with the Chief Executive, Deputy Chief Executives and their Directors and the Strategic Directors as part of the budget preparation process who are fully committed to working within the budget proposed. Members are being consulted through Cabinet, Scrutiny and Council.

Consultation with staff and unions will continue throughout the process. Briefings for local businesses and the voluntary sector have been undertaken to give them an opportunity to find out more about what is in the planned draft budget from the Leader, Deputy Leader and Strategic Director (Finance & Resources).

Staff have been kept abreast of progress and opportunities for contributions through personal briefings by the Chief Executive and Strategic Director (Finance & Resources) and through media briefings.

16.7 Equalities and Diversity Implications

Assessments have been carried out for proposed savings in the 2019/20 draft revenue budget and an overarching EIA is attached as an Appendix to this report.

16.8 Risk Assessment

The budget proposals will be subject to the Deputy Chief Executives, Strategic Directors and Directors review of risk and robustness. This will inform the Chief Finance Officer's Section 25 statement on the robustness of estimates and adequacy of reserves to be reported to the Budget Cabinet on 12 February 2019 and Budget Council on 21 February 2019.

16.9 Value for Money

The proposals set out in the report reflect the Council's drive to improve value for money and to deliver significant efficiencies in the way it operates.

16.10 Community Safety Implications

Assessments have been carried out for all revenue proposals.

16.11 Environmental Impact

Assessments have been carried out for all revenue proposals.

17 Background Papers

17.1 The provisional finance settlement 2019/20, DCLG

17.2 Budget working papers are held in the Finance & Resources' Accountancy section.

17.3 Equality Impact Assessments

17.4 Southend 2050 – draft Ambition, Themes & Outcomes and Five Year Road Map – 6 November 2018 Southend 2050 Ambition / Five Year Roadmap, Council 13 December 2018 Southend 2050 – Strategic Delivery Plans, Cabinet 17 January 2019

18 Appendices

Appendix 1	Summary of Draft 2019/20 General Fund Revenue Budget
Appendix 2	2019/20 Draft budget - Leader
Appendix 3	2019/20 Draft budget – Growth
Appendix 4	2019/20 Draft budget – Adults & Housing
Appendix 5	2019/20 Draft budget – Children & Learning
Appendix 6	2019/20 Draft budget – Healthy Communities & Wellbeing
Appendix 7	2019/20 Draft budget – Infrastructure
Appendix 8	2018/19 Draft budget – Public Protection
Appendix 9	Description of Proposed Budget Investment
Appendix 10	Description of Proposed Budget Reductions
Appendix 11	Schools Budget
Appendix 11(i)	Schools Budget
Appendix 12	Southend 2050 – Ambition, Themes and Outcomes
Appendix 13	Equality Analysis supporting budget proposals

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**SUMMARY OF GENERAL FUND
REVENUE BUDGET 2019/20**

**SOUTHEND ON SEA BOROUGH COUNCIL ESTIMATE FOR THE
GENERAL FUND YEAR ENDING 31 MARCH 2020**

SUMMARY OF GENERAL FUND REVENUE ESTIMATES

	Appendix	Original Estimate 2018/19	Probable Outturn 2018/19	Original Estimate 2019/20	Budget 2019/20
		£000	£000	£000	£000
Portfolios					
Leader	2	10,936	11,618	11,539	11,539
Growth	3	3,081	2,964	3,140	3,140
Adults and Housing	4	42,877	41,373	39,479	39,479
Children & Learning	5	33,556	37,692	35,323	35,323
Healthy Communities and Wellbeing	6	13,636	14,469	14,646	14,646
Infrastructure	7	14,173	16,542	15,077	15,077
Public Protection	8	13,782	13,412	13,853	13,853
Sub Total		132,041	138,070	133,057	133,057
Capital Financing Removed		(28,281)	(28,281)	(28,280)	(28,280)
Portfolio Net Expenditure		103,760	109,789	104,777	104,777
Levies		638	638	643	643
Contingency - General		2,088	2,088	2,088	2,088
- Transformation		1,500	1,500	1,500	1,500
- Benefits		300	300	300	300
- Inflation		1,828	0	1,240	1,240
Pensions Upfront Funding		(3,734)	(3,734)	(3,733)	(3,733)
Financing costs		8,542	8,110	11,963	11,963
Total net expenditure		114,922	118,691	118,778	118,778
Contribution to /(from) earmarked reserves		5,436	6,845	3,133	3,133
Revenue Contribution to Capital		5,058	2,380	5,098	5,098
Corporate on-going Investments	9	0	0	0	6,610
Proposed Savings	10	0	0	0	(4,113)
Non Service Specific Grants		(2,380)	(2,380)	(3,859)	(3,859)
Total Budget Requirement		123,036	125,536	123,150	125,647
Met from:					
Revenue Support Grant		(10,318)	(10,318)		(5,925)
Retained Business Rates		(21,924)	(24,424)		(24,130)
Business Rates Top up Grant		(12,085)	(12,085)		(12,337)
Collection Fund Surplus		(2,500)	(2,500)		(2,500)
Council Tax Requirement		76,209	76,209		80,755
Council Tax		(71,699)	(71,699)		(75,022)
Adult Social Care Precept		(4,510)	(4,510)		(5,733)
		(76,209)	(76,209)		(80,755)

LEADER
REVENUE BUDGET 2019/20

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Leader Portfolio

Objective Summary	2018/19						2019/20			
	Original			Probable Outturn			Budget			
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Corporate Planning and Policy										
Corporate and Non Distributable Costs	1,919	(184)	1,735	1,948	(183)	1,765	1,846	(189)	1,657	
Corporate Services										
Department of the Chief Executive	634	0	634	607	0	607	649	0	649	
Financial Services										
Accountancy	2,131	(295)	1,836	2,091	(295)	1,796	2,260	(300)	1,960	
Accounts Payable	119	(4)	115	119	(4)	115	129	(4)	125	
Accounts Receivable	190	(77)	113	190	(77)	113	200	(79)	121	
Insurance	162	(247)	(85)	162	(247)	(85)	173	(249)	(76)	
Internal Audit	999	(323)	676	871	(254)	617	967	(259)	708	
Corporate Procurement	621	0	621	746	0	746	700	0	700	
Human Resources & Organisational Development										
Human Resources	1,815	(505)	1,310	1,929	(505)	1,424	1,978	(517)	1,461	
People and Organisational Development	414	(115)	299	413	(115)	298	424	(115)	309	
Tickfield Training Centre	370	(156)	214	373	(156)	217	396	(160)	236	
Legal and Democratic Services										
Democratic Services Support	371	0	371	371	0	371	385	0	385	
Mayoralty	191	0	191	197	0	197	200	0	200	
Member Support	730	0	730	730	0	730	730	0	730	
Elections and Electoral Registration	354	0	354	414	0	414	357	0	357	
Local Land Charges	197	(297)	(100)	197	(297)	(100)	202	(297)	(95)	
Legal Services	1,308	(245)	1,063	1,526	(245)	1,281	1,409	(251)	1,158	

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Leader Portfolio

Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Other Services									
Emergency Planning	82	0	82	152	0	152	206	0	206
Corporate Subscriptions	85	0	85	155	0	155	100	0	100
Strategy and Performance	692	0	692	805	0	805	648	0	648
Net Expenditure/(Income)	13,384	(2,448)	10,936	13,996	(2,378)	11,618	13,959	(2,420)	11,539

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**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Leader Portfolio

Subjective Summary	2018/19		2019/20
	Original	Probable Outturn	Budget
	£000s	£000s	£000s
Expenditure			
Employees	9,906	10,285	10,697
Premises	167	177	175
Transport	52	52	51
Supplies & Services	2,709	3,002	2,576
Third Party Payments	284	229	194
Transfer Payments	0	0	0
Depreciation	66	66	66
Special Items	200	185	200
Gross Expenditure	13,384	13,996	13,959
Income			
Government Grants	(2)	(2)	(2)
Other Grants & Reimbursements	(24)	(24)	(24)
Sales	0	0	0
Fees & Charges	(1,764)	(1,695)	(1,711)
Rents	0	0	0
Interest	0	0	0
Investment Asset Revaluation Gain	0	0	0
Government Capital Grants	0	0	0
Recharges to Housing Revenue Account	(426)	(425)	(436)
Other Internal Charges	(232)	(232)	(247)
Total Income	(2,448)	(2,378)	(2,420)
Net Expenditure/(Income)	10,936	11,618	11,539

GROWTH
REVENUE BUDGET 2019/20

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Growth Portfolio

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Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Asset and Facilities Management									
Asset Management	416	(16)	400	416	(16)	400	459	(17)	442
Corporate and Industrial Estates	177	(3,319)	(3,142)	170	(3,011)	(2,841)	169	(3,012)	(2,843)
Property Management and Maintenance	469	(111)	358	438	(91)	347	460	(114)	346
Buildings Management	2,543	(110)	2,433	2,792	(110)	2,682	2,656	(113)	2,543
Economic Development and Regeneration									
Economic Development	1,004	(578)	426	2,355	(1,984)	371	3,737	(3,291)	446
Town Centre	206	(59)	147	190	(80)	110	209	(60)	149
Planning									
Development Control	895	(631)	264	958	(826)	132	923	(656)	267
Regional And Local Town Plan	284	0	284	284	0	284	300	0	300
Tourism									
Resort Services Pier and Foreshore	2,828	(957)	1,871	2,437	(997)	1,440	2,433	(981)	1,452
Tourism	58	(18)	40	57	(18)	39	45	(7)	38
Net Expenditure/(Income)	8,880	(5,799)	3,081	10,097	(7,133)	2,964	11,391	(8,251)	3,140

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Growth Portfolio

Subjective Summary	2018/19		2019/20
	Original	Probable Outturn	Budget
	£000s	£000s	£000s
Expenditure			
Employees	3,876	4,026	4,205
Premises	2,199	2,083	1,906
Transport	76	80	76
Supplies & Services	745	2,002	3,231
Third Party Payments	109	31	98
Transfer Payments	0	0	0
Depreciation	1,875	1,875	1,875
Gross Expenditure	8,880	10,097	11,391
Income			
Government Grants	0	0	0
Other Grants & Reimbursements	(601)	(2,022)	(3,314)
Sales	(30)	(30)	(30)
Fees & Charges	(1,841)	(2,061)	(1,886)
Rents	(3,327)	(3,020)	(3,021)
Interest	0	0	0
Government Capital Grants	0	0	0
Recharges to Housing Revenue Account	0	0	0
Other Internal Charges	0	0	0
Total Income	(5,799)	(7,133)	(8,251)
Net Expenditure/(Income)	3,081	2,964	3,140

ADULTS AND HOUSING PORTFOLIO

REVENUE BUDGET 2019/20

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Adults and Housing Portfolio

Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Adult Social Care									
Adult Support Services and Management	298	0	298	511	0	511	533	0	533
Commissioning Team	1,776	(184)	1,592	1,775	(184)	1,591	1,844	(180)	1,664
Strategy and Development	2,228	(590)	1,638	2,231	(590)	1,641	2,639	(786)	1,853
People with a Learning Disability	14,427	(1,922)	12,505	14,597	(1,922)	12,675	14,283	(1,874)	12,409
People with Mental Health Needs	3,653	(198)	3,455	3,680	(198)	3,482	4,359	(396)	3,963
Older People	29,566	(16,464)	13,102	29,386	(18,613)	10,773	27,948	(18,182)	9,766
Other Community Services	5,877	(4,574)	1,303	4,294	(2,390)	1,904	5,125	(5,017)	108
People with a Physical or Sensory Impairment	4,614	(1,222)	3,392	4,650	(1,257)	3,393	5,010	(1,254)	3,756
Service Strategy and Regulation	124	(69)	55	123	(69)	54	123	(69)	54
Council and Private Sector Housing Investment									
Private Sector Housing	3,780	(1,119)	2,661	3,780	(1,119)	2,661	3,816	(1,121)	2,695
Supporting People	2,433	0	2,433	2,245	0	2,245	2,244	0	2,244
Homelessness									
Housing Needs and Homelessness	994	(658)	336	1,705	(1,369)	336	1,583	(1,289)	294
Strategy and Advice									
Strategy and Planning for Housing	224	(117)	107	224	(117)	107	260	(120)	140
Net Expenditure/(Income)	69,994	(27,117)	42,877	69,201	(27,828)	41,373	69,767	(30,288)	39,479

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Adults and Housing Portfolio

	2018/19		2019/20
Subjective Summary	Original	Probable Outturn	Budget
	£000s	£000s	£000s
Expenditure			
Employees	12,992	13,656	14,604
Premises	324	327	327
Transport	306	314	451
Supplies & Services	4,096	4,124	3,898
Third Party Payments	48,910	47,413	47,120
Transfer Payments	0	0	0
Depreciation	3,366	3,367	3,367
Gross Expenditure	69,994	69,201	69,767
Income			
Government Grants	(1,045)	(1,756)	(1,535)
Other Grants & Reimbursements	(13,513)	(13,513)	(15,855)
Sales	0	0	0
Fees & Charges	(10,925)	(10,925)	(11,257)
Rents	(83)	(83)	(75)
Interest	0	0	0
Government Capital Grants	(1,001)	(1,001)	(1,001)
Recharges to Housing Revenue Account	(550)	(550)	(565)
Other Internal Charges	0	0	0
Total Income	(27,117)	(27,828)	(30,288)
Net Expenditure/(Income)	42,877	41,373	39,479

CHILDREN AND LEARNING
REVENUE BUDGET 2019/20

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Children & Learning Portfolio

Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Childrens Social Care									
Children Fieldwork Services	4,379	(5)	4,374	5,453	(5)	5,448	4,740	(5)	4,735
Children with Disabilities	1,175	(183)	992	1,176	(183)	993	1,179	(178)	1,001
Childrens Specialist Support and Commissioning	2,624	(164)	2,460	2,759	(164)	2,595	2,362	(171)	2,191
Inhouse Fostering and Adoption	4,911	(236)	4,675	5,015	(236)	4,779	4,976	(166)	4,810
Leaving Care Placements and Resources	1,104	(232)	872	2,233	(669)	1,564	1,903	(656)	1,247
Private Voluntary Independent Provider Placements	3,825	(120)	3,705	5,730	(120)	5,610	4,675	(120)	4,555
Youth and Family Support									
Early Help and Family Support	1,723	(1,201)	522	1,984	(1,201)	783	1,792	(1,203)	589
Youth Offending Service	1,894	(632)	1,262	1,834	(574)	1,260	1,951	(574)	1,377
Youth Service	597	(96)	501	518	(46)	472	536	(46)	490
Education and Schools									
School Support and Education Transport	23,116	(11,213)	11,903	23,302	(11,313)	11,989	23,422	(11,457)	11,965
Early Years Development and Child Care Partnership	12,023	(10,825)	1,198	11,569	(10,382)	1,187	11,247	(10,057)	1,190
High Needs Educational Funding	11,906	(11,028)	878	11,927	(11,129)	798	12,302	(11,344)	958
Southend Adult Community College	3,400	(3,186)	214	3,400	(3,186)	214	3,401	(3,186)	215
Total Retained	72,677	(39,121)	33,556	76,900	(39,208)	37,692	74,486	(39,163)	35,323

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Children & Learning Portfolio

Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s	Gross Expenditure £000s	Total Income £000s	Net Expenditure / (Income) £000s
Maintained Schools Delegated									
Maintained Schools Delegated Budgets	32,454	(32,454)	0	32,454	(32,454)	0	21,500	(21,500)	0
Pupil Premium	2,906	(2,906)	0	2,906	(2,906)	0	2,500	(2,500)	0
Total Delegated	35,360	(35,360)	0	35,360	(35,360)	0	24,000	(24,000)	0
Net Expenditure/(Income)	108,037	(74,481)	33,556	112,260	(74,568)	37,692	98,486	(63,163)	35,323

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Children & Learning Portfolio

Subjective Summary	2018/19		2019/20
	Original	Probable Outturn	Budget
	£000s	£000s	£000s
Expenditure			
Employees	15,003	16,040	15,364
Premises	315	312	313
Transport	553	619	619
Supplies & Services	17,920	20,702	20,175
Third Party Payments	16,162	18,277	17,220
Transfer Payments	40,170	38,396	26,881
Depreciation	17,914	17,914	17,914
Gross Expenditure	108,037	112,260	98,486
Income			
Government Grants	(64,318)	(64,462)	(53,075)
Other Grants & Reimbursements	(939)	(881)	(785)
Sales	(49)	(49)	(49)
Fees & Charges	(909)	(910)	(988)
Rents	(58)	(58)	(58)
Interest	0	0	0
Government Capital Grants	(8,208)	(8,208)	(8,208)
Recharges to Housing Revenue Account	0	0	0
Other Internal Charges	0	0	0
Total Income	(74,481)	(74,568)	(63,163)
Net Expenditure/(Income)	33,556	37,692	35,323
Memorandum Items			
<i>MATS</i>	4,103	4,103	4,103
<i>Accommodation Charges</i>	563	563	563
<i>Departmental Support</i>	3,860	3,860	3,860
<i>Recharges</i>	(2,794)	(2,794)	(2,794)
Net Support Services	5,732	5,732	5,732
Total Service Cost	39,288	43,424	41,055

HEALTHY COMMUNITIES AND WELLBEING

REVENUE BUDGET 2019/20

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Healthy Communities and Wellbeing Portfolio

Objective Summary	2018/19						2019/20			
	Original			Probable Outturn			Budget			
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Community Resilience and Cohesion										
Partnership Team	231	0	231	230	0	230	505	0	505	
Community Centres and Club 60	93	(1)	92	84	(1)	83	84	(1)	83	
Culture										
Arts Development	499	(233)	266	607	(243)	364	501	(234)	267	
Amenity Services Organisation	3,673	(683)	2,990	3,773	(560)	3,213	3,937	(700)	3,237	
Culture Management	146	(6)	140	146	(6)	140	156	(7)	149	
Library Service	3,378	(397)	2,981	3,379	(397)	2,982	3,494	(402)	3,092	
Museums And Art Gallery	1,995	(80)	1,915	2,010	(80)	1,930	2,031	(82)	1,949	
Parks And Amenities Management	1,812	(786)	1,026	1,933	(576)	1,357	1,986	(797)	1,189	
Sports Development	54	0	54	53	0	53	55	0	55	
Sport and Leisure Facilities	589	(304)	285	623	(304)	319	626	(304)	322	
Southend Theatres	647	(27)	620	673	(27)	646	671	(25)	646	
Customer Services										
Registration of Births Deaths and Marriages	330	(378)	(48)	330	(378)	(48)	351	(387)	(36)	
Customer Services Centre	1,976	(295)	1,681	1,840	(295)	1,545	2,097	(303)	1,794	
Revenues and Benefits										
Council Tax Collection	869	(607)	262	869	(607)	262	984	(684)	300	
Non Domestic Rates Collection	199	(306)	(107)	199	(306)	(107)	207	(308)	(101)	
Housing Benefit Administration	1,801	(1,195)	606	1,899	(1,335)	564	1,734	(1,015)	719	
Rent Benefit Payments	91,582	(91,685)	(103)	73,771	(73,874)	(103)	73,902	(74,005)	(103)	

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Healthy Communities and Wellbeing Portfolio

Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Health									
Public Health	6,323	(6,480)	(157)	6,564	(6,480)	84	6,085	(6,309)	(224)
Drug and Alcohol Action Team	2,270	(2,187)	83	2,294	(2,187)	107	2,282	(2,187)	95
Young Persons Drug and Alcohol Team	273	(265)	8	272	(265)	7	272	(265)	7
Voluntary & Community Services									
Support To Voluntary Sector	811	0	811	841	0	841	701	0	701
Net Expenditure/(Income)	119,551	(105,915)	13,636	102,390	(87,921)	14,469	102,661	(88,015)	14,646

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Healthy Communities and Wellbeing Portfolio

Subjective Summary	2018/19		2019/20
	Original	Probable Outturn	Budget
	£000s	£000s	£000s
Expenditure			
Employees	12,563	12,193	13,380
Premises	1,013	1,196	1,095
Transport	415	471	463
Supplies & Services	6,061	6,210	6,207
Third Party Payments	5,560	5,963	5,027
Transfer Payments	90,639	73,057	73,189
Depreciation	3,300	3,300	3,300
Gross Expenditure	119,551	102,390	102,661
Income			
Government Grants	(97,187)	(79,744)	(79,387)
Other Grants & Reimbursements	(5,266)	(5,040)	(5,030)
Sales	(109)	(117)	(135)
Fees & Charges	(3,171)	(2,837)	(3,253)
Rents	(31)	(31)	(58)
Interest	0	0	0
Government Capital Grants	(151)	(152)	(152)
Recharges to Housing Revenue Account	0	0	0
Other Internal Charges	0	0	0
Total Income	(105,915)	(87,921)	(88,015)
Net Expenditure/(Income)	13,636	14,469	14,646

INFRASTRUCTURE
REVENUE BUDGET 2019/20

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Infrastructure Portfolio

Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Transport									
Highways Maintenance	10,956	(1,708)	9,248	11,811	(1,528)	10,283	11,578	(1,715)	9,863
Bridges and Structural Engineering	414	0	414	379	0	379	414	0	414
Decriminalised Parking	1,171	(1,699)	(528)	1,031	(1,508)	(477)	1,178	(1,707)	(529)
Car Parking Management	1,170	(7,222)	(6,052)	1,547	(6,787)	(5,240)	1,261	(7,020)	(5,759)
Concessionary Fares	3,307	0	3,307	3,234	0	3,234	3,390	0	3,390
Passenger Transport	417	(65)	352	509	(65)	444	416	(67)	349
Road Safety and School Crossing	229	0	229	194	0	194	229	0	229
Transport Planning	1,672	(1,990)	(318)	1,734	(1,607)	127	1,828	(2,287)	(459)
Traffic and Parking Management	600	(5)	595	714	(5)	709	599	(6)	593
Dial A Ride Service	105	(19)	86	110	(19)	91	114	(20)	94
Transport Management	173	0	173	173	0	173	184	0	184
Vehicle Fleet	550	(344)	206	556	(344)	212	567	(344)	223
Other Services									
Information Communications and Technology	6,193	(1,183)	5,010	6,116	(1,183)	4,933	6,213	(1,233)	4,980
Enterprise Tourism and Environment Central Pool	1,451	0	1,451	1,480	0	1,480	1,505	0	1,505
Net Expenditure/(Income)	28,408	(14,235)	14,173	29,588	(13,046)	16,542	29,476	(14,399)	15,077

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Infrastructure Portfolio

Subjective Summary	2018/19		2019/20
	Original	Probable Outturn	Budget
	£000s	£000s	£000s
Expenditure			
Employees	6,667	6,551	6,818
Premises	1,006	1,779	1,300
Transport	378	424	404
Supplies & Services	2,098	2,369	2,593
Third Party Payments	6,485	6,691	6,587
Transfer Payments	0	0	0
Depreciation	11,774	11,774	11,774
Gross Expenditure	28,408	29,588	29,476
Income			
Government Grants	(1,119)	(1,119)	(1,225)
Other Grants & Reimbursements	(40)	(12)	(40)
Sales	0	0	0
Fees & Charges	(11,169)	(10,009)	(11,225)
Rents	(2)	(1)	(1)
Interest	0	0	0
Government Capital Grants	(1,432)	(1,432)	(1,432)
Recharges to Housing Revenue Account	(119)	(119)	(122)
Other Internal Charges	(354)	(354)	(354)
Total Income	(14,235)	(13,046)	(14,399)
Net Expenditure/(Income)	14,173	16,542	15,077

PUBLIC PROTECTION
REVENUE BUDGET 2019/20

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Public Protection Portfolio

Objective Summary	2018/19						2019/20			
	Original			Probable Outturn			Budget			
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Community Safety										
Closed Circuit Television	549	(33)	516	508	(33)	475	553	(34)	519	
Community Safety	216	(32)	184	214	(32)	182	221	(32)	189	
Energy										
Climate Change	111	(144)	(33)	113	(82)	31	55	(143)	(88)	
Cemeteries and Crematorium										
Cemeteries and Crematorium	1,161	(2,566)	(1,405)	1,193	(2,686)	(1,493)	1,200	(2,640)	(1,440)	
Flooding										
Flood and Sea Defence	811	(11)	800	641	(42)	599	754	(13)	741	
Regulatory Services										
Regulatory Business	35	(14)	21	45	(11)	34	34	(14)	20	
Regulatory Licensing	100	(469)	(369)	119	(251)	(132)	121	(477)	(356)	
Regulatory Management	1,134	0	1,134	1,076	0	1,076	1,170	0	1,170	
Regulatory Protection	71	(13)	58	88	(13)	75	70	(13)	57	
Building Control	443	(440)	3	457	(440)	17	457	(451)	6	

**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Public Protection Portfolio

Objective Summary	2018/19						2019/20		
	Original			Probable Outturn			Budget		
	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)	Gross Expenditure	Total Income	Net Expenditure / (Income)
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Waste and Street Scene									
Public Conveniences	550	0	550	570	0	570	570	0	570
Waste Collection	4,695	0	4,695	5,042	0	5,042	4,993	0	4,993
Waste Disposal	5,264	0	5,264	4,654	0	4,654	5,037	0	5,037
Street Cleansing	1,360	0	1,360	1,395	0	1,395	1,395	0	1,395
Household Recycling	477	(7)	470	489	(7)	482	488	(7)	481
Environmental Care	242	(4)	238	245	(4)	241	251	(4)	247
Waste Management	296	0	296	294	(130)	164	312	0	312
Net Expenditure/(Income)	17,515	(3,733)	13,782	17,143	(3,731)	13,412	17,681	(3,828)	13,853

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**SOUTHEND ON SEA BOROUGH COUNCIL
GENERAL FUND YEAR ENDING 31 MARCH 2020**

Public Protection Portfolio

Subjective Summary	2018/19		2019/20
	Original	Probable Outturn	Budget
	£000s	£000s	£000s
Expenditure			
Employees	3,565	3,380	3,521
Premises	507	561	518
Transport	73	84	72
Supplies & Services	345	425	411
Third Party Payments	12,416	12,083	12,549
Transfer Payments	0	0	0
Depreciation	609	610	610
Gross Expenditure	17,515	17,143	17,681
Income			
Government Grants	(11)	(12)	(13)
Other Grants & Reimbursements	(32)	(192)	(32)
Sales	(6)	(6)	(6)
Fees & Charges	(3,677)	(3,514)	(3,770)
Rents	(7)	(7)	(7)
Interest	0	0	0
Government Capital Grants	0	0	0
Recharges to Housing Revenue Account	0	0	0
Other Internal Charges	0	0	0
Total Income	(3,733)	(3,731)	(3,828)
Net Expenditure/(Income)	13,782	13,412	13,853

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2019/20 - 2021/22 BUDGET INVESTMENT**A COMMUNITY SAFETY****A1 Community Safety Hub - £285,000**

Additional permanent staffing resources for the Community Safety Hub as approved at Cabinet 19/6/18.

A2 Grounds Maintenance - £100,000

This additional investment requirement is a result of continuing demand pressure in the Grounds Maintenance budget, as a result of the income budget for selling services not being realised.

Sub Total for Community Safety**£385,000****B HEALTH & WELLBEING****B1 Housing Benefit/Localised Council Tax Scheme Administration Grant - £90,000**

This Government grant income provides funding support to the Local Authority for the administrative running of the national Housing Benefit and Localised Council Tax Scheme. The Department for Works and Pensions (DWP) announces annually the Local Authority allocations for the above grant. Nationally the total available for distribution for this overall grant has reduced year on year and the consequent reduction in the Council's annual grant for 2019/20 from the DWP is £90,000.

Given the high risks around the recent introduction of Universal Credit and its implications for benefits staffing in dealing with this new process coupled with the need to ensure that housing benefit subsidy is maximised for administrative delay and local authority error it is important that the grant income reduction is addressed by this investment.

B2 Outdoor sports - £100,000

The number of sports clubs renting pitches, paying fees and participating in organised team sports has decreased in successive recent years. National statistics show there is a reduction of 21% in football between 2011 and 2015 alone, which is reflected in the number of leagues and teams now in operation locally. Cricket teams have also suffered year on year reductions. Participation in other physical activities such as running and cycling have grown, but these do not command any income to the Council.

2019/20 - 2021/22 BUDGET INVESTMENT**B3 Golf – £90,000**

Golf is another sport to have suffered considerable loss of participation and subsequent income to the Council. Coupled with increasing competition from private clubs, the Council's income budget has not reflected this shift in consumer behaviour and needs adjusting to align the income budget with actual income.

Sub Total for Health & Wellbeing**£280,000****C CHILDREN & LIFELONG LEARNING**

Members will be aware of the national increase of demand in Children's services over the past 5 years. The Association of Directors of Children's Services (ADCS) and Local Government Association (LGA) have raised this issue with central government that unlike Adults services where the Better Care Fund (BCF), Improved Better Care Fund (iBCF) and the precept has given local authorities additional resources to meet that demand, this has not been forthcoming for children's services. In addition to the increase of need and demand, the raising of the bar in the recent Ofsted Inspection regime means additional resources were required following the 2016 Single Inspection service. As a result a detailed financial review has been undertaken and recommends the following.

C1 Getting it right for Every Child (Demand strategy) for children's services - £1,108,000

Externally commissioned research into need and resources within Children's Services highlighted Southend as having less funding than both the England average and other similar local authorities. A strategy is being developed in conjunction with our transformation programme to ensure we are best placed to meet increased demand in the short term and to ensure appropriate services are in place to reduce demand in the medium to long term. The funding will facilitate the additional social work posts funded temporarily following the Ofsted inspection to be made permanent and additional post to maintain and improve outcomes for children and families. In total there will be an additional 6 to establishment of new qualified social workers to grow our own, 7 additional social worker places (5 of which are in post on temporary basis through the Ofsted improvement) 2.5 additional more senior staff to oversee practice and 2 additional administration

C2 Edge of Care Team - £330,000 (and a further £250,000 annually from 2020/21)

The Edge of Care team has successfully supported children and young people to either remain safely at home or out of care, return home from care, or in a sustained foster placement, thus avoiding high cost residential placements. A detailed review of this service indicates cost savings/avoidance of £1.3m over a year. To ensure continued success this investment will allow us to make all temporary resources permanent.

2019/20 - 2021/22 BUDGET INVESTMENT**C3 Adolescent Team - £275,000**

The development of the Adolescent Team followed the innovated work with vulnerable young people which has strengthened families and improved relationships, enabling children to remain living safely within the family home safely and sustainably. This work was commended in the recent JTAI inspection. To ensure continued success and following the increased identification of young people at risk of exploitation this investment will allow us to make all temporary resources permanent.

C4 Increase fees for foster carers to prevent loss of capacity - £100,000

To keep up with increased living costs and prevent the risk of foster capacity dropping and potentially causing an increase on high cost placements, there is a need to invest in increased foster carer fees. This investment, over and above inflation, also ensures we keep children locally placed and will, alongside the edge of care investment, contribute to savings in external high cost placements for 19/20.

C5 Early years funding - £350,000

As part of the Dedicated Schools Grant (DSG), historically £500K has been transferred between schools and early years (EY) to fund early year's development and training over and above the seven statutory duties it is required to deliver. This has resulted in a very high performance profile for EY in the Borough, which in turn leads to a good start in schools. This funding employs under contract EY professionals, which comes to an end in March 2019. Under the National Funding Formula, this will no longer be possible. An investment request is being made to fill this gap. The risk associated with this gap is if this if we in not getting this funding is that over time, readiness for school and outcomes will diminish.

C6 SEN children costs rising particularly ASD provision - £100,000

Specialist Provision for pupils of mainstream intellectual ability whose Autism prevents them from accessing mainstream school could be placed in mainstream school by the expansion of Autism Resource Bases (ARB)'s. Currently Southend has two ARBs supporting key stage 1 but pupils needing access to such provision in key stage 2-4 do not have that available and are placed often inappropriately in special schools or in expensive independent schools away from their local community. We propose a one off pump priming investment over 2 years to support mainstream schools to support these pupils whilst at the same time reducing costs for schools over the short term. Over the two years of this investment we will support mainstream schools to create a longer term sustainable plan in managing these pupils This cost can also be offset by the cost of placing those pupils in special schools or independent school placements which may mean with rigorous admission criteria there is a minimal revenue cost (or even a saving) to the high needs block by introducing the additional places in ARBs.

2019/20 - 2021/22 BUDGET INVESTMENT**C7 Virtual Schools funding - £75,000**

The Head Teacher of the Virtual School will pull together a request for funding to support the continued improvement and growth in the virtual school. Due to the increase in looked after children numbers this permanent investment is needed to ensure operational matters do not detract from sustained improvement in outcomes and is to recruit a Deputy Head teacher post.

Sub Total for Children and Lifelong Learning**£2,338,000****D ADULT SERVICES****D1 Adult Social Care - £3,362,000**

There continues to be year on year pressures on adult services including demographic (£500k) and transition from Children's to Adults pressures (£400k) as well as National Living Wage (NLW) implications (£1,000k). In addition, further investment will be made to enable the on-going transformation work. This level of investment means that all new resources being made available through the iBCF, social care precept and the ring fenced element of the social care grant are being invested in adult social care. This strategic approach replaces the need for standalone investments to cover NLW, demographic and transition pressures.

Sub Total for Adult Services**£3,362,000****E STAFFING CAPACITY****E1 Customer Service Staffing - £170,000**

To create additional management capacity and a technical/user support team to ensure the ongoing development and take up of "MySouthend". This investment will improve and enhance the customer interface with the Council and will provide evidence and data to assist with service redesign. This investment will be offset by savings detailed in D2 and D3; namely the deletion of the Group Manager post for Bereavement services and other staffing savings that will be realised through the roll out of phase 2 of the channel shift project.

2019/20 - 2021/22 BUDGET INVESTMENT**E2 Corporate Strategy Staffing - £75,000**

Additional staffing around communications and policy/strategy to support/deliver the Southend 2050 ambition, themes and outcomes. Additional capacity and capability particularly around the use of insights (intelligent data), service redesign, user research and outcome based planning will be essential in the next phase of the organisation's development. This investment will ensure that data and intelligence is used consistently across the organisation to inform policy development and service redesign. It will introduce capacity and capability in this area, whilst at the same time maintaining/enhancing the community engagement function. The investment will also strengthen the communications resource and allow for proactive media (including social media) and reputational management.

Sub Total for Staffing Capacity **£245,000**

TOTAL INVESTMENT **£6,610,000**

Summary

Community Safety	385,000
Health & Well Being	280,000
Children & Lifelong Learning	2,338,000
Adult Services	3,362,000
Staffing Capacity	<u>245,000</u>
Total Proposed Investment	<u>£6,610,000</u>

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2019/20 – 2021/22 BUDGET REDUCTIONS**A INCOME – COMMERCIAL ACTIVITIES****A1 Commercial property income - £455,000**

As a result of a commercial acquisition in late 2017/18 and a new letting in the Civic Centre Campus an additional annual lease income of £455,000 will be generated in a full year from 2019/20.

Sub Total for Income – Commercial Activities**£455,000****B INCOME – NEW/ADDITIONAL****B1 Asset rental and leases - £100,000**

The return on income in this area continues to improve as a result of close review and monitoring of rentals and leases and therefore an additional sum of £100k will be generated annually from 2019/20.

B2 Investment Income - £250,000

Some of the Council's cash balances are invested over the medium and long term with the aim of realising higher yields than short term investments. Further investment in long term funds was made in the early part of 2018/19. The price of units can rise and fall and in some quarters the returns are good but in other quarters there may be losses. The interest equalisation reserve is used to meet any temporary losses against the annual investment income budget and the amounts contributed to/from this reserve will depend on the actual annual investment performance against the budget.

The setting of the correct level of budget is therefore important as it should allow for sufficient reserves to be built up in preparation for any temporary losses, but not to build up too high a level. The further investment in the long term funds will allow the increase in the underlying income budget by £250k without impacting on the Council's ability to meet temporary losses.

Sub Total for Income - New/Additional**£350,000**

2019/20 – 2021/22 BUDGET REDUCTIONS**C TRANSFORMATION****C1 Locality working/community engagement – £1,100,000**

Further embedding an empowering and enabling approach that focuses on the strengths, assets, and resources of the individual. We will continue to foster and encourage maximum independence and support the individual in their personal responsibility for maintaining their own wellbeing. The concepts of prevention, re-ablement and enablement are key to this vision to create an asset/strength based approach to supporting people to maintain a decent quality of life.

The continuation in adopting a collaborative, whole system approach incorporating locality working will support a council wide preventative approach, reducing demand within the health and social care sector. This approach also has the potential to reduce overall demand across wider council services such as highways, waste, customer services etc. Community engagement, promotion of resident's accord and asset based assessments and support planning, including the use of LL portals has potential to create efficiencies and further reduce demand on council wide functions.

C2 Children's services adopting locality approach and use of technology – £200,000

Alignment of our children's services transformation programme with our counterpart work in adult services will provide opportunities in the latter part of 19/20. Examples being explored include delivering some services through localities and, use of technological efficiencies following further embedding of our new social care system.

C3 Reduced high cost placements linked to Edge of care – £500,000

Permanent investment in the Edge of Care team is expected to result in more children returning home from care, leading to a reduction in the cost of placements. In addition the team will support in house foster placements at high risk of disruption, which could lead to high cost external residential placements. This saving is also supported by the investment in additional foster carers fees which will keep children placed locally.

C4 Public Health role in Council services - £160,000

Culture Team - This is to permanently place a management focus on public health outcomes driven through the cultural offer and built into appropriate job descriptions (£60k)

Housing - One off funding to Private Housing scheme to support our local drive to reduce health inequalities and improve health and wellbeing by tackling damp surroundings that cause respiratory diseases, fuel poor and reduce the risk of trips and falls, in these properties (£50k)

Children's - One off funding to Children Centre services to support our renewed vision in the expansion of the ABSS programme and re-alignment with the health visiting service – part of a new model development (£50k)

2019/20 – 2021/22 BUDGET REDUCTIONS

C5 Pathways - £40,000
A proposal to replace broken pavements (paving stones) in new areas with lower cost black top rather than paving slabs. Existing colour areas to be replaced on a like for like basis.

C6 Central reservation greenery - £25,000
This proposal is to review the planted greenery in various central reservations to reduce annual maintenance costs and assisting traffic management costs from not closing roads.

Sub Total for Transformation**£2,025,000****D STAFFING RESTRUCTURES**

D1 Finance & Resources Staffing - £70,000
Arising from a restructure and the deletion of the Group Manager post in the Benefits team a saving of £70k pa can be realised.

D2 Cemeteries and Crematoria Staffing - £100,000
The deletion of a Group Manager post in this team will realise a saving of £75k pa and a staffing structure review will delete a further post of £25k.

D3 Channel Shift Staffing - £75,000 (2020/21 - 2021/22 further savings to be identified)
With the rollout of the Channel Shift Programme staff savings in the Contact Centre and Business Support function in the Place Department will be realised over the next three years.

D4 Joint contracts and commissioning efficiencies – £200,000
Build on the work carried out by procurement to look at alignment of contract and commissioning functions across Adult social care and Integrated Commissioning. This will be a joint piece work between the three service areas with a view to streamline appropriate functions and review the wider structures across the two service areas.

D5 Learning services savings – £150,000
Savings will be made through a targeted review of staffing roles/functions within the service. Roles will either be merged where efficiency savings can be found, or deleted where possible.

D6 Tickfield Centre restructuring - £40,000
As a result of merging the Tickfield team into Property and Estate Management one team leader post will be removed in the restructure planned for April 2019.

Sub Total for Staffing Restructures**£635,000**

2019/20 – 2021/22 BUDGET REDUCTIONS**E PROCUREMENT EFFICIENCIES****E1 External Audit Fees - £30,000**

Arising from the recent procurement exercise of external auditors for all Local Authorities in England, the annual fee for 2019/20 will reduce by £30,000 (against a previous fee of £143k for the main audit in 2018/19 – a 21% reduction).

E2 Insurance Renewal – £150,000

As a result of a recent successful procurement exercise of the Council's insurance arrangements, for our property, the cost of the Council's insurance will reduce by £150,000 pa in 2019/20, a reduction of 25% in the annual budget.

E3 Procurement review of contracted services – £100,000

A review of all contracts due for re-tendering within the People Department has identified a procurement saving from the Adult Social Care contracts in respect of the LD Supported Living budget.

Sub Total for Procurement Efficiencies**£280,000****TOTAL BUDGET REDUCTIONS****£3,745,000****Summary****Income – Commercial Activities****455,000****Income – New/Additional****350,000****Transformation****2,025,000****Staffing Restructures****635,000****Procurement Efficiencies****280,000****Total Proposed Budget Reductions****£3,745,000**

2019/20 – 2021/22 BUDGET REDUCTIONS**Public Health Proposals**

Public Health is ring fenced and the proposed net reduction of £250,000 contains the budget in line with the Public Health grant allocation for 2019/20.

Savings:	Amount
	£'s
Management costs savings (2 admin posts)	(53,000)
Unallocated/ overachieved 18/19 savings	(129,000)
Smoking Cessation	(35,000)
Sexual Health contract procurement	(142,000)
0-5 contract procurement	<u>(231,000)</u>
Total Savings	<u>(590,000)</u>
Investments:	
NHS Health Checks Co-ordinators	50,000
Domestic abuse prevention, IDVA and MARAT	75,000
Healthy Schools & Emotional health	<u>15,000</u>
Total unfunded ongoing programmes	<u>140,000</u>
Domestic Abuse (SET contribution)	40,000
0-5 Management Post & Development	100,000
Community- led development Place post	<u>60,000</u>
Total New Initiatives	<u>200,000</u>
Total proposed net savings for Public Health	(250,000)

2019/20 – 2021/22 BUDGET REDUCTIONS**Housekeeping Efficiencies 2019/20****Salaries and Employee Associated Costs - £18,000**

Underspends against National Insurance Contributions for Members, staff training in the Regulatory Services team and staff advertising in the Enterprise and Community team

Travel Expenses - £20,500

Underspends in the Traffic Management, Parks and Environmental teams

Supplies and Services - £126,000

Underspends across Strategic Services, the Traffic Management and Food Safety teams, the Forum, Southend Pier and the Royal Pavilion

Contractors - £94,500

Surplus base budget for Contractors in Planning and Transport, Culture and Tourism and Public Protection and Waste

Advertising - £4,000

Unspent budgets in the Tourism, Marketing and Development team

Corporate Initiatives - £23,000

Unused budget in this area

Housing Revenue Account (HRA) - £52,000

HRA recharge adjustment to align with budget

Additional income generation - £30,000

Book Group Service - Charge £20 per annum per group (£3k)

Museum Services income - This will be additional income over current fees and charges (£7k)

Pier Train Charges - In addition to the MTFs assumption of 2% an average of 10p on pier train tickets will be added (£10k)

Prittlewell Prince Publication for sale following the Saxon archaeological finds exhibition scheduled in 2019. £5 per book (£5k)

Preparation of University of Essex book stock for the Forum (£5k)

Total proposed Housekeeping Efficiencies - £368,000

Southend-on-Sea Borough Council

Report of Deputy Chief Executive - People
and Strategic Director (Finance and Resources)

to

Education Board

on

22nd January 2019

(Following the 2019/20 funding principles agreed at the Education
Board on the 18th December 2018)

Agenda
Item No.

Report prepared by:

Paul Grout

Senior Finance Business Partner

Dedicated Schools Grant budget 2019/20

1 Purpose of Report

To present the 2019/20 Dedicated Schools Grant (DSG) budget.

2 Recommendation

- 2.1 That the proposed 2019/20 Dedicated Schools Grant Budget be noted, and that this has been set as agreed in accordance with the approved funding principles of the last 18th December 2018 DSG Education Board finance paper.
- 2.2 Therefore, the Education Board are asked to agree and recommend this budget to Council for final approval within the Council's 2019/20 budget paper on the 21st February 2019.

3 Background

- 3.1 This report sets out the proposed Dedicated Schools Grant Budget for the financial year 2019/20, to be set by the Council as part of its annual budget cycle in February 2019.
- 3.2 This report, also follows both previous and detailed DSG Education Board (EB) funding papers considering the 2019/20 budget (in draft form at those times), as presented, and approved for EB recommendation in both the October 2018, and December 2018 board meetings.

- 3.3 This report now also follows the Department for Education (DfE) DSG 2019/20 funding block announcements made on 17th December 2018, and release of the 2019/20 DfE Authority Proforma Tool (APT) on the 14th December 2018.
- 3.4 The DfE release of the 2019/20 APT, therefore enables the Education Board to also formally set the distribution of the 2019/20 school block funds to Individual Schools, using the updated numbers on roll for each School as per the latest DfE October 2018 school census data, and in line with the previous funding agreement of the Education Board on the 18th December 2018.
- 3.5 This paper, also displays the final 2019/20 DSG funding allocations for de-delegated funds, growth fund, central schools block, early years block (remains DfE provisional) and high needs block (High needs in totality only and remains DfE provisional), as also agreed in the Education Board on the 18th December 2018.

4 Dedicated Schools Grant Allocations 2019/20

- 4.1 The Department for Education (DfE) has set out the following funding blocks for Southend's Dedicated Schools Grant for 2019/20;

Schools Block	£119.090 M
Early Years Block (provisional)	£9.955 M
High Need Block (provisional)	£19.416 M
Central Block	£1.748 M
Total	£150.208 M

Appendix – “DSG budget 2019/20”, provides a detailed allocation including movement from the latest 2018/19 budget.

- 4.2 For pupil led funding, the 2019/20 schools block is based on a confirmed payment of £3,958.23 per primary pupil for 15,075 number of pupils and £5,254.47 per secondary pupil for 10,899 number of pupils. And for information only the average per pupil funding for selected areas is given below;

	Primary unit of funding per pupil £	Secondary unit of funding per pupil £
Southend-on-Sea	3,958.23	5,254.47
Thurrock	3,868.90	5,225.69
Essex	3,842.73	5,018.47
London	4,687.79	6,166.56
East of England	3,929.77	5,082.47
South East England	3,842.93	5,007.33
England	4,098.81	5,294.65

- 4.3 The DfE Early Years funding rates applied to our DSG funding for 2019/20 are the same as 2018/19, confirmed at £4.40 per hour for 3 & 4 year olds and £5.24 per hour for 2 year olds. The Early years block remains provisional for 2019/20, as 2019/20 DfE allocations for take up of provision will be updated during 2019/20, and a further update in 2020/21, based on the January 2019 and January 2020 early years census data.

- 4.4 The provisional high needs block funding for 2019/20 has increased by £782,000 to £19.416 Million compared to the latest 2018/19 High Need DSG budget, and note both years now include the additional circa. £410,000 for each year announced by the DfE on the 17th December 2018.
- 4.5 The high needs block is still provisional until the final funding allocation is expected to be announced in July 2019. The DfE will be updating the final funding allocation in recognition that the authority meets all the high need place funding costs in their home area, regardless of the pupil's own home authority residence (excluding free special schools). Therefore, the home authority will either be compensated in relation to high need place funding, where they support more pupils from outside of their home authority area, than have been required to place home resident pupils in another local authority, or on the contrary, a reduction in the local funding adjustment will occur if the opposite situation is present for the home authority. And, also, in pure DfE high need funding terminology, this is known as the high need import and export adjustment, which is based on the January 2019 school census data and February 2019 R06 Individualised Learner Records (ILR) data, once processed.
- 4.6 However, as these final high need funded adjustments are not expected to be material in size, and this is also in view that the 2019/20 provisional high need funding allocation have already been adjusted for the 2018/19 import and export adjustment, the High Needs funding for distribution to settings in 2019/20 will now be planned on this provisional allocation, and as previously agreed will be presented for recommendation to the Education Board in March 2019 and once considered through the Resource Sub Group.
- 4.7 Ofcourse, whilst the High Needs funding for 2019/20 is a welcome increase, it should remain noted that Southend's High Need DSG funding allocation still remains below an uncapped National Funding Formulae (NFF) allocation. And after considering, as previously referenced the £410,000 additional DSG funding that was announced in December 2018, had this funding also been applied to an uncapped NFF formulae, Southend's allocation for 2019/20 would have likely been £20.111M (or a further £695,000 from the latest 2019/20 funded allocation).
- 4.8 The DfE have allocated a 2019/20 central block amount of £1.748M, which the local authority retains to support universal education related services.

5 Schools Block – Individual School Block (ISB) allocations - £118.144M

- 5.1 As illustrated for each School, in Appendix – “DSG Budget 2019/20 – Individual Schools Budget allocations”, The DfE release of the APT enables the Education Board to formally set the distribution of the 2019/20 school block funds to Individual Schools, using the updated numbers on roll (NOR) for each School as per the latest DfE October 2018 school census data, and in line with the previous funding agreement of the Education Board on the 18th December 2018.

- 5.2 And, note, as agreed at the previous Education Board meeting on the 18th December 2017, individual school budget allocations for 2019/20 have been set, adopting the principles of the National Funding Formulae in full, to ensure each School now receives at least the 2019/20 National Funding Formulae (NFF) basic minimum funding rates per pupil of £3,500 for primary and £4,800 for secondary, and awarding a rounded 0.5% per pupil funding rate growth to all remaining schools above their 2017/18 per pupil led baseline.
- 5.3 Please be reminded, as noted in the December 2018 paper, whilst the NFF provided a further 0.5% growth per pupil, the DfE did not adjust the DSG funding allocations for 2019/20 business rates changes, and the DfE place the expectation that individual school business rate changes are adjusted and allowed for within the local DSG allocation itself. Therefore, what this means in reality, is the 0.5% NFF funded allowance per pupil, could be shown as very slightly more or slightly less for all, as locally, the Individual School budget allocations have been adjusted for the 2019/20 business rate changes. This also then ensures that no individual school is unfairly penalized by business rate increases, and keeps Southend in line with the overarching principles of the adopted NFF.

Other key points for noting in the NFF funding formulae and APT:

- 5.4 Basic entitlement has been set, as per the NFF rates, at;

Primary	£2,756.52
Key Stage 3	£3,876.05
Key Stage 4	£4,401.03

- 5.5 This Primary to Secondary funding ratio is now set at 1:1.32.
- 5.6 The numbers of children on roll in and registered in the APT has increased by a further 276 children, to now 25,978 (Primary 15,077 and Secondary 10,901) based on the recent DfE October 2018 school census, compared to 25,702 (Primary 15,046 and Secondary 10,656) in the previous years October 2017 census.
- 5.7 As stated above, the total Individual School block allocation in the 2019/20 funding formula is £118,144,433 before de-delegation, (£118,138,895 after de-delegation). And note - this is an increase in the totality of Individual School block allocations of £1,913,633 from the 2018/19 allocation, which is due to both an increase in the NOR and the NFF funding factors considering the schools increased to the 19/20 basic minimum per pupil amount, and the further NFF 1% growth for all remaining schools from their 2017/18 funded per pupil base line (NFF 0.5% applied in 2018/19 and 0.5% applied in 2019/20).

6 Schools Block – Centrally retained de-delegated lines - £5,538 (applicable to maintained schools only)

6.1 The de-delegated per pupil funded amounts have been set as agreed in the December 2018 paper, whereby the de-delegation amount for governor subscriptions has been set at £0.00p per pupil, and £1.00 per pupil for staff costs - trade unions duties returning an annual de-delegated sum of £5,538.

7 Schools Block – Centrally retained growth fund - £0.945M

7.1 The DSG growth fund amount has been set in accordance with the principles, agreed in the December 2018 paper, where by the 2019/20 DSG amount awarded for growth will be held centrally and distributed to schools who been required by the Local Authority to increase their class sizes.

7.2 Following the DfE announcements in July 2018 for DSG updated growth funding allocations, and as referenced, in both the October 2018 and December 2018 DSG EB papers, the now final DfE calculated DSG sum to apply to growth funding in 2019/20 is £945,135. And in summary, this sum is now driven by growth in local pupil numbers between the two most recent annual October school census's using only positive growth within statistically defined middle layer super out areas's (MSOA), multiplied by a DfE defined funding rate of £1,374.76 for each per primary pupil growth and £2,126.06 for each per secondary pupil growth (which includes the DfE defined local area cost adjustment).

7.3 And note, as referenced in and agreed in the October 2018 DSG EB paper, the funding methodology for awarding growth funding to schools from Sept-2020, will be presented to the Education Board in March 2020, for any required adjustment from the current funding methodology, and once considered through the Resources Sub Group.

8 Early Years Block (Provisional) - £9.955M in total

8.1 As expected, the DfE have provisionally set the 2019/20 Early Years block on the same latest and expected number of Part Time Equivalent PTE* children forecast to access the 2018/19 DSG early years funded provision. This is also includes the same DSG funded hourly rates applicable for each early years provision. The final budgets allocations have also been set, as agreed in the December 2018 DSG EB paper.

PTE* as DfE defined, assumes all children access the full 15hrs per week support over 38 weeks in the year.

8.2 Therefore, for DSG 2 year old funding the PTE has been set at 422 children, at an hourly rate of £5.24. And please note, as set in the October 2018 Early Year Education board paper – the core rate Southend passes over to providers is £5.20 per hour, now allowing for a small retained discretionary pot for 2 year old support of £9,622 (which was agreed in the October 2016 Education Board Early years NFF paper).

- 8.3 For the DSG universal 3 and 4 year old entitlement funding the PTE has been set at 2,739 children, at an hourly rate of £4.40. And please note, as set in the October 2018 Early Year Education board paper – the core 2019/20 rate Southend passes over to all providers as statutorily required will be £4.24 per hour, also allowing for the DfE statutory requirement and retention of £0.14 per hour, to fund supplementary provider eligible deprivation funding at £0.44 per hour (at an expected 20% required take up of total PTE), a centrally retained fund for the Special Educational Needs Inclusion fund and additional early years provider training (as set in the December 2018 DSG EB paper of £135,000).
- 8.4 For the DSG 3 and 4 year old extended entitlement funding for eligible working parents, the PTE has been set at 660 children, at an hourly rate of £4.40. And please note, as set in the October 2018 Early Year Education board paper – the core 2019/20 rate that is passed over to providers is also £4.24 per hour, as it has to statutorily mirror the Universal 3&4 year old provider entitlement rate including any additional provider supplement funding.
- 8.5 The DfE have also, set the allocations for both the Disability Access Fund (DAF) expecting 73 Southend children to be eligible, at a funded rate of £615 per child, awarding a total annual DAF fund of £44,895, and a £125,667 Early years pupil premium annual fund expected to target 415 children on a PTE, funded at £0.53p per hour.

9 High Needs Block (Provisional) - £19.416M

- 9.1 The 2019/20 High Needs block under NFF, has seen much needed and provisional confirmed growth in funding from the DfE of £0.782 Million, compared to the latest 2018/19 budget allocation. Although, as previously noted, we need to be minded this is still below an uncapped NFF amount.
- 9.2 Again, as previously reported our local DSG High Needs block funding has been under financial pressure for the last 3 financial years (a position also shared nationally), and this is despite local DSG financial savings applied and containment of further funding growth.
- 9.3 As referenced in the both the October and December 2018 DSG EB papers, this DSG paper now sets the total quantum of funding available for all high need settings in 2019/20, but must also be considerate of the need to restore the DSG deficit balance attributable to high needs.
- 9.4 Again, as agreed in the October 2018 DSG EB paper, the detail funding allocation for applying high need funding to settings will be presented to the Education Board in March 2019, and once considered through the Resources Sub Group.

10 Central Block - £1.748M

- 10.1 The central block budgets have been set, in accordance with agreement of the December 2018 DSG EB paper.

10.2 In 2019/20 there is a slight increase adjustment to the funding allocation in the central block of £9,581, which is incorporated within the Education Support Grant (ESG) retained duties. And as noted in the December 2018 DSG EB paper, this is due to the slight increase in the school pupil head count from 2018/19, whereby a proportion of the central block funding is determined by any changes in head count.

10.3 The final amounts are therefore confirmed as;

	Amount
From Central Schools Services Block	
CLA/MPA Licences	£122,297
Combined Budgets	£941,288
Schools Admissions	£236,300
Servicing of Schools Forum	£18,700
ESG Retained Duties	£429,143
	£1,747,728

11 DSG current anticipated reserve levels as at 1st April 2019

11.1 As previously reported in the December 2018 EB DSG paper (and before the announcement of the additional high needs funding announced on the 17th December). The total forecasted DSG reserve forecast level as at the end of 31st March 2019 (and therefore, expected carry forward to the 1st April 2019) was forecast to be a deficit balance of (£537,000), and the following table also presented the expected individual block allocations within the total DSG forecasted reserve balance:

Block	Schools – ISB £000	Schools - growth £000	Early Years £000	High Needs £000	Central £000	Total £000
2018/19						
Funding	116,221	699	10,452	18,223	1,738	147,336
Outturn	116,192	839	10,452	18,381	1,738	147,602
Variance	(30)	140	-	157	-	267
Reserves surplus / (deficit)						
1 April 2018	0	0	502	(567)	0	(65)
17/18 Early years funding adj.	0	0	(205)	0	0	(205)
2018/19 forecast						
Variance	30	(140)	0	(157)	0	(267)
Anticipated transfer in year	(30)	30	(56)	56	0	0
31 March 2019	0	(110)	241	(668)	0	(537)

And as reported and explained, in both the October and December 2018 EB DSG reports, the expected year end strain position on the high needs block alone was a deficit position of (£668,000). And please continue to note – this is not only a local financial stain position compared to DSG funding allocation but a position recognised nationally.

- 11.2 However, in view that the DfE announced on the 17th December 2018, nationally a £250M additional funding for DSG High Needs revenue funding (£125M in both 2018/19 and 2019/20) of which £409,626 additional is applicable for Southend in both the 2018/19 and 2019/20 financial years, and therefore formally recognising the funding pressures related to the national SEND reforms of 2014 for all local authorities, As referenced, in Appendix – “DSG Budget 201920”, allowing for the most recent December DSG 2018/19 expenditure forecast position (and assuming no changes in expenditure forecasts from now until the 31st March 2019) the balance of our local DSG reserve is now a reduced total forecast deficit of (£127,000) rolling into the 1st April 2019 (the start of the 2019/20 financial year).

The following table, now also presents, the updated individual block allocations within the total revised forecast balance, which includes the DSG funding addition of the £409,626 to high needs in 2018/19.

Block	Schools – ISB £000	Schools - growth £000	Early Years £000	High Needs £000	Central £000	Total £000
2018/19						
Funding	116,221	699	10,452	18,634	1,738	147,745
Outturn	116,192	839	10,452	18,381	1,738	147,602
Variance	(30)	140	-	(253)	-	(143)
Reserves surplus / (deficit)						
1 April 2018	0	0	502	(567)	0	(65)
17/18 Early years funding adj.	0	0	(205)	0	0	(205)
2018/19 forecast						
Variance	30	(140)	0	253	0	143
Anticipated transfer in year	(30)	30	(56)	56	0	0
31 March 2019	0	(110)	241	(258)	0	(127)

- 11.3 This is obviously, a much improved position for the DSG Reserve balances. However, regardless, before the announcement of the additional funding allocation, it is reminded as reported in both the October 2018 and December 2018 EB DSG report, Southend was still targeting a DSG reserve balance recovery by the 31st March 2020, through the continual need to constrain high need funding to settings.

- 11.4 Therefore of course, given the subsequent announcement of this additional funding, this message position in 11.3, should now be somewhat alleviated to a sensible degree, but bearing in mind our local High Needs block will still close with an expected deficit position of (£258,000). Therefore, it was also sensibly agreed, to consider the application of this new funding and therefore consider what can be applied to settings within the pre-planned 2019/20 high need detailed budget setting paper due for EB in March 2019, and once considered through the Resource Sub Group. A revised forecasted 31st March 2020 DSG reserve balance will also be updated, as part of the High need 2019/20 detailed budget setting paper in March 2019.

12 Conclusion

- 12.1 The overall position set out for 2019/20 is a balanced DSG budget.
- 12.2 Whilst, the purpose of this paper is to focus on the actual setting of the 2019/20 in year resources for the DSG, it is positive news that the forecasted DSG deficit reserves have now in part been alleviated due to the DfE additional funding announcement on the 17th December 2018, and of course with sensible forward planning, should in turn hopefully allow more funding to be applied to settings during 2019/20 for Special Educational Needs (SEND). This is also in view, given SEND funding has been actively but considerately constrained for the last 2 financial years to aid DSG reserve balance recovery.
- 12.3 And again, it has to be noted, the effective consideration and somewhat heightened consideration of DSG resources over the last two financial years that is clearly shown in both this and previous recent DSG papers (and in part driven by considerable funding pressures on high needs), has also only been made possible by the constructive and collaborative partnership working of the local authority, education board and resource sub group.
- 12.4 And as previously noted, it of course remains unfortunate, due to the current absence of any government funding announcements from 2020/21, we cannot further forward plan with any certainty the allocation of DSG resources beyond 2020/21 at this time.

13 Appendices

Appendix – DSG Budget 2019/20 – Individual Schools Budget allocations (to be released by the 15th January 2019)

Appendix – DSG Budget 2019/20

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Appendix - DSG Budget 201920
Recommend, if printed, to print in A3 Portrait

Block	S251 Line	Summary Line	A	B	C = B - A	Comments
			£	£	£	
			2018/19	2019/20		
			Latest Budget *	Original 19/20 Budget *	Budget Variation from previous year increase / (decrease)	
Schools Block - Individual School Block allocations	1.0.1	Maintained - Primary	23,922,066	21,626,752	(2,295,314)	
	1.0.1	Maintained - Secondary	769,937	-	(769,937)	As per Appendix 1 - and set as agreed in the DSG Dec 2018 EB paper
	1.0.1	Academy Recoupment - Primary	36,099,632	38,893,950	2,794,318	
	1.0.1	Academy Recoupment - Secondary	55,430,080	57,618,193	2,188,113	
Subtotal Individual School Block allocations			116,221,715	118,138,895	1,917,180	
Schools block - Centrally retained	1.1.7	De-delegated - Governor subscriptions	1,015	-	(1,015)	2019/20 - set as agreed in the DSG Dec 2018 EB Paper
	1.1.8	De-delegated - Staff costs (Trade Union duties)	8,070	5,538	(2,532)	
	1.4.10	Growth Fund	690,000	945,135	255,135	2019/20 - set as agreed in the DSG Dec 2018 EB paper. And note Mar-20 EB paper due on distribution of Growth fund from Sept-20
Schools Block Total			116,920,800	119,089,568	2,168,768	
Early Years	1.0.1	2 year old provision	1,260,330	1,260,330	-	
	1.0.1	3 and 4 y/o provision - Universal	6,869,041	6,760,254	(108,787)	2019/20 - As set in the DSG Dec 2018 EB Paper.
	1.0.1	3 and 4 y/o provision - Additional	1,655,113	1,628,900	(26,213)	Although remains DfE provisional until the results of both the January 19 and January 20 DfE early census's are processed. Expected DfE announcement in July-20.
	1.0.1	Disability Access Fund	42,435	44,895	2,460	
	1.0.1	Early Years Pupil Premium	125,667	125,667	-	
	1.3.1	Central Expenditure on Children under 5	500,000	135,000	(365,000)	
Early Years Block Total			10,452,586	9,955,046	(497,540)	
High Needs	1.0.2	Place Funding - Special Schools	120,000		(120,000)	
	1.0.2	Place Funding - Special Schools Recouped	5,180,000		(5,180,000)	
	1.0.2	Place Funding - PRU Recouped	810,000		(810,000)	
	1.0.2	Place Funding - Special Units	102,500		(102,500)	
	1.0.2	Place Funding - Special Units Recouped	215,500		(215,500)	
	1.10.2	Place Funding - Free School Recouped	179,181		(179,181)	
	1.02.2	Place Funding - CCP and FE Recouped	564,000		(564,000)	
Subtotal Place funding			7,171,181		(7,171,181)	
	1.2.2	Special School - flexible place funding	80,000		(80,000)	
	1.2.2	Special School Top ups	4,300,000		(4,300,000)	
	1.2.1 / 1.2.2	Special Units Top ups	225,000		(225,000)	
	1.2.2	PRU Top ups	300,000		(300,000)	
Subtotal Special School and PRU provision top up funding			4,905,000		(4,905,000)	
	1.2.5	EHCP Early years Top ups	44,000		(44,000)	2019/20 high need block service line plan to be allocated for approval in the March 2019 Education Board and once considered through the previous March 2019 Resources Sub Group.
	1.2.1 / 1.2.2	EHCP Inborough Mainstream - Primary Top ups	1,380,000		(1,380,000)	As previously agreed, this will also include a 2019/20 targetted amount to assist with the restoration of depleted DSG reserves balances attributable to High Needs. The 2019/20 total DSG High need funding allocation itself, also remains provisional until the DfE announcement the final high need pupil import and export adjustment for cross local authorities boundaries due in July 2019, although this is not expected to change the final funding amount by any significance.
	1.2.1 / 1.2.2	EHCP Inborough Mainstream - Secondary Top ups	490,000		(490,000)	
	1.2.1 / 1.2.2	EHCP Top ups - out of Borough	440,000		(440,000)	
	1.2.2 / 1.2.11	EHCP Top ups - post 16 providers	660,000		(660,000)	
EHCP top up provision schools and post-16			3,014,000		(3,014,000)	
	1.2.3	EHCP funding - Independent providers	1,489,339		(1,489,339)	
	1.2.4	HN targeted LCHI funding	10,000		(10,000)	
	1.2.6	Hospital Education provision	100,000		(100,000)	
	1.2.7	Individual Tuition service	153,100		(153,100)	
	1.2.5	SEN Team - DSG	422,479		(422,479)	
	1.2.5 / 1.2.13	SEN Support Services - special units in schools	212,900		(212,900)	
	1.2.8	Behaviour & Reintegration Support (outreach)	322,000		(322,000)	
	1.2.8	Outreach Harbour Development Centre	161,000		(161,000)	
	1.2.5	Elective Home Education Costs	8,000		(8,000)	
	1.2.7	Commissioned Preventative Pathway AP service	172,000		(172,000)	
		2018/19 High needs SLA savings target	(117,000)		117,000	
Other High Need funding provision including SLA's			1,444,479		(1,444,479)	
Total High Need Non-Place funding			10,852,818		(10,852,818)	
High Needs block service lines total			18,023,999		(18,023,999)	
High Need budget allocation targetted to restore High DSG reserve balances			200,000		(200,000)	
* High Need Dec-18 DfE announced additional high need funding allocation			409,626	409,626	-	
High Needs Block total			18,633,625	19,415,963	782,338	
Central block	1.4.1	Contribution to combined budgets	941,288	941,288	-	
	1.4.14	CLA/MPA License	122,297	122,297	-	2019/20 - set as agreed in the DSG Dec 2018 EB Paper
	1.4.2	School Admissions	236,300	236,300	-	
	1.4.3	Servicing of School Forums	18,700	18,700	-	
	1.5.1/1.5.2/1.5.3	ESG Retained	419,562	429,143	9,581	
Central Block total			1,738,147	1,747,728	9,581	
Grand Total			147,745,158	150,208,305	2,463,147	
DSG - Funding		Schools Block - ISB Retained	(24,701,088)	(21,632,290)	3,068,798	
		Schools Block - ISB Academy Recoupment	(91,529,712)	(96,512,143)	(4,982,431)	
Schools Block - ISB subtotal			(116,230,800)	(118,144,433)	(1,913,633)	
		Growth fund	(1,190,000)	(945,135)	244,865	
Schools Block subtotal			(117,420,800)	(119,089,568)	(1,668,768)	
		Central Block	(1,738,147)	(1,747,728)	(9,581)	DSG funding determined as per the Department for Education funding allocation releases and announcements
		Early Years Block (2 year olds)	(1,260,330)	(1,260,330)	-	
		Early Years Block (3&4 yr olds - Universal)	(6,869,041)	(6,869,041)	-	
		Early Years Block (3&4 yr olds - Additional)	(1,655,113)	(1,655,113)	-	
		Early Years Disability Access Fund	(42,435)	(44,895)	(2,460)	
		Early Years Pupil Premium	(125,667)	(125,667)	-	
		* DSG reserve - Early Years budget draw down	204,798	-	(204,798)	
		High Needs Funding Block	(11,684,944)	(12,633,963)	(949,019)	
		High Needs Recoupment	(6,948,681)	(6,782,000)	166,681	
DSG Funding Total			(147,540,360)	(150,208,305)	(2,667,945)	
Total Net DSG Budget			204,798	(0)	(204,798)	

* 2018/19 latest DfE DSG budget allocation as at Dec 2018

* 2019/20 Original budget as per the DfE DSG funding allocations announced in Dec 2018

* High Need Dec-18 additional funding allocation - announced by the DfE on the 17th December 2018, for both the 2018/19 and 2019/20 Financial years

* 2018/19 DSG reserve Early years budget drawn down relating to 2017/18 as explained and referenced in the October 2018 EB DSG paper

DSG Reserves balances £'000 *

	2018/19	2019/20
1st April Surplus / (deficit) Original	(65)	(127)
Early Years Funding adjustment for prior year	(205)	0
1st April Surplus / (deficit) Revised	(270)	(127)
Current In year forecast expected surplus / (deficit)*	143	tbc
31st March surplus / (deficit) forecast*	(127)	tbc

* DSG reserve balance - as referenced in the latest DSG EB December 2018 paper - but simply now updated in view of the post DfE high need additional funding announcement of £409k. And in view of this additional funding announcement, as agreed at the December 2018 Education Board, a revised DSG reserve balance forecast for the end of 2019/20 will be presented alongside the March 2019 High Need detailed service allocation budget paper

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7 Conditions

- Clear Vision & Delivery Strategy
- Digital Enablement to Support the Vision
- Trusted, Empowered and Engaged Workforce
- Appetite to Invest in People, Outcomes & Accept Risk
- Closer Collaboration with Staff, Members, Citizens & Partners
- Simple & Effective Governance
- Open Mindset that will drive forward Transformation & Change

6 Outcomes

1. A trusted empowered workforce who are accountable. **Lead - Tim Rignall/Gary Smith**
2. An organisation where it's encouraged to try new things and where learning is shared, valued and put into practice. **Lead - Lysanne Eddy/Richard Meads**
3. A highly collaborative workforce focused on delivering outcomes for the people of Southend-on-Sea. **Lead - Ellen Butler/Louisa Robinson**
4. Excellent people managers leading an agile workforce, enabled by modern technology. **Leads - Mike Bennett and Sue Putt**
5. Everyone understands our shared ambition and their role in delivering it. **Leads - Tracy Nicola and Lorraine Goldsmith** ³¹⁹
6. A business like and commercial mindset delivering outcomes for the people of Southend on Sea. **Leads - Giles Gilbert and Lee White**

Rosemary Pennington

3. We have invested in protecting and nurturing our coastline, which continues to be our much best used asset. **Leads – Krishna Ramkhelawon and Amanda Champ**
4. Our streets and public spaces are clean and inviting. **Leads – Emma Cooney and Paul Je**

By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives. By 2023:

1. People in all parts of the borough feel safe and secure at all times. **Leads – Erin Brennan- and Simon Ford**
2. Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives. **Leads – Range and Caroline McCarron**
3. We are well on our way to ensuring that everyone has a home that meets their needs. **Leads – Halksworth and Ian Ambrose**
4. We are all effective at protecting and improving the quality of life for the most vulnerable in our community. **Leads – Jacqui Lansley and Cathy Braun**
5. We act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, transport and recycling. **Leads – Andrew Barnes and Lizzie Georgeou**

By 2050 we have a thriving, active and involved community that feel invested in our city. By 2023:

1. Even more Southenders agree that people from different backgrounds are valued and get on together. **Leads – Kamil Pachalko and Colin Gamble**
2. The benefits of community connection are evident as more people come together to help, support and spend time with each other. **Leads – Sarah Baker and Nick Faint**
3. Public services are routinely designed, and sometimes delivered, with their users to best meet their needs. **Leads – Scott Dolling and Julie Painter**
4. A range of initiatives help communities come together to enhance their neighbourhood and environment. **Leads – Nick Faint and Carl Robinson**
5. More people have active lifestyles and there are significantly fewer people who do not engage in physical activity. **Leads – Lee Watson and Krithika Ramesh**

By 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all our people. By 2023:

1. The Local Plan is setting an exciting planning framework for the Borough. **Leads – Carol O'Connell and Mark Sheppard**
2. We have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, cafes, culture and leisure opportunities. **Leads – Peter Geraghty and Bridgette Cowley**
3. Our children are school and life ready and our workforce is skilled and job ready. **Leads – Eileen Martin and Sharon Wheeler**
4. Key regeneration schemes, such as Queensway, seafront developments and the Airport Business Park are underway and bringing prosperity and job opportunities to the Borough. **Leads – Peter Dowler and Alan Richards**
5. Southend is a place that is renowned for its creative industries, where new businesses thrive alongside where established employers and others invest for the long term. **Leads – Chris Burr and Paul Dixon**

By 2050 people can easily get in, out and around our borough and we have a world class infrastructure. By 2023:

Appendix 13: Summary of Equality Analyses supporting budget proposals 2019/20-2021/22

Outlined below is a summary Equality Analyses (EA) which supports specific budget proposals for 2019/20-2021/22, which may have a direct equalities impact for groups with 'protected characteristics'. The summary outlines, where mitigating action is being undertaken in implementing the proposals and has been endorsed by the Council's Corporate Management Team. Findings highlight where an equality analysis (EA) will be undertaken to accompany consideration, and implementation, of the proposals. All service restructures that impact on staff are required to be subject to an EA.

Theme/ savings no.	Proposal	Analysis findings
Transformation		
C1	Locality working/community engagement – £1,100,000	Locality approach is designed to engage with, and obtain views of local communities, and service users, in shaping future service provision. Savings to be obtained from focus on prevention, re-ablement and enablement will not mean closure or loss of service. Rather the approach should mean the Council will better identify the broader range of needs across the borough's increasingly diverse, communities and be better able to tailor service provision accordingly (including for those who may not be currently receive a service).
C2	Children's services adopting locality approach and use of technology – £200,000	Localities approach will enable engagement of local communities and service users to better shape future service provision. Closer working between Adult and Children Services staff will provide a more joined up approach with families engaged with social care services, enabling more efficient and effective provision.

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C3	Reduced high cost placements linked to Edge of care – £500,000	Previous and on-going investment in edge of care services will mean targeted support on adolescents with challenging behaviours (mainly boys), will reduce the numbers going into very high cost placements and also keep more children in families, with better outcomes for all concerned.
C4	Public Health role in Council services - £160,000 (Culture Team, Private Sector Housing, Children's services)	Relates to staffing re-configuration, therefore, no direct equality implications.
C5	Pathways - £40,000	Move should provide more flexible footway material that can better adapt, for example, to tree root growth and result in less trips and falls, that disproportionately impact on the elderly and those with disabilities.
C6	Central reservation greenery - £25,000	No equality related impact
Staffing		
D1 D2 D3 D4 D5 D6	Finance & Resources staffing - £70,000 Cemeteries and Crematoria staffing - £100,000 Channel Shift staffing - £75,000 Joint contracts and commissioning efficiencies – £200,000 Learning services savings - £150,000 Tickfield Centre restructuring - £40,000	No direct equalities implications in relation to service delivery. All staffing restructures are required to be accompanied by an equality analysis.
Procurement		
E1 E2 E3	External Audit Fees - £30,000 Insurance renewal - £150,000 Procurement review of contracted services – £100,000 (from Adult Social Care contracts).	No direct equality implications in relation to External Audit or Insurance renewal. Proposal relating to adult social care contracts proposal entails savings from re-procurement of supported living for 27 adults with learning disabilities, across a range of ages, including

		some older people, which seeks to enhance the current service provided, by, for example, providing more interactive and communal support. An Equality Analysis has been, and will continue to be, undertaken to assess the potential impact across all protected characteristics in relation to the residents.
Investment		
B1	Housing Benefit/Localised Council Tax Scheme Administration Grant (£90,000)	Additional resources will mitigate the loss of central government funding in this area. This will help to support the administration of key benefits to some of the most vulnerable residents in the borough, helping to reduce delays in payments and so prevent potential homelessness from non-payment of rent. The equality analysis will be progressed to assess more specific implications, taking into account the consequences of the impact of Universal Credit and other changes to the benefits system.
C1	Getting it right for Every Child (demand strategy) for children's services - £1,108,000	Funding will provide additional social work posts to help address the pressures in this area of service, particularly those facing socio-economic challenges in the most deprived parts of the borough.
C2	Edge of Care Team - £330,000 (and a further £250,000 pa from 2020/21)	Funding will enhance support to those at risk of becoming part of the care system, keeping more children in families and reducing the numbers going into very high cost placements.
C3	Adolescent Team - £275,000	Funding will enhance the support to vulnerable children, often at risk of exploitation and from more deprived backgrounds, to remain safely with their families.
C4	Increase fees for foster carers to prevent loss of capacity - £100,000	Funding will enable more looked after children to stay within the local community and be more likely to stay out of the care system

C5	Early years funding - £350,000	Funding will maintain current levels of early years provision in the borough following a change to national funding arrangements.
C6	SEN children costs rising particularly ASD provision - £100,000	Funding will better enable pupils with Autism Spectrum Disorder (ASD) to continue in mainstream schools and also help in developing longer term sustainable solutions
D1	Investment Strategy for Adult Social Care - £3,362,000	Additional support reflects the growing demographic pressures from a growing older population and the impact of the uplift to the national living wage rates.
Additional time-limited investment		
School improvement	School improvement support for pupil to attain Grammar School entrance: 19/20: £200k; 20/21: £200k	Funding will support local pupils, including those from more deprived backgrounds, to obtain entrance to Grammar Schools.

Southend-on-Sea Borough Council

Report of Deputy Chief Executive (People)

To

Cabinet

On

17th January 2019

Report prepared by: Glyn Halksworth, Head of Housing and
Social Inclusion

Agenda
Item No.

12

Future Phases of Affordable Housing Development Programme Update

Policy and Resources Scrutiny Committee
Cabinet Member: Councillor Tony Cox
A Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To provide an overview of the future phases of the HRA Land Review project, request agreement to progress with Phases 3 & 4 of the project to fund and construct 56 units of affordable housing and undertake feasibility studies for Phases 5 & 6 of the project.
- 1.2 To provide an update and seek agreement to undertake Modern Methods of Construction (MMC) pilot projects across 2 garage sites and develop a Land Purchase Fund using existing S106 contributions.

2. Recommendations

That Cabinet agrees to:

- a. Bring forward sites within Phases 3 and 4 of the HRA Land Review,
- b. Undertake further feasibility work of a number of sites that will form Phases 5 & 6 of the HRA Project,
- c. Agree the proposed method of funding for the projects and also agree the use of S106 funds for the feasibility works for Phases 5 & 6 (to a maximum of £50,000),
- d. Investigate the options for the delivery of 2 garage sites for Modern Methods of Construction (MMC) pilots to include undertaking a procurement exercise of solutions put forward by the market and also a value for money exercise. Furthermore, to explore subsequent pilot sites to test Modern Methods Construction on a broader scale.

e. To agree the use of S106 contributions received from developers in order to facilitate the provision of affordable housing through the creation of an ongoing fund for the purchase of developable land in the borough.

3. Background

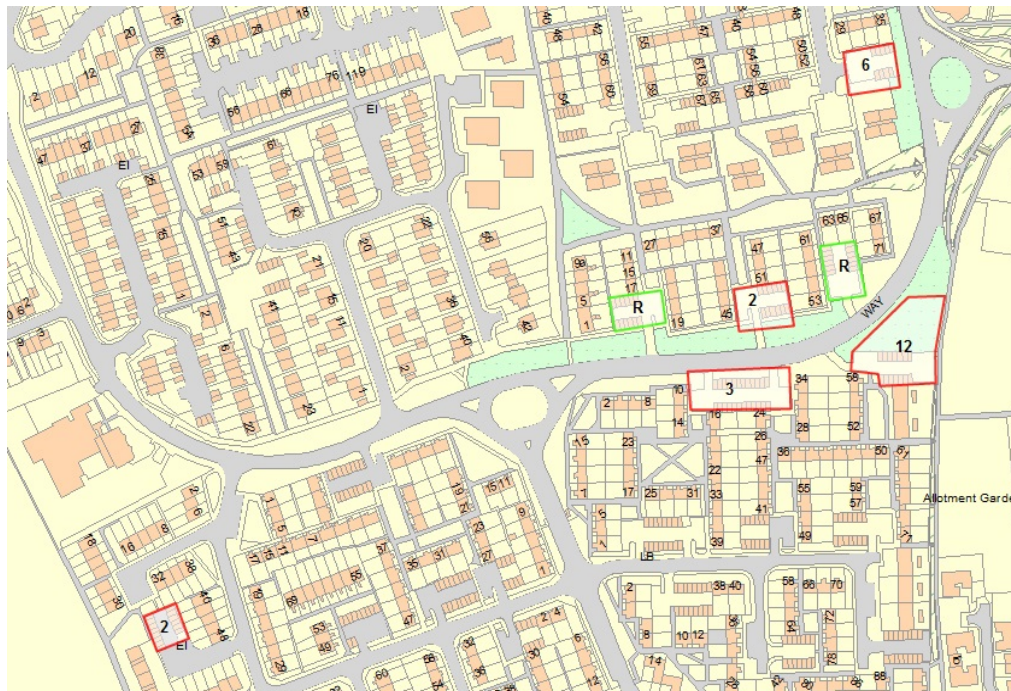
3.1 The need for affordable housing within the borough is greater than ever and the Council's commitment to addressing this housing need for affordable housing is well documented with the Council's Southend 2050 Vision & the Housing, Homelessness and Rough Sleeping Strategy both reflecting this.

3.2 The March 2017 Cabinet report titled *Future Phases of the Housing Revenue Account (HRA) Development Project* agreed to build on the success of the Phase 1 of the HRA Land Review and to bring forward sites in Phase 2 of the project. It also agreed to undertake feasibility work on a number of sites that would form future phases of the HRA Land Review Project.

3.3 Phase 2 of the project is now underway; with Essex based Marfleet Construction appointed as main contractor for the works and completion estimated by summer 2019. Initial feasibility and ground investigation works have also been carried out for Phases 3 & 4 of the project.

HRA Land Phase 3 overview

3.4 Phase 3 of the HRA Land Review Project consists of the redevelopment of 5 underutilised garage sites in the east of the borough, within the Shoeburyness Ward.



- 3.5 The site plan above highlights 7 garage sites around the Eagle Way estate as part of the project however it is proposed to only redevelop 5 for affordable housing with the other 2 earmarked to meet the need for garage hire/relocation (highlighted as R).

Site	Potential Units Nos
Eagle Way (former compound location)	12
Eagle Way 1	3
Eagle Way 3	2
Fraser Close site 3	6
Anson Chase 2	2
Total	25

- 3.6 The majority of the sites earmarked for redevelopment are predominantly void, with the exception of Fraser Close site 3, which only has two voids. There will be 17 garage tenants displaced by the redeveloped sites. The alternative garages will have capacity for another 4 units, leaving 13 units to relocate. There are several nearby garage sites which have been refurbished in recent years, and have capacity (16 available garages) to accommodate the displaced tenants.

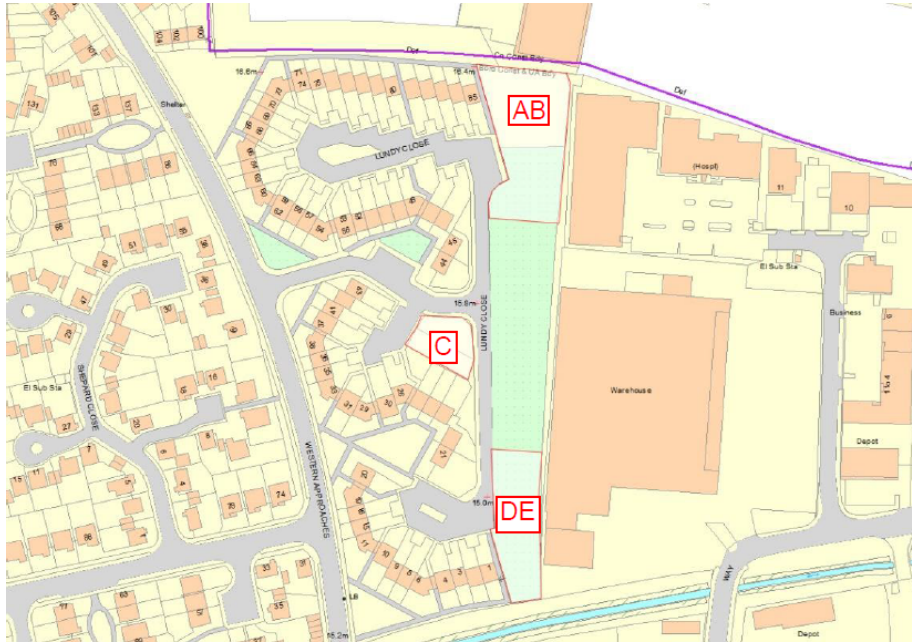
3.7 Finances

In the event the potential unit numbers are achievable, it is anticipated that the total project cost will be £4.9m. The proposal is for the funding to be met by the Housing Revenue Account (HRA) Capital Reserves and the remainder (30%) from Right to Buy (RTB) receipts.

Phase 3: Funding Breakdown	
HRA (70%)	£ 3,432,082.50
RTB (30%)	£ 1,470,892.50
Total	£ 4,902,975.00

HRA Land Review Phase 4 overview

- 3.8 Phase 4 consists of 3 sites within Lundy Close estate within the St Laurence ward, utilising areas of underutilised land to the east of the housing estate bordering the industrial estate.
- 3.9 The sites in this phase are highlighted overleaf along with the potential unit numbers (although these may be subject to change following the planning process).



Site	Potential Units Numbers
Lundy Close Site AB	21
Lundy Close Site C	3
Lundy Close Site DE	7
Total	31

Further site investigation is required to determine site conditions and confirm unit numbers. There are constraints to bear in mind, which include the proximity to some mature trees and a brook to the south.

3.10 Finances

An external feasibility study has indicated the cost of developing Lundy Close will be £6.34m. However, after taking into account the build costs for phases 1 & 2 we anticipate £6.19m will be sufficient. The proposal is for the funding to be met from the Housing Revenue Account (HRA) Capital Reserves with the remainder (30%) from Right to Buy (RTB) receipts.

Phase 4: Funding Breakdown	
HRA (70%)	£ 4,331,250.00
RTB (30%)	£ 1,856,250.00
Total	£ 6,187,500.00

Modern Methods of Construction (MMC)

3.11 Modern Methods of Construction (MMC) is a process that can encompass the use of new and traditional materials often with extensive factory produced sub-assembly sections and components.

This may be in combination with accelerated on-site assembly methods and often to the exclusion of many of the traditional construction industry trades.

3.12 MMC can be known by a number of terms such as prefabrication, modular housing or precision manufacturing. MMC comes in many different forms; however the main systems the Council is focusing on are as follows:

- Volumetric / Modular – Units produced in a factory, fully fitted before transport and stacked onto prepared foundations
- Panellised – Flat panels built in a factory and transported and assembled on site.
- Hybrid – modular units integrated with a panelised system

There are a number of potential benefits to utilising a MMC approach for house construction such as speed of build, reduction in defects, cost reduction (on larger scale schemes), waste reduction and energy savings for tenants.

3.13 In line with the priorities of the Council's Housing, Homelessness and Rough Sleeper Strategy, there is potential for the Council to develop two sites in Saxon Gardens (Shoeburyness) ourselves as a pilot for the use of Modern Methods of Construction (MMC). This would give the Council not only a first experience in utilising innovative building techniques but also comparator data with our current new build housing developments.

3.14 Saxon Gardens MMC Pilots



Saxon Gardens A



Saxon Gardens B

Saxon Gardens A

- 3.15 The site is currently an irregular area of open land to the rear of surrounding gardens. It is partly occupied by garages, whilst the remaining area is hardstanding.
- 3.16 The site lies to the south of Saxon Gardens and is accessed by a narrow vehicular access route. The garages and parking facility are provided for the surrounding houses. The site area is approximately 850m² or 0.085 hectares and is level.

Saxon Gardens B

- 3.17 The site is an irregular portion of open land to the rear of surrounding gardens to the south and west. To the north, the site borders a railway line, whilst to the east, lays an area of allotments. These allotments are accessed over the site via the existing vehicle access route.
- 3.18 The site is located at the end of Saxon Gardens and is a former garage site, the garages have been demolished and the accompanying hard-standing remains. The site is approximately 660 m² or 0.066 hectares
- 3.19 Preliminary feasibility work indicates that each Saxon Gardens site can accommodate 2 x dwellings houses therefore 4 units in total with a likely 8 bed spaces.

Finance

- 3.20 A preliminary feasibility study has indicated both sites can be delivered for a maximum of £1,334,000. It is intended that this will be financed with a combination of HRA Capital Reserves and Right to Buy (RTB) receipts. This cost has been estimated by an Employer's Agent based on the size of the sites and the potential costs of construction thus are subject to change.

MMC (Saxon Gardens): Funding Breakdown	
HRA (70%)	£ 933,800
RTB (30%)	£ 400,200
Total	£ 1,334,000

- 3.21 Due to the small scale, pilot nature of these sites and the innovative nature of the construction method, economies of scale will not be achieved however the purpose of using MMC for these pilots is to better understand the benefits of this approach before using it more widely.
- 3.22 As well as the requisite procurement procedure, this project will include a review mechanism which will comprise of a value for money exercise. This will ensure the costs of the construction represent appropriate value for money for Council.

3.23 Feasibility work for Future Phases & Land Purchase Fund

Future Feasibility

- 3.24 There are a number of potential Council owned sites which will constitute Phases 5 & 6 of the HRA Land Review project.
- 3.25 Preliminary site investigations and architect drawings are required in order to determine the viability of the sites as well as the potential unit numbers.
- 3.26 Due to the number of sites to consider a sum of £25,000 per phase, totalling £50,000 would be appropriate for feasibility works for Phases 5 and 6.
- 3.27 It is recommended S106 funds are utilised to finance these feasibility works.

Land Purchase Fund

- 3.28 The Council currently receives contributions from developers in lieu of providing affordable housing on site whereby there is a justifiable case that this cannot be achieved (in line with the Council's Interim Affordable Housing Statement).
- 3.29 Previously the Council has utilised these contributions to fund a proportion of the affordable house building programme via the HRA Land Review project. However, following an assessment of the available HRA land it has been recommended that these S106 funds (c. £1.4m) be used for strategic land purchase purposes. This could be in the form of assisting with land assembly or land acquisition.
- 3.30 It is intended that full business cases for the utilisation of this fund would be required for each purchase to ensure value for money. This fund would be monitored to ensure best use of funds and in the longer term will be evaluated as part of the Housing Delivery Vehicles action of the Housing, Homelessness & Rough Sleeping Strategy.

4. Other Options

- 4.1 The alternate options open to the Council have been evaluated and are detailed below:
- 4.2 Do Nothing – This option considered leaving the existing garage areas in their current state. This option would not improve community safety or reduce antisocial behaviour. It would also not help the Council to meet its 2050 Vision or contribute to the 2050 road map.
- 4.3 Transfer the land to a Registered Provider – This option would follow a development route use previously to develop the Council garage sites.

This approach however means a loss of a capital assets and potential future revenue income to the HRA.

- 4.4 Sale of sites on the Open Market – This option would allow some sites to be sold on the open market with the receipts reinvested in the HRA, potentially to be used for future housing development phases. This approach means a loss of potential future revenue income to the HRA.

5. Reasons for Recommendations

- 5.1 There is an established need for affordable housing within the borough as demonstrated by the local Strategic Housing Market Assessment (SHMA), and by our own Housing Register data.
- 5.2 Many of the sites identified have high maintenance costs due to antisocial behaviour (fly-tipping, vandalism etc).
- 5.3 The development of sites within our existing estates presents the opportunity to carry out regeneration works to improve the existing areas.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

The development of new affordable housing in the borough works towards the Southend 2050 Safe and Well outcome of “We are well on our way to ensuring that everyone has a home that meets their needs”.

6.2 Financial Implications

The proposed capital budget for new build and feasibility will be funded by a combination of retained right to buy receipts (30%) and other HRA funds. The land assembly budget will be financed from existing affordable housing S106 developer agreements.

Overall HRA Costs of the scheme	
Phase 3	£ 4,903,000.00
Phase 4	£ 6,188,000.00
MMC	£ 1,334,000.00
Total	£ 12,425,000.00

Overall S106 Costs of the scheme	
Phase 5 & 6 Feasibility	£ 50,000.00
Land Assembly Fund	£1,400,000.00
Total	£ 1,450,000.00

Total Capital Budget	£ £13,875,000
-----------------------------	----------------------

Revenue

It has been modelled that all the dwellings would be let at Affordable Rent levels (80% of market rent) capped by Local Housing Allowance however the Council is currently defining “Locally Affordable Rents” and these units will be in line with this prescribed rent level once agreed.

If Saxons Gardens MMC Pilot and both Phases of the HRA Land Review are brought forward, this would result in combined net revenue of £303,646 per year after management and maintenance costs and the cost financing.

	2 Bed Flat	3 Bed House	Total units	Gross Income (after voids)	Management and maintenance allowance *	Net revenue
Phase 3	18	7	25	203,432	80,000	123,432
Phase 4	21	10	31	254,584	99,200	155,384
MMC	0	4	4	37,630	12,800	24,830
	39	21	60	495,646	192,000	303,646

*Management and maintenance allowance represents the average cost over time. There should be scope to reduce the management allowance element through economies of scale under the management agreement.

The dwellings would also generate additional income through Council Tax and the New Homes Bonus.

6.3 Legal Implications

Initial consultation with the Council’s Legal team has been undertaken and the necessary Title & Land Registry checks have taken place.

6.4 People Implications

Local resident consultation will take place once the site investigation works have been completed and initial designs have been produced.

6.5 Property Implications

The development of additional affordable housing units on HRA land would provide much needed housing for those on the Council's Homeseeker's Register. Rents would need to be set at a level which is affordable and in line with statutory guidance. The Council is currently defining "Locally Affordable Rents" and these unit will be in line with this prescribed rent level once agreed.

6.6 Consultation

All necessary consultation with Members, local residents and the Planning department will be undertaken as part of the project.

6.7 Equalities and Diversity Implications

No Equality and Diversity Implications have been highlighted at this stage but will be monitored throughout the project.

6.8 Risk Assessment

Initial planning and consultation has been addressed and will continue to be monitored over the course of the project. Necessary risk register and issue logs will be used as part of the management of the project.

6.9 Value for Money

The Council may also be able to bring additional larger units back into family use by allowing under-occupiers to move into the smaller units, including those tenants affected by the Spare Room Subsidy ("Bedroom Tax")

6.10 Community Safety Implications

Previous projects have shown that redeveloping underused garage sites has reduced antisocial behaviour and have had a positive impact on community safety in the local area. Properties will also be designed to comply with Secured by Design standards.

6.11 Environmental Impact

Where possible, the housing developments will look to negate the environmental impact of the design including tree planting in the local area. At least 10% of the energy of the properties will be generated by renewable means.

7. Background Papers

Cabinet Report - July 2014 - Investigation of potential development sites on HRA Land

Cabinet Report – March 2017 – Future Phases of the Housing Revenue Account (HRA) Development Project

Cabinet Report – November 2018 – Housing, Homelessness and Rough Sleeping Strategy

8. Appendices

1. Phase 3/4 – Financial breakdown
2. Revenue breakdown
3. MMC Information
4. Potential development sites

Appendix 1

Estimated Financial Breakdown, Phase 3

Phase 3 (Shoeburyness)		Flats		Houses					
Site	Potential Units Nos	1 bed	2 bed	2 bed	3 bed	Estimated Cost	SBC on costs (5%)	Contingency (7.5%)	Total
Eagle Way (former compound location)	12		12			£ 1,848,000.00	£ 92,400.00	£ 138,600.000	£ 2,079,000.000
Eagle Way 3	2				2	£ 453,200.00	£ 22,660.00	£ 33,990.000	£ 509,850.000
Eagle Way 1	3				3	£ 679,800.00	£ 33,990.00	£ 50,985.000	£ 764,775.000
Fraser Close site 3	6		6			£ 924,000.00	£ 46,200.00	£ 69,300.000	£ 1,039,500.000
Anson Chase 2	2				2	£ 453,200.00	£ 22,660.00	£ 33,990.000	£ 509,850.000
Total	25	0	18	0	7	£ 4,358,200.00	£ 217,910.00	£ 326,865.000	£ 4,902,975.000
Phase 3: Funding Breakdown	HRA (55%)	RTB (30%)	S106 (15%)	Total					
	£ 2,696,636.25	£ 1,470,892.50	£ 735,446.25	£ 4,902,975.000					

Estimated Financial Breakdown, Phase 4

Phase 4 (St Laurence)		Flats		Houses					
Site	Potential Units Nos	1 bed	2 bed	2 bed	3 bed	Estimated Cost	SBC on costs (5%)	Contingency (7.5%)	Total
Lundy Close (North)	21		21			£ 3,234,000.00	£ 161,700.00	£ 242,550.000	£ 3,638,250.000
Lundy Close (South)	7				7	£ 1,586,200.00	£ 79,310.00	£ 118,965.000	£ 1,784,475.000
Lundy Close (Center)	3				3	£ 679,800.00	£ 33,990.00	£ 50,985.000	£ 764,775.000
Total	31		21		10	£ 5,500,000.00	£ 275,000.00	£ 412,500.000	£ 6,187,500.000
Phase 4: Funding Breakdown	HRA (55%)	RTB (30%)	S106 (15%)	Total					
	£ 3,403,125.00	£ 1,856,250.00	£ 928,125.00	£ 6,187,500.000					

Appendix 2 Estimated Revenue Breakdown

	2 Bed Flat	3 Bed House	Total units	Gross Income (after voids)	Management and maintenance allowance *	Net revenue
Phase 3	18	7	25	203,432	80,000	123,432
Phase 4	21	10	31	254,584	99,200	155,384
MMC	0	4	4	37,630	12,800	24830
Total	39	21	60	495,646	192,000	303,646

* Management and maintenance allowance represents the average cost over time. There should be scope to reduce the management allowance element through economies of scale under the management agreement.

Appendix 3 - MMC

Site	Units	Cost	SBC on-costs (10%)	SBC Contingency (5%)	Total
Saxon Gardens A	2 x 3 bedroom house	£580,000	£58,000.0	£29,000.00	£667,000
Saxon Gardens B	2 x 3 bedroom house	£580,000	£58,000.0	£29,000.00	£667,000
Total		£1,160,000	£116,000	£58,000	£1,334,000

Appendix 4 – HRA Sites

Site	Ward		Site	Ward
Bradfordbury (and surrounding land)	Belfairs		Eagle Way site 6	Shoeburyness
Danescroft	Belfairs		Elm Road	Shoeburyness
Eastwood Road North	Belfairs		Fraser Close Site 1	Shoeburyness
Little Fretches	Belfairs		Fraser Close Site 2	Shoeburyness
Shannon Close	Belfairs		Fraser Close Site 4	Shoeburyness
Rothwell Close	Belfairs		Saxon Gardens A	Shoeburyness
Bridgewater Drive	Blenheim Park		Saxon Gardens B	Shoeburyness
West Office	Blenheim Park		Saxon Gardens C	Shoeburyness
Danbury Close	Blenheim Park		Saxon Gardens D	Shoeburyness
Juniper Road 1	Blenheim Park		Saxon Gardens E	Shoeburyness
Juniper Road 2 (open land)	Blenheim Park		Goldmer Close	Shoeburyness
Mendip Crescent	Blenheim Park		Appletree Close	Southchurch
Stonehill Road	Blenheim Park		Archer Avenue A (open land)	Southchurch
Treecot Drive 1	Blenheim Park		Archer Avenue B	Southchurch
Treecot Drive 2	Blenheim Park		Archer Close	Southchurch
Yantlet	Blenheim Park		Newington Av	Southchurch
Riverstone	Chalkwell		Newington Av / Locksley Close	Southchurch
Mansell Close	Eastwood Park		Sherwood Way	Southchurch
Elizabeth Guest house	Milton		Vallance Close	Southchurch
Jones Close 1	Prittlewell		St Edmunds Close	Southchurch
Jones Close 2	Prittlewell		Audleys Close	St Laurence
Jones Close 3	Prittlewell		Hornby Avenue	St Laurence
Anson Chase B	Shoeburyness		Rochford Road	St Laurence
Anson Chase A	Shoeburyness		St Stephen's Church	St Laurence
Ashanti Close B	Shoeburyness		Lundy Close	St Laurence
Ashanti Close E	Shoeburyness		Purley Way	St Laurence
Eagle Way Site 1	Shoeburyness		Sutton Court	St Luke's
Eagle Way site 2	Shoeburyness		Cluny Square (garages/land between)	St Luke's
Eagle Way Site 3	Shoeburyness		Shelley Square (2 x parking areas)	Victoria
Eagle Way site 4	Shoeburyness		Brecon Grampian Garages	Victoria
Eagle Way site 5	Shoeburyness			

Notice of Motion Social Housing for Rent

13

This Council has committed to build 11,140 new homes between 2016 – 2026 to help tackle the housing crisis in Southend, 62% of which (6,875) homes would have to be either social or affordable housing. [1. p5]

In nearly three years since that target was set, just 1,000 homes have been built. If the Council keep up this performance then they will fall short of their target by a massive 7,740 homes.

The Council's own Affordable Housing Policy requires developers to build a minimum of 20% affordable homes on residential proposals for 10-49 dwellings or up to 1.99 hectares or less, and 30% for those of 50 dwellings or more and above 2 hectares. [2. p3] Since 2001, only around 12% of homes built in Southend have been affordable by the council's own definition [3. p44]

If the Council truly intends to meet its housing commitments and seriously address the chronic housing problems faced by this town, then radical measures need to be taken to address this situation and in order achieve those goals.

Motion to Council.

This Council recognises the above points and resolves to:

Explore all avenues for building social housing for rent (particularly through its Local Housing Company, Southend Housing Ltd.) at the former NHS land at Fossetts Farm (currently owned by Homes England) by investigating potential funding options and calculating the potential benefit, both financial and social, to Southend's residents.

Proposed by Cllr Helen McDonald

Seconded by Cllr Ian Gilbert

1. SBC Housing Homelessness and Rough Sleeping Strategy 2018-2028 – Pages 140 -161 Cabinet Papers 9/11/18 - <https://democracy.southend.gov.uk/documents/g3109/Public%20reports%20pack%2006th-Nov-2018%2014.00%20Cabinet.pdf?T=10>
2. SBC Interim Housing Report Sept 2016 http://www.southend.gov.uk/download/downloads/id/4735/interim_affordable_housing_policy_-_september_2016.pdf?fbclid=IwAR2ySv68AlpNolOh7UnQCKbHlxM-ZbmmhX2gCKkOiQV7e35kmgynfuysx9U%EF%BB%BF
3. SBC Annual Monitoring Report 2017 http://www.southend.gov.uk/download/downloads/id/5481/annual_monitoring_report_2017.pdf?fbclid=IwAR10leU50vBE7FTZ8fiYUbn6WUbnUPbnYuYRfniZQjx33m7naGAUjvo0QHBU%20

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Southend-on-Sea Borough Council

Report of Chief Executive and Town Clerk
To
Cabinet
On
17 January 2018

Agenda
Item No.

14

Report prepared by: Louisa Thomas – Data & Insights
Analyst

2018-19 Corporate Risk Register - Quarter 3 update

Relevant Scrutiny Committee(s): Policy & Resources, People and Place Scrutiny Committees

Cabinet Member – Cllr Lamb
A Part 1 Public Agenda Item

1 Purpose of Report

1.1 To consider the 2018/19 Corporate Risk Register Quarter 3 update.

2 Recommendations

3 That Cabinet considers the 2018/19 Corporate Risk Register and the Quarter 3 updates outlined in Appendix 1.

3.1 Corporate Risk Register 2018/19

3.1.1 The Council's Corporate Risk Register sets out the key risks to the successful delivery of the Council's corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks, or maximise opportunities.

3.1.2 Updates on the Corporate Risk Register are reported to CMT quarterly and to Cabinet twice a year in June and January.

3.1.3 The Corporate Management Team (CMT) has undertaken a review of the current content. This in the context of the proposed work to further develop and align work on risk across the Council so that the approach to risk management is better embedded, supports the governance framework, the transformation agenda and integrated decision making.

3.1.4 The Corporate Management Team have considered the new wording for Corporate Risk 2, and its risk action (number 4). To reflect the transition period between our existing recruitment contract and new recruitment contract with Hays.

- The rewording of Corporate Risk 2 – **Recruiting and retaining staff**. This has been amended from:
'Risk that failure to have the appropriate staffing resources, with the right skills, will lead to a failure to achieve the Council's ambitions'.
To –
'Risk that the Council will not have the appropriate staffing resources, with the right skills, resulting in part, from a failure to effectively manage the transition from our existing recruitment partner to the new partner, will lead to a failure to achieve the Council's ambitions'

- The rewording of the risk action 4, under **Recruiting and retaining staff**, has been amended from:

'Develop a framework contract to deliver profession/interim resources to supplement the Reed contract'.

To –

'Develop a framework to deliver professional recruitment resources, including a robust implementation plan which is jointly owned by SBC and Hays and which is appropriately managed'.

3.1.5 The format of the Corporate Risk Register follows a 3 stage process:

1st stage: An 'inherent score' with the risk assessed with no controls, assurance or actions in place.

2nd stage: The 'current score' where the risk is assessed with controls, assurances and progress against identified actions. The current score is adjusted in light of progress against actions.

3rd stage: The target score which is the risk with the controls, assurances and actions, as if they have been completed

The current score is then adjusted in light of progress against actions.

3.1.6 Updates on the Corporate Risk Register are reported to CMT quarterly and now to Cabinet every 6 months.

3.1.7 Deputy Chief Executives and Directors ensure service specific risks are managed within their departments, within service plans and in accordance with the risk management strategy and processes. 'Red' rated risks with corporate implications can be escalated to CMT via Corporate Directors. Actions for all these risks are updated and reviewed by Departmental Management Teams.

3.1.8 Operational risks, managed within departments, are also assessed as part of reviews undertaken by Internal Audit and project risks are monitored by the CMT where applicable.

3.1.9 A review of the Council's corporate risk framework will be undertaken in the New Year with a view to ensuring the approach to risk management supports the Southend 2050 and the transforming together programme.

4 Corporate Implications:

4.1 Contribution to Council's Vision & Corporate Priorities:

The Corporate Risk Framework underpins the operational effectiveness of the Council's Corporate Governance arrangements and specifically monitors progress of managing key risks associated with the successful delivery of Corporate Aims and Priorities.

4.2 Financial Implications:

Any financial implications arising from identifying and managing risk will be considered through the normal financial management processes. Proactively managing risk can result in reduced costs to the Council by reducing exposure to potential loss.

4.3 Legal Implications:

The Accounts and Audit Regulations 2003 require that:

The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's function and which includes the arrangements for the management of risk.

4.4 People Implications:

Any people and property implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

4.5 Property Implications:

None specific

4.6 Consultation:

Consultation has taken place with key stakeholders.

4.7 Equalities Implications:

Corporate equalities considerations have been considered in the drafting of the Register and any specific equality related risks have been identified for the Council.

4.8 Risk Assessment:

Failure to implement a robust assurance framework which includes fit for purpose risk management arrangements increases the risk that Council objectives will not be delivered.

4.9 Value for Money:

Effective forecasting and timely management of risk is a key factor in preventing waste, inefficiency and unnecessary or unplanned use of resource.

4.10 Community Safety Implications:

None specific

4.11 Environmental Impact:

None specific.

5 Appendices:

Appendix 1 – Corporate Risk Matrix

Appendix 2 - 2018/19 Corporate Risk Register Quarter 3 update

Corporate Assurance Risk Register Update 2

Contents

- Section 1** **3 Stage Risk Scoring Process**
Brief description of the 3 stage risk scoring process and clarification of each stage
- Section 2** **Risk Matrix**
The matrix used for calculating Risk score.
- Section 3** **Corporate Assurance Risk Register**
- Inherent, Current and Target scores
 - Controls and Assurances
 - Future Actions and comments.

Southend-on-Sea Borough Council's Corporate Assurance and Risk Register is a best practice template for recording and managing risks. The Council also promotes the use of Assurance and Risk Registers for managing risks within service areas which are recorded and managed in service and project plans.

The Risk Register is a management tool where a review and updating process identifies, assesses and manages down the risk to acceptable levels. It provides a framework in which problems that may arise and adversely affect the delivery of the Council's aims and priorities are captured and actions instigated to reduce the likelihood and impact of that particular risk.

Section 1 - Three Stage Risk Scoring Process

Southend-on-Sea Borough Council operates a 3 Stage Risk Scoring process as outlined in the Council's Risk Management Toolkit which is available on the Council intranet site. The information below offers a brief overview of each stage of the Risk process.

Inherent score – the risk scored with no controls, assurances or actions in place.

Current score – the risk scored with controls, assurances and progressed actions.

Target score – the risk score with controls and assurances in place and linked actions completed.

As controls and assurances are put in place and actions completed the Risk will be more controlled and, therefore, the current score moves towards the Target Score. The current score from the last reported Corporate Risk Register is shown in brackets.

Section 2 - Risk Matrix


EXAMPLES				IMPACT	CORPORATE RISK GRID			
Reputational:	Compliance	Financial:	Service Provision / Continuity:					
National publication (name and shame) by external body leading to a loss of control over the running of Council operations. Front page of national paper.	The council faces serious penalties or prosecution & criticism from institutions such as, Ombudsman, Information commissioner. Customers are treated unfairly & suffer damage by the council.	Over £1m loss More than 20% of total budget individually or cumulatively	Service delivery affected by over 3 months. Statutory / critical service delivery will cease for a period of time without any effective contingency.	Catastrophic	4	8	12	16
National or local front-page press article leading to a reduced ability to affectively deliver one or more services. National press article.	The council may face criticism and be ordered to comply with legislation by an external body as a result of a breach.	Between £500k - £1m, 10-20% of total budget individually or cumulatively	Delivery affected between 1 & 3 Months. Loss of a non-critical service for a significant period of time.	Severe	3	6	9	12
Disgruntled local groups/ individuals possibly leading to internal complaints with research into the causes. Local press article &/or ombudsman enquiry.	The council may commit largely undetectable breaches in legislation and internal procedures that could have other minor effects on reputation, service delivery etc.	Between £50k - £499k, 5 – 10% of total budget individually or cumulatively	Delivery affected by up to 1 month. Minor disruption or inconvenience to service delivery & customers. (Reduced staffing, late opening, temp loss of IT).	Material	2	4	6	8
Rumour and gossip	All other material risks.	Under £50k, less than 5% of total budget individually or cumulatively	Minor disruption	Negligible	1	2	3	4
					Unlikely <10%	Likely 10-40%	Very Likely 40-75%	Almost Certain >75%
					LIKELIHOOD			

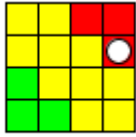
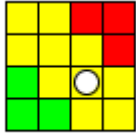
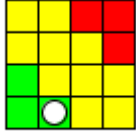


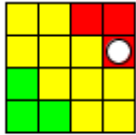

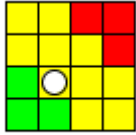


2018-19 Corporate Risk Register




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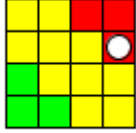
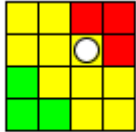

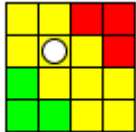


Risk Title	1. Council Budget/Financial Sustainability							
Stage 1 - Risk without controls (Inherent risk)								
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact	Likelihood	
1819CRR01	Risk that failure to manage the short term budget gap and growing demand for services and failure to ensure the council is financially sustainable after 2020/21 will result in significant adverse impact on council services	Joe Chesterton	Strategic	Financial/Reputational	16			
Stage 2 - Risk with Controls and Assurances (current risk)								
List of controls and associated assurances to ensure controls are working					Current risk score	Impact	Likelihood	
<p>1. Control: Budget setting process to identify required savings through: budget proposal reports to Departmental and Corporate Management Teams; member seminars; Cabinet; Scrutiny Committees; Council Assurance: reports to and minutes of meetings.</p> <p>2. Control: Management oversight of budget setting process through: reports to CMT and Administration Assurance: Reports/Minutes</p> <p>3. Control: Senior member and Chief Executive challenge to departments on proposed savings Assurance: Reports and minutes of meetings.</p> <p>4. Control: Director challenge to Directors Assurance: Minutes of Departmental Management Team meetings/emails.</p> <p>5. Control: Medium Term Financial Strategy (MTFS), including budget pressures to regularly consider financial impact of Government policy reported to CMT, Cabinet and Council Assurance: Reports and minutes of meetings.</p>								6
Stage 3 - Further actions to reduce the risk (target risk)								
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	Impact	Likelihood
1819CRA0101	Budget Timeline outlining key milestones to be agreed with the Administration and Senior Leadership Team.	Joe Chesterton	31-May-2018	Quarter 3 - Timeline in place with key deadlines, this action is now complete.				
1819CRA0103	Continual monitoring, risk assessment and reporting of progress on options to meet the budget reductions required to set balanced budgets in 2018/19 to 2023/24	Joe Chesterton	31-Mar-2019	<p>Quarter 3 - Budget reductions approved for 2018/19 are continually being monitored through monthly budget monitoring; and are now formally reported to each cabinet with the first report going to 6th November Cabinet.</p> <p>Options for budget reductions and investments are being considered as part of the budget setting process for 2019/20. The Medium Term Financial Plan has been refreshed to extend to cover 5 years to 2023/24 and will continue to be updated.</p>				

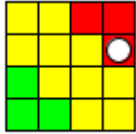
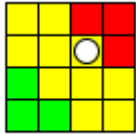
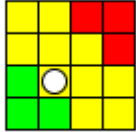
1819CRA01 04	Continually monitor and assess government's position on grant to be distributed to Local Authorities and other Government announcements that impact funding	Joe Chesterton	31-Mar-2019	Quarter 3 - Strategic Director (Finance and Resources) and finance team horizon scan all Government announcements, including the Autumn Budget Statement (29th October) and Local Government Settlement for inclusion in final budget and in preparation for future budgets.				
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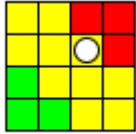
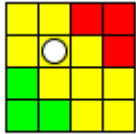
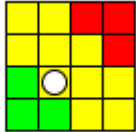
Risk Title	2. Recruiting and retaining staff					
Stage 1 - Risk without controls (Inherent risk)						
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact Likelihood
1819CRR02	Risk that the Council will not have the appropriate staffing resources, with the right skills, resulting in part, from a failure to effectively manage the transition from our existing recruitment partner to the new partner, will lead to a failure to achieve the Councils ambitions.	Joanna Ruffle	Strategic	Service Provision	12	 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)						
List of controls and associated assurances to ensure controls are working					Current risk score	Impact Likelihood
<p>1. Control: Managing Organisational Change Policy; Redeployment Policy & Procedure; Redundancy Policy & Procedure Assurance: Policy documents available via intranet.</p> <p>2. Control: Oversight of policies and procedures to ensure consistency of HR policies and processes and in implementing policies relating to restructures through the Corporate Management Team and Workforce Planning Panel Assurance: Reports to and Minutes of meetings.</p> <p>3. Control: All staff vacancies, redeployments and redundancies reviewed by the Workforce Planning Panel Assurance: Minutes of Workforce Planning Panel</p> <p>4. Control: Recruitment provider to identify recruitment hotspots and plan effective recruitment campaigns Assurance: Service Level Agreement, Contract management.</p>					6	 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)						
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score Impact Likelihood
1819CRA0201	Continue to embed Talent Management Strategy (including apprenticeships, graduate traineeships, graduate sponsorships and career progression)	Joanna Ruffle	31-Mar-2019	Quarter 3 - This work is now incorporated into the Transforming Together outcomes and delivery plan.	✓	 Likelihood
1819CRA0202	Participate in regional Children's Social Care Workforce project	Joanna Ruffle	31-Mar-2019	Quarter 3 - Collaborative and focused work with HR and the service area continues.	✓	
1819CRA0203	Participate in regional Planners Workforce project	Peter Geraghty	31-Mar-2019	Quarter 3 - Participation in the regional planners Workforce project no longer required as recruitment drive has enabled the area to be fully staffed.	✓	
1819CRA0204	Develop a framework to deliver professional recruitment resources, including a robust implementation plan which is jointly owned by SBC and Hays and which is appropriately managed	Joanna Ruffle	31-Mar-2019	Quarter 3 - We are now in the implementation phases Hays, with a go live date of February 2019.	✓	
1819CRA0205	Role of Resourcing Manager agreed and funded to drive talent management initiatives across the organisation	Joanna Ruffle	31-Mar-2019	Quarter 3 - Strengthened the strategic capacity in HR. The work will be targeted around the new People Deal. The recruitment service has been reviewed and a new recruitment partner has been appointed.	✓	

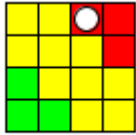
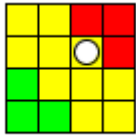
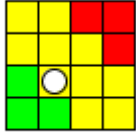
Risk Title	3. Key External Challenges					
Stage 1 - Risk without controls (Inherent risk)						
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact Likelihood
1819CRR03	Risk that the impact of, or a failure to take advantage of, the Government's agenda and the lead up to Brexit, may hamper the ability of the Council to achieve key priorities	Alison Griffin	Strategic	Reputation	12	 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)						
List of controls and associated assurances to ensure controls are working					Current risk score	6 Impact Likelihood
<p>1. Control: Southend Borough Council active member of South East Enterprise Partnership (SELEP) Board and officers aligned to relevant working groups to engage and influence activity and decisions, Assurance: Minutes/Reports</p> <p>2. Control: Corporate Management Team - oversight of Key Projects Assurance: Minutes/ Project Management Reports to CMT</p> <p>3. Control: Success For All Children Group Assurance: Children and Young People Plan/Reports/Minutes</p> <p>4. Control: Health and Wellbeing Board Assurance: Joint Health and Wellbeing Strategy/Report/Minutes</p> <p>5. Control: Association of South Essex Local Authority Assurance: Report/Minutes</p>						
Stage 3 - Further actions to reduce the risk (target risk)						
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score Impact Likelihood
1819CRA0301	Maintaining, renewing and building relationships with key partners	Alison Griffin	31-Mar-2019	Quarter 3 - Violence and Vulnerability partnership approach, campaign launched and action plan agreed at the four strategic partnerships boards. New Area Commander for Essex police confirmed and active. new CEO for SAVS arrived. Both making positive impact already and have a proactive approach to partnership working. Partners have been engaged in the development of Southend 2050. Next quarter will see a series of stakeholder events to develop a partner's timeline and roadmap.		 Likelihood
1819CRA0302	Continue to undertake horizon scanning of key developments in relation to new government legislation, policy and Brexit negotiations	Alison Griffin	31-Mar-2019	Quarter 3 - Corporate management team continue to monitor the opportunities and risks associated with EU Exit. Continue to participate fully in the Essex Resilience Forum which is taking a lead in coordination of planning for Great Essex. Economic Development continue to work alongside businesses to prepare. Horizon scanning through the LGA and MHCLG as the picture becomes clearer. Cabinet will now consider the preparation report in early Q4.		
1819CRA0303	Work with Mid and South Essex health and social care partners to develop a multi-year Sustainability and Transformation Plan (STP)	Simon Leftley	31-Mar-2019	Quarter 3 - Southend Council (via operational staff, formal committees, HWB and the Joint Scrutiny Committee) continues to engage with the STP. Influence with this regard is limited.		


				<p>SBCs influence on the direction for the STP rests mainly in the development of Localities which we are taking a lead on within the Southend system. Simon Leftley has recently been asked to lead the STP response to Locality development.</p> <p>As a result of CCG Joint Committee decisions regarding the STP Southend Council's people scrutiny committee formally considered a referral to the Secretary of State on 9th October 2018. The committee unanimously agreed to refer the STP in its' entirety to the Secretary of State on the basis of inadequate consultation and not in the interests of the local health economy. A letter was sent to the Secretary of State on 23rd November 2018.</p>				
1819CRA0304	Ensure the on-going sustainability of the BEST (Business Essex Southend & Thurrock) Growth Hub within the LEP umbrella through delivery of South East Business Boost and planning for longer term funding and operation.	Emma Cooney	31-Mar-2019	Quarter 3 – BEST Growth Hub funding in place to March 2020 from BEIS. Preparation underway for a potential GRDF funding call which could extend the South East Business Boost (SEBB) project and therefore continue to provide expanded Growth Hub activity.				
1819CRA03050	Continue to make the case for Growth Fund Investment in Southend by working with the South Essex Growth Partnership and SELEP.	Andrew Lewis	31-Mar-2019	Quarter 3 - Four outline business cases submitted to SELEP as part of the LGF3b bidding process. Decision due 7 December 2018. As part of the Place Capital Board a pipeline of projects is to be developed as investment propositions should further funding become available through LGF or UKSPF. Continued representation at all OSE and SELEP meetings.				
1819CRA0306	To continually review the risks and opportunities for the Council of Brexit, identifying and implementing required actions.	Alison Griffin	31-Mar-2019	Report outlining risks and opportunities considered by 19.9.18 CMT prior to a report for Cabinet. Actions include: liaison with core suppliers to assess potential impact, notably re: care providers and the labour supply; on-going liaison with neighbouring councils/partners/schools; reviewing emergency planning and business continuity arrangements; participating in the Essex Resilience Forum Brexit working group and other preparations. A local Brexit business group, facilitated by the Council, has started to meet to consider necessary action, particularly in the event of a 'no-deal'.				

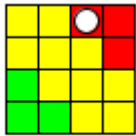
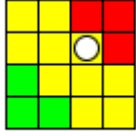
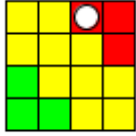
Risk Title	4. Housing					
Stage 1 - Risk without controls (Inherent risk)						
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact Likelihood
1819CRR04	Risk that a failure to implement plans to address rising homelessness and failure to develop a robust housing strategy will lead to further street and other homelessness, increased use of temporary accommodation & an inability to meet rising housing demand over the next 20 years.	Simon Leftley	Strategic	Financial	12	 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)						
List of controls and associated assurances to ensure controls are working					Current risk score	Impact Likelihood
1. Control: Core Strategy and Local Development Plan in place Assurance: Strategy documents 2. Control: Cabinet/Scrutiny Assurance: Reports/Meeting minutes 3. Control: Housing Strategy Assurance: Documents 4. Control: Housing Working Party: Assurance: Reports and minutes of meetings					9	 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)						
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score Impact Likelihood
1819CRA0401	Agree a new Housing Strategy for the borough aimed at ensuring the appropriate level of accommodation in the borough and reduce the need for temporary accommodation	Sharon Houlden	31-Mar-2019	Quarter 3 - Cabinet endorsed the Housing, Homelessness and Rough Sleeping Strategy on 6th November and Policy & Resources Scrutiny on 29th November. Work is underway to develop our approaches to implementation, and projects are already being taken forward.		 Likelihood
1819CRA0402	Progress the Council's bid for additional resources from the Government's new street homelessness fund to tackle the issue in the borough	Sharon Houlden	31-Mar-2019	Quarter 3 - Successful bids have been submitted to the Ministry of Housing Communities and Local Government resulting in an additional £425k inward investment for 2018-19, and a further £513k for 2019-20. The programme is underway and additional resources are being deployed and providing services for rough sleepers.		
1819CRA0403	Ensure the development of the Council's Local Plan, links to the Council's housing strategy, and addresses the anticipated level of demand for housing in the coming decades	Peter Geraghty	31-Mar-2019	Quarter 3 - a draft housing topic paper has been prepared to ensure a consistent baseline to feed into preparation of the Local Plan. Strategic planning team have also contributed to the preparation of Council's Housing Strategy which has not yet been adopted.		


Risk Title	5. Local Infrastructure						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		
1819CRR05	Risk that failure to maintain levels of access to regeneration funding opportunities will significantly restrict future infrastructure improvements in the borough	Andrew Lewis	Strategic	Financial	12		 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working						Current risk score	
1. Control: Highway/Footpath Assets Management inventory in place Assurance: Reports 2. Control: Monthly progress reported to DMT and senior managers Assurance: Reports/Minutes 3. Control: Regular reporting to Corporate Management Team Assurance: Reports/Minutes 4. Control: Cabinet/Scrutiny Assurance: Reports/Meeting minutes						9	 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	
1819CRA0501	Produce a Transport Asset Management Plan to support the maintenance and improvement of the roads, pavements and street furniture across the Borough	Neil Hoskins	31-Mar-2018	Quarter 3 - Documents all completed, Plan is being used to inform decision making on capital programme.	✓	4	 Likelihood
1819CRA0502	Continue to make the case for Growth Fund Investment in Southend by working with the South Essex Growth Partnership and SELEP.	Neil Hoskins	31-Mar-2019	Quarter 3 - Business cases submitted for A127 schemes. S-CATS to be submitted.	✓		
1819CRA0503	Conduct detailed self-assessment to support Challenge Fund bid	Neil Hoskins	31-Mar-2019	Quarter 3 - Self Assessment Complete.	✓		
1819CRA0504	Complete Whole Government Account return (with Finance Dept)	Neil Hoskins	31-Mar-2019	Quarter 3 - This action is now complete.	✓		
1819CRA0505	Ensure compliance with spending profiles for Local Growth Fund to maintain access to available finance (notably for Airport Business Park and the Forum)	Adrian Beswick; Mark Murphy	31-Mar-2019	Quarter 3 - Capital Programme Manager in post since start of year ensuring reporting and compliance with LGF. Additional ongoing involvement of Council's Procurement Team for assurance regarding procurement compliance. Some budget re-profiling necessary for ABP in the new year once there is greater certainty regarding costs on conclusion of procurement exercises.	✓		

Risk Title	6. Secondary School Places						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		
1819CRR06	Risk that failure to provide the required number of school places at secondary schools for 2018 and 2019 will lead to significant reputational and legal damage for the council.	Simon Leftley	Strategic	Reputational and Legal	9		 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working					Current risk score		
1. Control: School Places working party Assurance: minutes 2. Control: Archive of cabinet and Council decisions Assurance: minutes 3. Control: Correspondence between stakeholders, schools, Academy trusts, Local MPs, Ministers Assurance: correspondence 4. Control: Weekly report on progress from Learning to Executive Councillor Assurance: note of actions					6		 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	
1819CRA0601	Establish a secondary places project Board to monitor progress in actions and outcomes for both 18 and 19 places	Brin Martin	31-Mar-2019	Quarter 3 - Regular meetings of those involved with specific projects takes place, involving officers, contractors and the school. The outcomes of these meetings are shared with the Group Manager who has oversight of the build.	✓	4	 Likelihood
1819CRA0602	Where required escalate lack of progress directly with Cabinet, the Regional Schools Commissioner (RSC), Local MPs, press and the DfE	Brin Martin	31-Mar-2019	Quarter 3 - Escalation will continue in the same way when and if required.	✓		
1819CRA0603	Develop a secondary school places strategy to cater for the increasing pupil numbers.	Brin Martin	31-Mar-2019	Quarter 3 - The strategy is currently being run as an expansion model following agreement of current schools to expand. School places working party have agreed this in essence for the medium term and have been presented with a report on a longer term projection of need that links into the planning department strategy that will cover planned housing developments across the borough once approved.	✓		

Risk Title	7. Health and Social Care						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		
1819CRR07	Risk that the implementation of Sustainability and Transformation Partnership (STP) proposals and implementation of the Localities Model does not result in effective health and social care outcomes for residents and also leads to significant cost increases in meeting service demand.	Simon Leftley	Strategic	Financial, Service Provision	12		 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working					Current risk score		
1. Control: South East Essex Locality Partnership. Assurance: Reports/Meeting Minutes. 2. Control: Health and Wellbeing Board. Assurance: Reports/Meeting Minutes. 3. Control: Locality Transformation Group. Assurance: Reports/Meeting Minutes. 4. Control: Corporate Management Team. Assurance: Reports/Meeting Minutes.					9		 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	
354 1819CRA0701	Continue to actively work with Mid and South Essex health and social care partners to develop the STP proposals to ensure positive outcomes in health and social care provision for Southend residents	Simon Leftley	31-Mar-2019	<p>Quarter 3 - Southend Council (via operational staff, formal committees, HWB and the Joint Scrutiny Committee) continues to engage with the STP. Influence with this regard is limited. SBCs influence on the direction for the STP rests mainly in the development of Localities which we are taking a lead on within the Southend system. Simon Leftley has recently been asked to lead the STP response to Locality development.</p> <p>As a result of CCG Joint Committee decisions regarding the STP Southend Council's people scrutiny committee formally considered a referral to the Secretary of State on 9th October 2018. The committee unanimously agreed to refer the STP in its' entirety to the Secretary of State on the basis of inadequate consultation and not in the interests of the local health economy. A letter was sent to the Secretary of State on 23rd November 2018.</p>	✓	4	 Likelihood
1819CRA0702	That the Health and Wellbeing Board (HWB) oversees the development and implementation of the localities model for health and social provision in the borough.	Simon Leftley	31-Mar-2019	Quarter 3 - HWB hold regular discussions regarding the development of the STP proposals and the Southend Locality development. In March 2018 HWB agreed that a South East Essex governance approach to developing Localities was a requirement. The inaugural SEE Locality Partnership was held on	✓		

				18th May 2018. This partnership is accountable to HWB and is responsible for the business plan being developed. At HWB on 5th Dec the Locality Strategy 'Living Well In Thriving Communities' was signed off alongside the 1 page plans for each of the Southend Localities.				
1819CRA0703	Continue the work of the South East Essex Locality Partnership (which includes engagement with key stakeholders, both providers and commissioners) to manage the implementation of the Localities model including the development of plans for each locality.	Jacqui Lansley	31-Mar-2019	Quarter 3 - Following recommendation from the Partnership the Locality Strategy 'Living Well In Thriving Communities' was signed off at the HWB on 5th Dec alongside the 1 page plans for each of the Southend Localities. The Partnership has also agreed to sign an MoU which will form the foundation of partnership working and represent the ambition for Localities in SEE. The partnership continues to focus on developing the integrated health and care model, maintaining a strong relationship with Southend 2050 and specific plans for each Locality.				

Risk Title	8. Information Management & Cyber Security							
Stage 1 - Risk without controls (Inherent risk)								
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	12	 Impact Likelihood	
1819CRR08	Risk that a failure to ensure the Council has a coherent and comprehensive approach to data protection, including its cyber security arrangements, will result in significant financial and reputational damage to the Council	Joanna Ruffle	Strategic	Reputational, Financial				
Stage 2 - Risk with Controls and Assurances (current risk)								
List of controls and associated assurances to ensure controls are working					Current risk score	9	 Impact Likelihood	
1. Control: Senior Information Risk Owner - Assurance: Annual SIRO report to Cabinet 2. Control: Annual IG Toolkit assessment – Assurance: Report from independent assessment. 3. Control: Regular reports to Corporate Management Team. Assurance: Reports/Minutes 4. Control: Corporate Information Governance Group: Assurance: Reports/Minutes								
Stage 3 - Further actions to reduce the risk (target risk)								
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	12	 Impact Likelihood
1819CRA0801	Ensure the Corporate Information Governance group continues to oversee the Council's approach to information management, including compliance with new data protection legislation.	Joanna Ruffle	31-Mar-2019	Quarter 3 – The work on the corporate Information & Governance group continues to embed GDPR and to provide strategic oversight in respect of information requirements and legislation.	✓			
1819CRA0802	Ensure the Council's project plan, and associated officer group, for implementation of the General Data Protection Regulation (GDPR) is revised to address continued compliance with data protection legislation.	Lysanne Eddy	31-Mar-2019	Quarter 3 - GDPR continues to be embedded as BAU. Face to face training continues to be provided and alternative complimentary provision discussed with the Workforce Development Team is currently being costed. Referrals for data protection advice remain high, indicating heightened awareness levels are being maintained.	✓			
1819CRA0803	Ensure information management is a key part of the Council's transformation agenda.	Joanna Ruffle	31-Mar-2019	Quarter 3 - Digital enablement is a key condition for Transformation. 4 out of the 5 posts in the new Insights team in the corporate Strategy unit has been appointed.	✓			
1819CRA0804	Ensure the Council's cyber security arrangements are up to date and robust enough to withstand attacks.	Nick Corrigan	31-Mar-2019	Quarter 3 - Impact/Likelihood risk-score increased to underline increased UK and therefore SBC threat to cyber-attack. In part this is in reference to the National Cyber Security Centre cyber threat to UK business 2017-2018 report. https://www.ncsc.gov.uk/cyberthreat	✓			

				<ul style="list-style-type: none"> . LGA cyber security stocktake report (Oct 18) has highlighted security areas in need of attention. . External audit of SBC has taken place and remedial action plan is being developed. . Capital Project (C10768) Mobile Device End Point Protection purchased and testing has started before organisation-wide deployment during Q3-Q4. . Commissioned Cyber Essentials Plus PEN test has been delayed whilst prep-work is being undertaken. . Members and Social-worker cohort cyber security training completed during Nov 18. . Training provision (cyber / GDPR security videos) is being added to the Council's learning platform with go-live expected during Dec. . ICT Officer (Cyber Security) post offered to Mark Crawshaw as a 12 month secondment starting 01.12.18 ICT continue to work with the Emergency Planning (Resilience) Team. 			
1819CRA08 05 357	Review the Council's approach to the use and sharing of, information and data	Joanna Ruffle	31-Mar-2019	Quarter 3 - This work continues and is overseen by the Corporate Information Governance Group, this work will also be picked up by the JSNA group.			

Risk Title	9. Children's Services Improvement Plan						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		
1819CRR09	Risk that the actions and expected outcomes from the Children's Services Improvement Plan are not achieved within expected timescales, resulting in a failure to achieve a rating of 'Good' in future Ofsted inspection	Simon Leftley	Strategic	Reputational	12		 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working					Current risk score		
<p>1. Control: Monitoring and updating of the Children Service's Improvement Plan by the CS Improvement Board. Assurance: Reports/minutes of CS Improvement Board meetings.</p> <p>2. Control: Monitoring and updating of the Leadership Narrative Document for Children's services. Assurance: Report/Minutes of Children's Services Improvement Board meetings.</p> <p>3. Control: Children's Service Improvement Board bi-monthly meetings Assurance: Report/Minutes.</p> <p>4. Control: Children's Departmental Management Team. Assurance: Monthly Performance reports/ minutes of meetings.</p> <p>5. Control: People Extended DMT Assurance: Reports to/notes from meetings.</p> <p>6. Control: Local Safeguarding Children's Board (LSCB) to complement the children's service improvement plans Assurance: Reports/minutes.</p> <p>7. Control: Improvement Board Independent Expert, advice and support. Assurance: Reports to John O'Loughlin, Simon Leftley and the Improvement Board</p>					9		 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	
1819CRA0901	Develop and enhance the resourcing available to the Council's Children's Service, with the recruitment of additional social workers; the embedding of the work of the recently appointed 'Practise Lead' to promote good practice and 'Participation Lead' to	John O'Loughlin	31-Mar-2019	<p>Quarter 3: We have recruited newly qualified social workers as outlined in the previous update. The vacancy rate has reduced and stood at 9 projected vacancies on 29th November.</p> <p>The Practice Unit recruitment has been completed and the post holders will be in post during Q4. The outline plan for the practice unit has been completed and the activity will support both recruitment and retention. The date of the formal launch is 15th January 2019</p>		6	 Likelihood
1819CRA0902	Embed the new Edge of Care Team, to support those children at risk of entering, or re-entering, the care system (particularly older children at risk from the breakdown of foster care placements.	John O'Loughlin	31-Mar-2019	<p>In quarter 2 Edge of Care current figures are:-</p> <p>Requests for Emergency Visits prior to placement panel and allocation: - 12.</p> <p>Family/Fostering visits of cases coming to us in crisis before being presented at panel.</p> <p>Requests for Welfare Visits without allocation:</p>			

- **28.**

Emergency welfare visits to support social care, where case is not and does not open to us.

Duty welfare visits completed to families already open to Edge of Care: - **285**

Crisis calls from allocated cases: - **69.**

Of the 20 reunification that the team have completed:

- **9** were negative assessments with recommendations – children to remain in current placement and reunification isn't recommended

- **11** were positive assessments with recommendations and support plans - reunification recommended children to return to family care

- There is a delay in progressing one case, outstanding from April 2017.

The above have been a combination of unplanned and planned reunification; with children either being returned to the family before a reunification assessment has been undertaken or returning to the family once reunification assessment has been completed.

In Quarter 2 Edge of Care have closed 20 cases.

10 Remain in the family home.

1 Placed into Care.


5 Stabilised placements.


1 From Foster Care to Residential Care.

2 De-escalated from CP to Early Help or CIN.

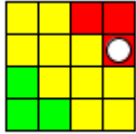
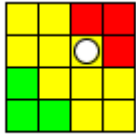
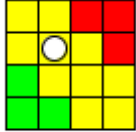
1 Welfare Visits only.

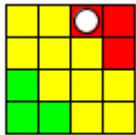
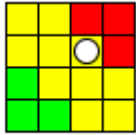

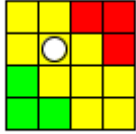


In quarter 2 Edge of Care have 42 open family cases. (Some children will have dual categories)

				<p>16 CP plans only.</p> <p>10 CIN only.</p> <p>2 CP and PLO.</p> <p>5 LAC.</p> <p>3 Supervision Order and CIN plan.</p> <p>5 Reunification.</p> <p>2 Supervision Order and CP plan.</p> <p>1 Special Guardianship and CIN plan.</p> <p>12 Families requiring Welfare Visits.</p>				
360	1819CRA0903	Implement and embed the Early Help Phase 2 programme, which, working in partnership with other care professionals will aim to improve the first contact service for vulnerable children.	John O'Loughlin	31-Mar-2019	<p>Quarter 3 - Early Help Family Support is holding a Service Transformation Workshop on 12th January 2018, building with Southend Service Transformation to produce a robust maturity model action plan to take Troubled Families programme to its end at March 2020. Using the Service Transformation Maturity Model and Data Maturity Model Toolkits we will establish Southend position and produce robust action plans with partner agencies.</p> <p>We have met the TF attachment target of 1480, however Ministry Housing Communities Local Government (MHCLG) has now published a trajectory which shows an increased projected target of 2,600 to allow Payment by Results (PbR's) target to be met by 2020 at our current conversion rate. MHCLG have produced a National LA Performance Table which shows we are 54th position out of 144 Local Authorities with a claim submission of 31% (June 2018).</p> <p>As at end of September we had attached 1756 families and achieved 36%. This 36% has been achieved over 3 years; therefore measures need to be in place to meet the remaining 64% by 2020. This equates to over 53 claims per month. The latest claim window closes on 31st December 2018 when we can update these figures. MHCLG nationally are highly monitoring PbR performance and expecting LA's in last 18 months to meet their claim target. To address this issue a Family Researcher post was agreed to work with Social Care/Commissioned services to ensure</p>			

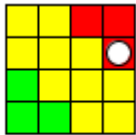
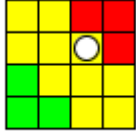
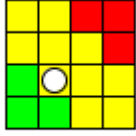
				<p>that outcomes are being aligned to CIN/CP cases. Unfortunately, recruitment of Family Researcher has been difficult and we are hoping to fill this post as soon as possible</p> <p>Adolescent Intervention and Prevention team is now fully functioning and very busy working closely with the police to provide an intense preventative service to address Criminal Exploitation/Child sexual Exploitation/Missing/Gang activity.</p>			
1819CRA09 04 361	Undertake a full budget and performance review of Children's Services to assess levels of resourcing against the demand for services.	Simon Leftley	31-Mar-2019	<p>Quarter 3 - Continuing financial pressures for Children Services linked to PVI costs. Service and practise improvement continues to be targeted through the work of the Children's Services improvement and transformation programme. Following demand management strategy going to CMT in summer significant investment has been agreed and is now being implemented to meet the demand on services, including the introduction and investment in a new practice unit. This additional investment brings us nearer to our CIPFA comparators. Alongside this investment the expectation that we will see quality and performance continue to improve whilst seeing a reduction in placement costs and LAC.</p>			

Risk Title	10. Waste Management						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		
1819CRR10	Risk of contractor failing to meet contractual requirements to effectively manage waste contractual arrangements results in additional financial liability for the Council and loss of service quality.	Andrew Lewis	Strategic	Reputational, Financial	12		 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working					Current risk score		
1. Control: Regular contract management meetings with suppliers Assurance: Meeting Minutes/Reports 2. Control: Data set monitored by DMT and senior managers Assurance: Reports/Minutes 3. Control: Cabinet/Scrutiny Assurance: Reports/Meeting minutes					9		 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	
362 1819CRA10 01	Ensure frontline waste collection, street cleansing and ancillary service contractor is performing to service outputs and that performance management is monitored to achieve service standards as specified within relevant contracts	Carl Robinson	31-Mar-2019	Quarter 3 - New Deed of Variation agreed to take effect from 1/4/18. This will ensure contract compliance is adhered to in future contract years to ensure specification standards are met and Veolia fully comply with their contractual obligations. Appropriate performance deductions will be applied as and where necessary in accordance with the contract.	✓	6	 Likelihood
1819CRA1002	Ensure SBC have access to waste disposal and treatment facilities that deliver value for money for the Council.	Carl Robinson	31-Mar-2019	Quarter 3 - SBC have agreed a Deed of Variation to the current terms and conditional within the Joint Working Agreement (JWA). SBC will continue to deliver its residual waste to the MBT facility until 31/12/19 and then determine its options going forward. The MBT facility may continue to be used past this date should it demonstrate Value for Money to SBC. Further negotiations will be undertaken in the autumn with ECC.	✓		

Risk Title	11. Flooding / Cliff Slip						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		
1819CRR11	Risk that surface water flooding, breach of sea defences and/or seafront cliff movement, will result in damage to property and infrastructure as well as significant disruption.	Andrew Lewis	Strategic	Reputational, Reputational	12		 Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working					Current risk score		
1. Control: Flooding Reports considered by Cabinet Assurance: Reports/Meeting minutes. 2. Control: Gully cleaning programme in place Assurance: Programme documents. 3. Control: Regular monitoring of Met Office weather alerts Assurance: Alerts/Reports 4. Control: Cabinet/Scrutiny Assurance: Reports/Meeting minutes					9		 Likelihood
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	
1819CRA1101	Ensure compliance with the requirements of the Floods and water Management Act 2010 with regard to Sustainable Drainage Systems (SuDS).	Neil Hoskins	31-Mar-2019	Quarter 3 - Scheme delivery progressing. Arranging start on site dates.	✓	6	 Likelihood
1819CRA1102	Jointly investigate with Anglia Water Services, possible improvements to drainage system.	Neil Hoskins	30-Apr-2018	Quarter 3 - Detailed design nearing completion. Start on site in new year.	✓		
1819CRA1103	Development of a Cliff Slip Strategy based on a risk minimisation approach	Neil Hoskins	31-Mar-2019	Quarter 3 - Contract out to tender.	✓		
1819CRA1104	Progression of Sea Defence Scheme at Shoebury Common - consultation options	Neil Hoskins	31-Jul-2018	Quarter 3 - Consultation in December 2018.	✓		
1819CRA1105	Shoreline Management Strategy - consultation	Neil Hoskins	31-Mar-2019	Quarter 3 - Additional comments received. Preparing response.	✓		

Risk Title	12. Major Developments						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		Impact Likelihood
1819CRR12	Risk that failure of partners to progress major infrastructure developments (e.g. Seaways, Airport Business Park and Queensway) will result in significant financial and reputational damage to the Council.	Joe Chesterton; Andrew Lewis	Strategic	Reputational, Financial	12		
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working						Current risk score	Impact Likelihood
1. Control: Corporate Management Team Assurance: Reports/Minutes. 2. Control: Corporate Management Team Assurance: Reports/Meeting Minutes 3. Control: Project Boards Assurance: Reports/Meeting Minutes 4. Control: Cabinet/Scrutiny Assurance: Reports/Meeting minutes						9	
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	Impact Likelihood
364 1819CRA1201	Queensway Area Regeneration Project, 18/19 actions: • Progress the finance option & housing plans for the Queensway area regeneration project • Consultation & communication with existing Queensway residents to inform specifications for the redevelopment.	Emma Cooney	31-Mar-2019	Quarter 3 - Procurement process progressing well with additional Competitive Dialogue sessions arranged as needed throughout the summer. Deadline for ISDS (Invitation to Submit Detailed Solutions) was September 14th, followed by marking and moderating with feedback going to bidders on Monday 8th October. Additional stage to the process (Refined Solutions) has been added to ensure maximum detail is included within the bid before Final Tender. All documentation up to this stage has been submitted to Audit and signed off as compliant.		6	
1819CRA1202	Airport Business Park 2018/19 actions: • To commence Phase 1 infrastructure works • To agree Westcliff Rugby Club relocation strategy and commence work • To submit a planning application for the Innovation centre	Andrew Lewis	31-Mar-2019	Quarter 3 - Phase 1 infrastructure works commenced and 75% complete. WRFC relocation strategy agreed and works commenced 75% complete. Innovation Centre (Launchpad) planning application rescheduled to 2019			
1819CRA1203	Seaway Car Park 2018/19 actions: • To support Turnstone to submit a planning application • To meet the Coach Park Relocation Condition • To support Turnstone in securing prime tenants	Joe Chesterton	31-Mar-2019	Quarter 3 - The planning application is programmed to be submitted in December 2018. The Coach Park Relocation Condition has been satisfied.			

				<p>Good progress has been made in securing tenants, particularly for the leisure uses.</p> <p>Report on scheme to go to January Cabinet.</p>				
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Risk Title	13. Local Plan						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		
1819CRR13	Risk that the failure to meet deadlines and make sufficient progress in producing a Local Plan will lead to Secretary of State intervention, resulting in reputational damage to the Council and the potential imposition of unwanted planning policies	Andrew Lewis	Strategic	Reputational, Financial	12		Likelihood
Stage 2 - Risk with Controls and Assurances (current risk)							
List of controls and associated assurances to ensure controls are working					Current risk score		
1. Control: Reports to Cabinet Assurance: Council minute system 2. Control: Regular reports to Corporate Management Team Assurance: Reports/Minutes 3. Control: Member Local Development Framework Working Party Assurance: Reports/Minutes					9		Likelihood
Stage 3 - Further actions to reduce the risk (target risk)							
Code	Actions to further mitigate risk / maximise opportunities	Action Owner	Due date	Comments / update on progress	RAG Status	Target risk score	
1819CRA1301	Ensure an in-principle decision to proceed with the preparation of the development of a Local Plan for the borough.	Peter Geraghty	31-Mar-2019	Quarter 3 – The Local Plan is progressing.	✓	4	Likelihood
1819CRA1302	Begin consultation with community and stakeholders on issues and options in line with 'Regulation 18'	Peter Geraghty	31-Mar-2019	Quarter 3 - A draft version of the local plan has been prepared. An integrated assessment, comprising sustainability appraisal, is being carried out prior to consultation commencing in the new year.	✓		
1819CRA1303	Ensure continued alignment of the Local Plan with the development of the Joint Strategic Plan and other key Council strategies (including Corporate Plan, Southend 2050, Housing Strategy).	Peter Geraghty	31-Mar-2019	Quarter 3 - A joint South Essex policy team has been established under an informal arrangement and work on key evidence documents is progressing. Consultation on a joint Statement of Community Involvement is anticipated to commence early in the new year.	✓		

Southend-on-Sea Borough Council

Agenda

Item No.

15

Report of Strategic Director (Finance & Resources)

To

Cabinet

on

17th January 2019

Report prepared by: Bridgette Cowley
Revenues Group Manager

Debt Management - Position to 30th November 2018

Policy and Resources Scrutiny Committee
Cabinet Member : Councillor John Lamb

A Part 1 Public Agenda Item

1. Purpose of Report

1.1 The purpose of this report is to apprise Cabinet of the following:

- The current position of outstanding debt to the Council, as at 30th November 2018;
- Debts that have been written off, or are recommended for write off, in the current financial year as at 30th November 2018;
- Obtain approval for the write off of irrecoverable debts that are over £25,000.

2. Recommendation

That Cabinet:-

- 2.1 Notes the current outstanding debt position as at 30th November 2018 and the position of debts written off to 30th November 2018 as set out in Appendices A & B.
- 2.2 Approves the write offs greater than £25,000, as detailed in Appendix B.

3. Background

- 3.1 It was agreed by Cabinet on 19th March 2013 that the Director of Finance and Resources would submit regular reports to Cabinet on all aspects of the Council's outstanding debt, along with the required write off position. This is the second report for the financial year 2018/19.

3.2 Southend-on-Sea is made up of a number of service areas responsible for the collection and administration of outstanding debt. The main areas are Accounts Receivable and Revenues which are linked to the billing and collection of the vast majority of debts that fall due to be paid to the Council for chargeable services, such as social care (see 4.5) and statutory levies such as Council tax and Non Domestic Rates (Business Rates).

However, there are other areas of debt that are included in this report, namely recovery of Housing Benefit Overpayments, Parking and Enforcement penalties and library fines. In addition, there are also debts for the Housing Revenue Account for rent arrears and service charges.

3.3 The process and legislative framework for the collection and write off of debt were detailed in the report to Cabinet on 17th September 2013. However, it is worth noting that the Council has a good success rate in collection of debt, and the collection targets are agreed annually as part of the Councils service planning process.

3.4 Debts are only considered for write off where all other courses of recovery available have been undertaken or explored and the debt is considered irrecoverable.

4. Councils Debt Types

4.1 Council Tax

£94m of Council Tax is due to be collected in 2018/19, with a collection target of 97.5%. The Council has currently collected £65.9m of this debt which equates to 69.8%, meaning the department is on course to achieve the overall collection rate of 97.5% by the end of the financial year.

Collection continues for the outstanding arrears for that year and for previous years. The chart below shows the actual in year collection rate over the past 4 years, and the collection rate of each year's charge to date, including debts that have been written off.

	Council Tax Performance	
	As at 31st March of relevant year	As at 30 th November 2018
1st April 2014 - 31st March 2015	96.8%	99.5%
1st April 2015 - 31st March 2016	97.2%	99.4%
1st April 2016 - 31st March 2017	97.5%	99.2%
1st April 2017 - 31st March 2018	97.5%	98.6%

4.2 Non Domestic Rates (Business Rates)

£47m of Non Domestic rates is due to be collected in 2018/19, with a collection target of 98.3%. The Council has currently collected £33.2m of this debt which equates to 70.7% meaning the department is on course to achieve the overall collection rate of 98.3% by the end of the financial year.

Collection is continuing for outstanding arrears for previous financial years.

The chart below shows the actual in year collection rate over the past 4 years, and the collection rate of each year's charge to date, including debts that have been already written off.

	Non-Domestic Rates Performance	
	As at 31st March of relevant year	As at 30 th November 2018
1st April 2014 - 31st March 2015	97.6%	99.3%
1st April 2015 - 31st March 2016	97.8%	99.8%
1st April 2016 - 31st March 2017	98.0%	99.7%
1st April 2017 - 31st March 2018	98.6%	99.1%

4.3 Housing Benefit Overpayment

This is any entitlement to a rent allowance or rent rebate that a person has received but is not entitled to. Most commonly this accumulates when there is a change to a person's circumstance and they fail to notify us in good time. The overpayment will be invoiced unless they are in receipt of Housing Benefit in which case their benefit entitlement is reduced to enable recovery of the overpayment. The vast majority of Housing Benefit overpayment is due to claimant error.

4.4 Libraries

Library debt is made up of overdue fines and replacing lost or non-returned books.

4.5 Department for People - Adult Services

Adult Services make charges for the following services;

- Contributions to residential accommodation
- Charges for non-residential services i.e. Home Care, Community Support, Day Services and transport to services
- Charges to other local authorities
- Charges to National Health Service

Adult Social Care debt as at 30/11/18 was £4,800,931

It should be noted that of the total amount outstanding;

£2.42m is debt deferred against property;
£0.03m is being collected by Direct Debit;
£0.41m is under 30 days old.

4.6 **Parking**

The recovery of unpaid Penalty Charge Notices is undertaken by semi-judicial process under the current Traffic Management Act 2004.

From 1st April 2018 to 30th November 2018 a total of 31,475 Penalty Charge Notices (PCNs) have been issued identifying a projected income of £967,224. It should be noted that PCNs are issued at a higher rate and lower rate (£70.00 and £50.00 respectively) depending on the seriousness of the parking contravention. PCNs may be paid at a discounted rate of 50% of the charge if paid within 14 days of the date of issue.

This value is continuously being amended as payments are received and it should be recognised that payments made at the 50% discount amount will reduce the projected income level. Generally, 75% of paid PCN's are paid at the discounted payment.

The value of cancelled notices is £128,520 and cases written off where no keeper has been identified totals £500,917.

4.7 **Miscellaneous Income**

This will include a range of services that the Council will charge for including such areas as rental income on commercial properties, recharges to other bodies for services we have provided, and recovering overpaid salaries from staff that have left.

It is important to note that collection can vary month by month depending on the value of invoices raised as a reasonable period needs to be allowed for payment to be made.

4.8 **Housing**

Under the management of South Essex Homes there are the arrears of outstanding debt of Rent and Service Charges. The cost of any write-offs for this category of debt is specifically charged to the Housing Revenue Account and not to Council Tax Payers.

5. Write-Off Levels

- 5.1 Write off approval levels currently in place are shown in the tables below, which are in accordance with the Financial Procedure rules set out in the Constitution and the latest corporate debt recovery policy.

Debt Type: Council Tax/ Accounts Receivable/Adult Services/ Housing and Council Tax Benefit

Designation	Amount
Assistant Manager	under £5,000
Manager	Up to £10,000
Director	Between £10,000 and £25,000
Cabinet	£25,000 and above

Debt Type: NNDR (Non Domestic Rates)

Designation	Amount
Assistant Manager	under £5,000
Manager	Up to £10,000
Director	Between £10,000 and £25,000
Cabinet	£25,000 and above

Debt Type: Parking

Designation	Amount
Notice Processing Officer & Section Leader	under £5,000
Section Leader	Between £5,000 and £10,000
Group Manager	Between £10,000 and £25,000
Cabinet	£25,000 and above

Debt Type: Housing Rents and Service Charges

South Essex Homes, as managing agent, submit proposed write-offs to the Council, following which the following approval levels are exercised.

Designation	Amount
Head of Service	Under £25,000
Cabinet	£25,000 and above

6. Council Debt Position (as at 30/11/18)

Appendices A and B show the current debt position within each service area, and the amount that has been written off in the current year.

For Council Tax and Non Domestic rates there is a net collectable debt at the beginning of the year. Although this can change depending on changes to liability or property being removed or introduced to the lists, it is fairly consistent.

However other service areas may see greater fluctuations as new debts are created during the financial year.

7. Other Options

This is a report notifying members of the current position of the Council's debt and related write offs, and therefore there are no other options.

8. Reasons for Recommendations

All reasonable steps to recover the debt have been taken, and therefore where write off is recommended it is the only course of action available.

If the Council wishes to pursue debts for bankruptcy proceeding, it will follow the agreed and published recovery policy that covers this.

9. Corporate Implications

9.1 Contribution to the Southend 2050 Road Map

Efficient write off of bad and irrecoverable debts, where appropriate, is good financial practice and reduces the bad debt provision and financial impact in the Authority's accounts and helps towards financial self-sustainability of the organisation.

9.2 Financial Implications

Debts that are written off will have been provided for within the Councils bad debt provision and as such there should be no specific financial implications. However it is possible that unforeseen and unplanned additional write offs occur, which lead to the value of debts written off in any year exceeding the bad debt provision.

Where this is likely to happen, this report will act as an early warning system and will enable additional control measures to be agreed and taken to either bring the situation back under control, or to make appropriate adjustments to the bad debt provision.

Relevant service areas have to bear the cost of debts that are written off within their budget.

9.3 Legal Implications

If there are debts to be written off that exceed the level at which officers have delegated powers to deal with the matter, authorisation is required from the Cabinet.

9.4 People Implications

The people implications have been considered and there are none relevant to this report.

9.5 **Property Implications**

The property implications have been considered and there are none relevant to this report.

9.6 **Consultation**

Consultation is not required for write off of debt.

9.7 **Equalities and Diversity Implications**

Debt Collection is managed through a Corporate Debt Management Policy and is based on an approach of “Can’t Pay Won’t Pay”. Each write-off is considered on an individual basis through a standard approach.

9.8 **Risk Assessment**

There is a financial implication to the bad debt provision if write offs are not dealt with within the current financial year.

9.9 **Value for Money**

It is a matter of good financial practice and good debt management to regularly report on the value of debt outstanding, collected and written off.

9.10 **Community Safety Implications**

There are no Community Safety Implications.

9.11 **Environmental Impact**

There is no environmental impact.

10. **Background Papers**

Full details of recovery action against each recommended write-off are held within the services computer systems.

11. **Appendices**

Appendix A Summary of outstanding debt


Appendix B Summary of Write offs


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Southend-on-Sea Borough Council

Department for People

Director of Learning: Brin Martin

 Civic Centre, Victoria Avenue, Southend-on-Sea, Essex SS2 6ER

 01702 215000

 www.southend.gov.uk

Creating a better
Southend
www.southend.gov.uk



St Mary's CofE Prittlewell Primary School

Our ref: StMConsult18

Your ref:

Date: 17th October 2018

Telephone: 01702 215000

Email: juneedwards@southend.gov.uk

St Mary's C of E Prittlewell Primary School Statutory Consultation

I am writing to advise you that Southend Borough Council will be running a Statutory Consultation after Autumn Half Term. This is to gain feedback on the proposal to set the Published Admission Number for St Mary's C of E Prittlewell Primary School at 90 per year group on a permanent basis from September 2019, starting with the Reception intake and working up the school year on year. All current year admission numbers will remain the same.

In September 2013, St Mary's C of E Prittlewell Primary School agreed to expand on a temporary basis from 60 to 90 per year for two years and then up to 120 for four years starting from the reception class and incrementing yearly.

As regulations require temporary expansions to last no longer than six years without formal consultation, St Mary's C of E Prittlewell Primary School had planned to return to their original admission number of 60 from September 2019. The school governing body have however requested to set their admission number at a higher admission number on a permanent basis to meet demand for faith places.

The School and Governing Body have also agreed that, on a temporary one-off basis only, the school would admit up to 120 in a pre-agreed year group in the reception admission round, should local demand require it.

The formal notice stage will run for a minimum of four weeks, whilst schools are open, from 29 October to 30 November 2018 and the full consultation document will be available on the Southend on Sea Website between these dates. During this period any person may object to or make comments on the proposals by :

E-mailing to StMary'sSept2019@southend.gov.uk

Or

Sending them in writing to June Edwards, School Development Team, Southend Borough Council, Floor 5, Civic Centre, Victoria Avenue, Southend on Sea, SS2 6ER.

Yours sincerely

J B Edwards

June Edwards
School Development Manager

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SOUTHEND ON SEA BOROUGH COUNCIL AS LOCAL AUTHORITY

Permanent Admission Number for St Mary's Prittlewell CofE Primary School

29th October 2018

Notice is hereby given in accordance with Section 19 (1) of the Education and Inspections Act 2006 and the School Organisation (Prescribed Alterations to Maintained Schools) England) Regulations 2013 that Southend on Sea Borough Council, Civic Centre, Victoria Avenue, Southend on Sea, SS2 6ER propose to set the agreed admission number for St Mary's Prittlewell CofE Primary School, Boston Avenue, Southend on Sea, SS2 2BH at 90 from 1 September 2019 starting with the Reception intake and working up the school year on year. All other year group numbers will remain as currently published. This will set the total capacity of the school at 630 pupils.

In September 2013, St Mary's C of E Prittlewell Primary School agreed to expand on a temporary basis from 60 to 90 per year, for two years, starting from reception as part of the Southend Primary Expansion Plan resulting from a sharp increase in the birth rate.

In September 2015, St Mary's C of E Prittlewell Primary School agreed to expand further, along with six other primary schools, from 90 to 120 per year group for four years starting from the reception class and incrementing yearly.

Regulations require temporary expansions to last no longer than six years without formal consultation. St Mary's C of E Prittlewell Primary School had planned to return to their original admission number of 60 from September 2019. The school governing body have requested to set their admission number at a higher admission number of 90 on a permanent basis to meet demand for places.

The School and Governing Body have also agreed that, on a temporary basis only, the school would admit up to 120 in a pre-agreed year in the reception admission round only, should local demand require it.

This Notice is an extract from the complete proposals. Copies of the complete proposals are available on the SBC website or can be obtained from: School Development Manager, School Development Team, Southend Borough Council, Floor 5, Civic Centre, Victoria Ave, Southend on Sea, SS2 6ER. 01702 215000

Within four school weeks from the date of publication of this proposal, by the 30 November 2018, any person may object to or make comments on the proposal by

E-mailing to StMary'sSept2019@southend.gov.uk

Or

Sending them in writing to June Edwards, School Development Team, Southend Borough Council, Floor 5, Civic Centre, Victoria Avenue, Southend on Sea, SS2 6ER.

A Griffin
Chief Executive & Town Clerk

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Southend-on-Sea Borough Council

Agenda
Item No.

16

Report of Strategic Director (Transformation)

To

Cabinet

On

17 January 2019

Report prepared by: Liz Farrell, HR Service Manager

Dismissal Appeal Process

Relevant Scrutiny Committees – Policy & Resources Scrutiny Committee
Cabinet Member: Councillor Lamb
Part 1 Public Agenda Item

1. Purpose of Report

To recommend amendments to the Constitution and the Council's employment policies in respect of the dismissal appeal process.

2. Recommendations

2.1 To approve amendments to the Constitution and the Council's employment policies so that appeals against dismissal by employees below Director level will be dealt with by the Chief Executive or a Deputy Chief Executive.

2.2 To approve amendments to the following provisions of the Constitution as set out in **Appendix 1**:

- Terms of Reference of the Appointments & Disciplinary Committee (Part 3, Schedule 2)
- Terms of Reference of Appeals Committees A & B (Part 3, Schedule 2)
- Delegations to Chief Officers (Part 3, Schedule 3)

2.3 To approve amendments to the appeal process within the following Council employment policies as shown in **Appendix 2**:

- Disciplinary & Dismissal Policy
- Redundancy Policy
- Sickness Absence Policy
- Capability Policy

3. Background

- 3.1 The Appointments and Disciplinary Committee deals with appointments and disciplinary action in respect of Chief Officers (i.e. Directors and above) and not by other employees. The relevant legal provisions are incorporated in the Committee's terms of reference and the Officer Employment Procedure Rules in Part 4h of the Constitution.
- 3.2 Appeals Committees A & B deal with appeals by Chief Officers and also appeals by all other employees, but in respect of dismissal decisions only.
- 3.3 The Appeals Committees are advised by a representative of HR Services when dealing with an employee appeal.
- 3.4 For the reasons set out below, it is recommended that the current arrangements for dealing with employee appeals against dismissal are simplified and standardised.
It is recommended that appeals by all employees below Director level against dismissal will be dealt with by the Chief Executive or a Deputy Chief Executive, rather than by Appeals Committee A or B.
The recommended changes to the Constitution and the Council's employment policies to make this change are set out in **Appendices 1 and 2** respectively.
- 3.5 The recommended change will ensure that a consistent and clear process is followed when dealing with employee appeals against dismissal and that regardless of the nature of the matter, all employees below Director level will have the same appeal rights.
- 3.6 Currently the time to set up an Appeals Committee can be lengthy, particularly during election periods. By removing the requirement for appeals to be heard by an Appeals Committee can ensure that the appeal process is dealt with in a quicker and efficient manner.
The current process is time consuming and costly given that 15 hearing packs have to be produced and sent out to Councillors. This results in significant staffing resource costs to produce the packs and organise the appeal hearing.
- 3.7 It is important to note that Employment Tribunals expect organisations to deal with appeals in a reasonable time frame. Where a significant length of time has passed before an organisation has reached a conclusion, the ET could deem that the Council has acted unreasonably and it may lead to potential findings of unfair dismissal, breach of contract and discrimination.
- 3.8 Furthermore it is important to recognise the impact that such formal processes have on employees. Delays in appeals often result in stress, dips in performance, non-attendance at work, or personal injury claims against the Council.
- 3.9 Following the dismissal of an employee, the recruitment process commences and is not put on hold pending the outcome of an appeal. This practice does not contravene any employment law, however ideally the Appeal hearing should have taken place before the recruitment process is complete. This is not possible under the Council's current arrangements due to the protracted nature

of the appeals process. Adopting the recommended amendments would enable the Council to comply with best practice.

- 3.10 The East of England Regional Assembly conducted a short survey with regards to the dismissal appeal process. Out of 20 authorities that responded, 13 authorities no longer used Councillors in hearing employment related appeals including dismissal appeals. One of the remaining 7 authorities confirmed that they were looking to amend the appeal process so Directors hear appeals, and the other authorities had a mixture whereby appeals against ill health or redundancy were not heard by a Councillor panel. Therefore the recommendation is in line with action other local authorities are taking in respect of the appeal process.
- 3.11 It is also important to note that the recommendation will be compliant with employment legislation in that the Chief Executive or a Deputy Chief Executive will hear the appeal against dismissal as an independent person with no prior involvement in the case. The Chief Executive or Deputy Chief Executive will be supported by a representative of HR services.
- 3.12 In 2014 the Appeals Committees ceased to have a role in hearing appeals against Grievance or Dignity at work cases. Whilst the unions raised some initial concerns during the consultation process, the change has not resulted in any employment tribunal claims, or an increase in grievances or appeals being lodged.
- 3.13 In the last two years 5 dismissal appeals were heard by the Appeals Committees.

4. Other Options

To retain the status quo. However this would not address the issues set out in section 3 above.

5. Reasons for Recommendations

To ensure that the Council has an efficient and effective employment appeal process.

6. Corporate Implications

- 6.1 Contribution to the Southend 2050 Road Map
These changes support 'simple and effective governance' which is one of the conditions that have been identified for successful transformation needed to deliver the Southend 2050 ambition.
- 6.2 Financial Implications
Failure to deal with appeals in a timely and proper way can lead to increased claims and associated costs. Preparation for, and servicing of the Appeals Committees is also more costly than appeals heard by the Chief Executive / Deputy Chief Executive.

- 6.3 **Legal Implications**
There is significant and complex employment legislation that has to be adhered to when handling appeals against dismissals. Failure to do so could result in costly litigation claims.
- 6.4 **People Implications**
There is a requirement to have robust policy and procedure to enable the Council to deal effectively with appeals and employee relation issues.
- 6.5 **Consultation**
A 2 week formal consultation with Unison and GMB has been undertaken. GMB have not provided any comments or feedback. Unison have raised concerns regarding the proposed changes to the policy. They have stated that the dismissal appeal process should remain with councillors to ensure neutrality, and fairness. They believe that the current process provides a robust process and the proposed change will be seen by their members as being unfair and the appeal process loaded against them.
- 6.6 **Equalities and Diversity Implications**
None identified. However in order to monitor appeal outcomes and to ensure there are no equality or diversity implications the Appointments and Disciplinary Committee will receive an annual report providing an overview of disciplinary action across the Council including dismissal appeals.
- 6.7 **Risk Assessment**
The risk of continuing with the current appeal process is that the Council will continue to be at risk of challenge in respect of the length of time taken to deal with an appeal process.

7. Appendices

Appendix 1 – Changes to Constitution

Appendix 2 - Changes to Disciplinary & Dismissal Policy, Absence Policy (Appeal Process Section), Capability Policy (Appeal Process Section) and Redundancy Policy (Appeal Process Section).

6.5 The Appointments and Disciplinary Committee

6.5.1 Membership

7 Councillors¹ provided that where the Committee is dealing with the appointment of, or disciplinary action against, the Head of Paid Service, a Deputy Chief Executive, a Strategic Director or a Director:

- (a) At least one member of the Committee must be a Cabinet Member as required by paragraph 4(2) of the Officer Employment Procedure Rules in **Part 4(h)**;
- (b) The Cabinet Member whose portfolio covers the duties of the Head of Paid Service / Deputy Chief Executive / Strategic Director / Director shall be a member of the Committee – or in the event that such Cabinet Member is already a permanent member of the Committee, the Leader shall be a member thereof; and
- (c) Cabinet Members shall not have a majority on the Committee.

Substitutes: Permitted in accordance with Standing Order 31
 Proportionality: Applies

6.5.2 Quorum

As per Standing Order 38.1

6.5.3 Terms of Reference

These Terms of Reference are subject to the provisions of the Officer Employment Procedure Rules in **Part 4(h)**

- ~~(a) — Power to appoint staff and to determine the terms and conditions on which they hold office (including procedures for their dismissal).~~
- ~~(b) — To exercise all powers of the Local Education Authority in respect of the appointment proposal and removal of governors to schools in the Borough and to Southend Adult Community College, subject to the powers delegated to the Deputy Chief Executive (People) in paragraph 4.6 of **Part 3 Schedule 3** of the Constitution.~~
- ~~(c) — To appoint Deputy Chief Executives, Strategic Directors and Directors and also to interview and recommend a person for the post of Head of the Paid Service².~~
- ~~(d) — Subject to (e) below, to investigate and take disciplinary action in respect of misconduct of the Head of Paid Service, Deputy Chief Executives, Strategic Directors and Directors. (Appeals will go to the Appeals Committee)³.~~
- ~~(e) — Full Council must decide whether or not to approve the dismissal of the Council's Head of Paid Service, Chief Finance Officer or Monitoring Officer and the procedures set out in the Officer Employment Procedure Rules in **Part 4(h)** must be followed, including consideration of the recommendations of the Appointments and Disciplinary Committee.~~

- (a) To interview and recommend to Council a candidate for appointment as Head of Paid Service.
- (b) To interview and appoint Deputy Chief Executives, Strategic Directors and Directors².
- (c) The power to suspend the Chief Executive

¹ In the case of such disciplinary action regard must be had to the Code of Conduct in **Part 5a** and a Councillor should not sit if the Officer's right to a fair hearing could then be called into question.

² Appointments below Director level must be dealt with by the Chief Executive or nominee as the Local Authorities (Standing Order) Regulations 2001 require.

³ Disciplinary action against officers below Director level must be dealt with by the Chief Executive or nominee, although the Council's disciplinary capability and related procedures (as adopted from time to time) may allow a right of appeal to Members in respect of dismissal.

¹ Councillors on the Committee must have regard to the Code of Conduct in **Part 5a** and a Councillor should not sit if the right to a fair hearing could be called into question.

² The function of appointment and dismissal of, and taking disciplinary action against, an officer below Director level must be dealt with by the Chief Executive or nominee as the Local Authorities (Standing Order) Regulations 2001 require. (See footnote 1 to the Officer Employment Procedure Rules in **Part 4 (h)**). Such officers below Director level have no right of appeal to any Committee, Sub-Committee or Councillor(s).

- (d) To investigate and take disciplinary action (including dismissal) in respect of the Head of Paid Service, Deputy Chief Executives, Strategic Directors and Directors² provided that full Council must decide whether or not to approve the dismissal of the Head of Paid Service, Chief Finance Officer or Monitoring Officer before a notice of dismissal is given.
- (e) To have an overview of disciplinary activity across the Council by way of an annual report.
- (f) To exercise all powers of the Local Education Authority in respect of the appointment proposal and removal of governors to schools in the Borough and to Southend Adult Community College, subject to the powers delegated to the Deputy Chief Executive (People) in paragraph 4.6 of Part 3 Schedule 3 of the Constitution.

6.5.4 Status of Meetings

Open to the public (in part).

6.5.5 Reports to

The Council

6.6 The Two Appeals Committees (A and B)

There are 2 Appeals Committees A and B. Each Committee is authorised to deal with the appeals and applications set out below. Committees will be convened in turn by rota, subject to the availability of Councillors.

6.6.1 Membership of each Committee

7 Councillors

No Cabinet Member shall be a member of either Appeals Committee.

Substitutes: Permitted in accordance with Standing Order 31

Proportionality: Applies

6.6.2 Quorum

As per Standing Order 38.1

6.6.3 Terms of Reference

To determine the following appeals against any decision by or on behalf of the Council, the Executive or any Committee:

(a) Employee Chief Officer Appeals

Appeals in respect of **by Chief Officers (i.e. the Chief Executive, Deputy Chief Executives, Strategic Directors and Directors) in respect of: -**

- Dismissals **Any disciplinary action (including dismissal); and**
- Disciplinary, grievance, capability or sickness decisions taken by the Chief Executive or a Deputy Chief Executive.
- **grievances.**

~~(Note: Job Evaluation appeals and disciplinary, grievance, capability or sickness decisions taken by officers other than the Chief Executive or a Deputy Chief Executive will not be dealt with by either Committee, save that appeals against dismissal will always be dealt with by Committee A or B.)~~

(Note: No appeals by officers below Director level will be dealt with by a Committee, Sub-Committee or Councillor(s)).

(b) Education Appeals

- To consider written appeals from parents / carers / students against the refusal of the Council to provide free pupil/student transport.
- To determine appeals from students against decisions by the Deputy Chief Executive (People) to refuse applications for Discretionary Awards and Standards Fund Awards.

6.6.4 Status of Meetings

Private

6.6.5 Procedure at Meetings

- (a)** The Chief Executive shall arrange for an Appeals Committee to be convened as and when required. He / she will select each Committee A and B in turn provided that sufficient Councillors are available.
- (b)** Meetings of the Appeals Committees will be conducted in accordance with appropriate legislation, procedures and the principles of natural justice which shall take precedence over Standing Orders and in particular Standing Order 39 shall not apply.

6.6.6 Reports to

The Council (for information)

3.3 Human Resources

3.3.1 Chief Officers

Subject to 1.3 and subject to the Officer Employment Procedure Rules in **Part 4(h)**, the delegated powers of Chief Officers include:

- (a) Power to determine staffing arrangements and structures within approved budgets subject to:
 - (i) Agreement on grading with the Strategic Director (Transformation);
 - (ii) Conformance with approved Council policies and procedures; and
 - (iii) Chief Executive approval for structural changes establishing or affecting more than five posts.
- (b) Power to recruit, appoint, agree conditions of service, appraise, develop, manage and reward employees subject to compliance with Council policies and procedures.
- (c) Power to deal with voluntary severance, early retirement, redundancy and redeployment issues subject to compliance with Council policies and procedures.
- (d) The power to suspend any Council officer of a lower level, save that only the Appointments and Disciplinary Committee can suspend the Chief Executive.
- ~~(d)~~ (e) Power to suspend, dismiss or take other disciplinary action (including dismissal) against Other Officers and to deal with grievance, capability, and sickness and grievances by Other Officers matters in accordance with the Council's policies and procedures.
- (f) Power to hear and determine appeals by Other Officers against:
 - disciplinary action, capability and sickness matters, save that appeals against any dismissal can only be dealt with by the Chief Executive or a Deputy Chief Executive.
 - grievances.

3.3.2 Other Officers

Subject to 1.3 Other Officers are authorised to deal with Human Resources matters in accordance with the provisions of the Council's various Human Resources policies.

3.4 Contracts

Chief Officers and Other Officers may enter into contracts, make payments, write off debts etc in accordance with the financial levels of authority set out in Contracts Procedure Rules in **Part 4(g)** and Financial Procedure Rules in **Part 4(f)**.



Disciplinary Procedure

Disciplinary Procedure

1. Introduction

This procedure is designed to help and encourage all employees to achieve and maintain satisfactory standards of conduct and performance at work. The procedure supports the policy by setting out the practical steps of the process and is written in accordance with relevant legislation and codes of practice.

This Disciplinary Procedure provides a framework for ensuring that employees are made aware of unacceptable conduct to ensure any workplace disciplinary situation is dealt with in a fair and consistent manner. The Disciplinary procedure will be invoked in cases of alleged misconduct, which are set out in Appendix 1 of this procedure. If, following a disciplinary investigation a disciplinary hearing is convened then the hearing process will be as per Appendix 2 of this procedure.

2. Application

The Disciplinary Procedure covers all employees of the Council with the exception of the Chief Executive and employees covered by the Chief Officer Conditions of Service. Staff on Probation will be subject to the [Probationary Policy](#).

If a member of staff is also a recognised official of a trade union no action under the Disciplinary Procedure must take place until the circumstances of the case have been discussed with a full time Official of the union concerned. HR Services must be consulted in all such cases.

Where an employee is employed under more than one contract of employment with the Council it should be noted that an act of Gross Misconduct which could result in dismissal may similarly influence all of the contracts of employment.

3. Informal procedure

Employees should be aware of the standards required from them in the course of their normal day-to-day duties, through their job description and employment contract and through the Council's policies. These should be drawn to the attention of employees through regular supervision and through the induction of new staff.

Managers should provide feedback and guidance to their employees about their conduct or performance regularly on both an informal and formal basis. This may be through daily contact or one to one discussions. These discussions should be ongoing to address any problem areas and to ensure that employees know what is expected of them in terms of conduct. In the majority of cases these ongoing discussions will assist in ensuring there is no need for more formal action.

Managers should ensure that any informal action does not turn into formal disciplinary action as this may deny the employee certain rights e.g. the right to be accompanied. If during the discussion it becomes obvious that the matter may be more serious, the meeting should be adjourned and the employee should be told that the matter will be continued under the formal disciplinary procedure.

Any matter of concern regarding the actions or failure to act by an employee or an employee's conduct which comes to the attention of a member of staff, or manager should be discussed with the HR Services or the Service Director. If it is decided that formal action under the Disciplinary Procedure is not required but that it should be made clear to the employee what action is required of them in the future, then the Manager may issue them with a **Letter of Expectation**. This will set out the expectations on the employee and explain that if the employee fails to meet those expectations then that may result in the formal disciplinary process being actioned. A copy of the letter must be held on the personal file and where review periods or actions have been agreed, the manager must ensure these take place. A letter of expectation is not a disciplinary sanction. However, it may be referred to for disciplinary purposes in future, if there is a similar issue, as evidence that the employee has had the expectations set out to them. There is no right to appeal against a Letter of expectation.

Comment [LF1]: Letter of Expectations have been used as a method of informal action for a significant number of years. The change to the policy is purely to incorporate this practice within the policy.

4. Formal procedure

Investigation

Where attempts to resolve the issue through the informal procedure are not successful or where an employee's alleged misconduct is more serious than the formal procedure may be entered into. The procedure may be used to address concerns about conduct as detailed in Appendix 1 of this procedure. Very serious allegations may be considered as Gross Misconduct (see Appendix 1). The Service Director or Deputy Chief Executive must agree to a formal Disciplinary investigation taking place. They will decide whether a suspension is appropriate or a temporary transfer to work elsewhere whilst the investigation is undertaken and appoint an Investigating Officer. If the issue relates to safeguarding the Manager must notify the Council's LADO (Local Authority Designated Officer) & Safeguarding and Child Protection Co-ordinator immediately or the Safeguarding Vulnerable Adults Team.

Where there is alleged criminal activity an investigation may run in parallel to a police, audit and/or child protection or adult abuse investigation and should not be held up unless considered prejudicial to those investigations to proceed. It is not always necessary to await the outcome of any court hearing or criminal investigation before deciding on disciplinary action.

The employee will be notified of the allegations made against them, and this will be confirmed in writing to them. The employee will also be advised whether the investigation will include suspension from duty. If the employee is suspended this will be on full pay. Occasionally new allegations may arise as part of the investigation. If this is the case the employee will be advised of them and they will be added to the terms of the investigation. The employee may be suspended during the investigation by the decision of the Service Director or Deputy Chief Executive where further information comes to light or additional allegations may make suspension necessary.

The investigating officer, who will have had no previous involvement in the case will gather evidence relevant to the investigation and compile a report based on it. The investigating officer must make all reasonable efforts to gather relevant facts, acting promptly in taking statements, conducting information gathering interviews if necessary, including with the employee subject to the allegation and collecting documents, including any relevant policies and procedures. Once the investigation is complete the evidence will be compiled and a recommendation forwarded to the Service Director as to whether or not there is sufficient evidence to proceed to a hearing in line with the formal process, or if informal action or no action may be recommended.

It will then be for the Service Director to accept or reject the recommendation, and either:

- Confirm there is no evidence to support the allegations and close the investigation, or
- Request the investigating officer conducts further investigation, or
- Arrange a disciplinary hearing.
- Or take informal action such as issuing a letter of expectation

The employee will be informed, in writing of whichever of these courses of action is taken. If further investigation is required the investigating officer must complete this and submit an updated report.

6. Disciplinary Hearing

For the purposes of this Policy and Procedure the term "Hearing Officer" refers to the Service Director or Deputy Chief Executive who will consider the case at the formal hearing. In order to ensure impartiality they must not have been involved in the case previously.

The investigating officer will act as the presenting officer, detail their findings and call any relevant witnesses to attend. Where the employee is being supported by a known trade union representative HR will as far as reasonably possible consult with the Trade Union about the potential hearing dates. The employee and the person accompanying them are obliged to make every effort to attend the meeting.

The employee will be given at least **10 working days' notice**, in writing of the date, time and place of the disciplinary hearing. At this point they will be provided with copies of the disciplinary hearing report and any attached evidence, including documents and witness statements. The invite to hearing letter will also advise the employee of:

- The nature and details of the alleged misconduct;
- Their right to be accompanied (**see section 6.1 below**)
- Their right to call witnesses, whose attendance they must arrange
- The name and status of the investigating officer and presenting officer
- Name of any witnesses to be called by the presenting officer

The employee will also be provided with a copy of the disciplinary policy and procedure.

Comment [LF2]: This is a reduction from 15 days' notice. However the policy has been reflected to confirm that when arranging hearings HR will work Trade Unions to establish a suitable and timely date.

Either side may request the postponement of a disciplinary hearing. It is for the hearing officer to decide upon such requests, balancing the principles of natural justice with the desire to carry out the process in the shortest possible time. Where an employee's companion is unable to attend the scheduled hearing date the employee can request that it is deferred and must provide an alternative date no later than five days after the original hearing date.

No later than five working days prior to the hearing, the employee will:

- Provide the name and status of any representative to the hearing officer
- Submit a written statement and any other documentation, either directly or via a representative
- Provide the details of any witnesses they intend to call.

Careful consideration should be given by both parties to the number of witnesses to be called and the numbers limited to that necessary to support their case. The hearing officer will be advised by a member of the HR department who has not previously been involved in the case. The presenting officer may be accompanied by the HR advisor who advised them during the case.

During the hearing, the disciplinary hearing process, outlined in **Appendix 2** will be followed and one of a number of sanctions may be applied. These are shown in the next section.

The hearing officer will be responsible for deciding whether the allegations against the employee are proven on balance of probability and if so, what disciplinary sanction should be applied. In reaching this decision the hearing officer should take into account:

- Whether a fair procedure has been followed;
- The credibility of the evidence and any witness accounts;
- The type, degree and (potential) consequences arising from the alleged misconduct;
- The employee's previous conduct, or frequency of misconduct
- The level of responsibility of the employee concerned, or their position within the organisation;
- The employee's defence and any mitigation put forward by them
- What sanction is reasonable in view of the circumstances;
- What precedents exist, i.e. what sanction has been imposed in similar past cases, and
- Whether there is a current live warning for previous misconduct on the employee's file or a Letter of Expectation relevant to the allegations.

The hearing officer will if possible inform the employee of the decision reached at the end of the hearing, following an adjournment to consider. Alternatively, if this is not possible a decision can be advised in writing. In any case a letter outlining both the decision and the key considerations leading to it will be issued within five working days of the hearing date.

6.1 Right to be accompanied

The employee has a statutory right to be accompanied by a fellow work colleague or a trade union representative. It is the employee's responsibility to arrange the attendance of their companion. At the hearing the companion has the right, (with the employee's agreement), to address the hearing in order to put employee's case, sum up the case or respond on the employee's behalf to any view put forward at the hearing. They do not have the right to answer questions on the employee's behalf.

Any representative will be required to respect the confidentiality of information regarding other employees, service users or commercially sensitive matters which they may become aware of in this role.

Where an employee has been supported by a trade union representative HR Services will liaise with the union when arranging hearing dates. However consideration will be given to the requirement to deal with the matter in a timely way whilst ensuring a fair process is undertaken.

7. Disciplinary sanctions

Once misconduct is found to be proven on balance of probability then the hearing officer will consider what sanction is appropriate. This ranges from:

Written warning. This is appropriate for relatively minor misconduct, a first offence under the formal procedure or where efforts to resolve an issue under the informal procedure are not successful. A letter will be issued confirming the warning, date of issue, duration of the warning and how long the warning will remain live for disciplinary purposes. A first written warning will normally remain live for up to 12 months provided there are no further issues of similar misconduct.

Final written warning. This is appropriate in a case of serious misconduct that is not sufficient to justify summary dismissal or in cases where there is already a live first written warning in place. A letter will be issued confirming the warning, the date of issue, duration of the warning and how long the warning will remain live for disciplinary purposes. A final written warning will normally remain live for up to 18 months, provided there are no further related issues of misconduct.

Dismissal with notice. This is appropriate when there is no improvement in conduct when there is a live written warning in place.

Summary dismissal (dismissal without notice). This is appropriate in cases of gross misconduct, i.e. where an employee's conduct is so serious that it fundamentally breaches the contract between employee and employer.

Disciplinary sanctions other than dismissal should set out the improvement required, the timescale for its achievement, consequences of further misconduct and any support or training identified in order to assist the employee to achieve the required standard.

8. Right of appeal

In the case of any formal disciplinary sanction there will be a right of appeal. The appeal must be submitted in writing no later than 10 working days of the date of receipt of the letter confirming the outcome of the hearing. Arrangements for hearing the appeal are outlined in Appendix 3. The purpose of the appeal will be to review the outcome of the original hearing in terms of either its substantive or procedural fairness, i.e. as to whether the decision itself was believed to be too harsh or whether it is alleged that a flawed process was followed.

New evidence or witnesses will be allowed where they are relevant and when it is in the interests of justice and fairness that they are seen or heard respectively. Declaration of this information should be made as soon as possible and no later than five working days prior to the appeal hearing.

The Appeal will be considered by a Deputy Chief Executive/Chief Executive if the original decision was dismissal. Appeals against all other sanctions will be heard by a Service Director within another department. The Appeal Hearing will be conducted in accordance with the procedure detailed in Appendix 3.

9. Other considerations

9.1 Witnesses and other evidence

All employees must cooperate and assist in a disciplinary investigation if required to do so by the investigating officer and will also be expected to attend to give evidence at a disciplinary hearing if requested by the hearing or investigating officers. Employees are actively encouraged to attend if asked to do so by an employee or their representative in order that a fair hearing of the facts can be pursued.

Where an employee wishes to call a witness to a hearing it is their responsibility or their trade union representative to arrange for the witness to attend once accepted by the Hearing Officer

The investigating officer may decide to interview or obtain evidence from persons who are not employees of the Council. Particular care and sensitivity must be shown if service users or public are to be interviewed. It will not normally be the practice to call witnesses unless they are employees of the Council or representatives of other organisations.

9.2 Grievances raised during a disciplinary case

Where an employee raises a grievance during a disciplinary investigation the process may be temporarily suspended in order to deal with the grievance. Where the grievance and disciplinary cases are related, it may be appropriate to deal with both issues concurrently. Alternatively it may be that the facts of the grievance actually constitute a defence or mitigation in terms of the disciplinary matter, in which case they will be considered as part of the disciplinary investigation.

9.3 Where an employee repeatedly fails to attend a meeting

There may be occasions when the employee is repeatedly unwilling or unable to attend a meeting.

Where there is a clear medical reason then the hearing officer will need to consider, on HR advice and possibly that of Occupational Health, whether the medical issue actually prevents the employee's attendance.

If it does and the employee is not able to attend consideration should be given to the following courses of action:

Allowing the employee's representative or companion to attend and speak on their behalf.

- Postponement of the hearing to another reasonable date when the employee can attend;
- Allowing the employee to provide a written statement and giving this full and proper consideration.
- In either of these two cases the hearing officer must be especially rigorous in their consideration of the evidence and their examination of any witnesses.

When the employee fails to attend without any or good reason for doing so another hearing date will be convened and a further letter sent to the employee requesting their attendance. The letter will advise that failure to attend will result in the case being considered in their absence. The reconvened hearing will then proceed in the absence of the employee if they fail to attend.

9.4 Legal Section

In the event of an employee making a claim to an employment tribunal it is the responsibility of the legal section to provide advice and to lead the response to the claim. A representative from the legal section will also attend the Employment Tribunal Hearing on behalf of the Authority.

Managers will be required to provide information and they and other staff involved in the Disciplinary process may be called as witnesses at the tribunal. HR Services will also be involved in the process.

9.5 Suspensions and Dismissal – Notification

All suspensions and dismissals must be notified to the Chief Executive, The Leader of the Council and the Executive Councillor for Transformation Services

Dismissal Procedure

1. Introduction

Southend on Sea Borough Council is under a legal obligation to have in place a Dismissal Procedure and to ensure that certain stages are followed throughout the procedure. The law states that whenever an employer contemplates dismissal action they must comply with the Acas Code of Practice. As well as ensuring that there is a set process to follow leading to dismissal, there is also the right for employees to appeal against the decision reached.

This Dismissal Procedure has been adopted by the Council and aims to ensure any workplace dispute is dealt with in a fair and consistent manner.

2. Purpose

This procedure should be used as a tool to enable all members of the Council to effectively deal with any dismissal situation. By following the procedure both employees and managers should be fully aware of all stages in the process.

The procedure clarifies responsibilities for anyone involved in a dismissal process. This includes the individual, manager, investigating officer and hearing officer.

It is important to note that the Council is not a court of law. Any Hearing outcomes are based on the balance of probabilities and do not follow the legal rule of "beyond all reasonable doubt".

3. Application

The Dismissal Procedure covers all employees of the Council with the exception of the Chief Executive and employees covered by the Chief Officer Conditions of Service, including those staff who are employed on a fixed term contract of any duration.

Where an employee is employed under more than one contract of employment with the Council, it should be noted that an act of Gross Misconduct which could result in dismissal may similarly influence all of the contracts of employment.

4. Right to be accompanied

When a meeting is called in line with this procedure, employees have a statutory right to be accompanied by a trade union official or some other person of the employee's choice.

Any representative will be required to respect the confidentiality of information regarding other employees, service users or commercially sensitive matters which they may become aware of in this role.

Southend on Sea Borough Council recognises a number of Trade Unions and will work with them where a member is subject to this dismissal procedure.

5. Dismissals

Dismissal may occur for a number of reasons. For example:

- a) dismissal on grounds of capability
- b) dismissal on grounds of conduct
- c) dismissal by reason of redundancy
- d) not confirming employment under Probation process
- e) not renewing a fixed term contract
- f) Other situations where the Council considers dismissal would occur

The Council has separate policies for a, b c and d above which must be followed.

In regard to e and f the procedure outlined in the Discipline and Dismissal Policy must be followed.

6. Non-renewal of fixed term contract

The Acas Code of Practice is not relevant to the non-renewal of fixed term contracts. However, in the case of non-renewal of a fixed term contract the procedure shown in paragraph 7 below should be followed. Managers must ensure that the normal notice period is given to the employee.

In the case of fixed term contracts of less than 2 year, an employee will normally have no right to claim unfair dismissal if the contract is not renewed. However if an employee has previous continuous service in Local Government this may result in their total service being more than two years.

7. Procedure – Not renewing a Fixed Term Contract

Step one: Put it in writing

The employee must be informed in writing that their contract will come to an end. They should be invited to a meeting to discuss their cessation of employment.

Step two: Meet and discuss

A "**dismissal interview**" should be held by a Group Manager/ Head of Service or Service Director for employees who are leaving the Council's employment because their fixed term contract has come to an end. If a Group Manager or Head of Service holds the meeting this must be on the approval of a Service Director or Deputy Chief Executive.

Employees have a statutory right to be accompanied by a Trade Union official or colleague.

The interview should take the form of a meeting and should cover:

1. Explaining that the employment will come to an end on XX date
2. That as a result they are / are not at risk of redundancy (if applicable)
3. That as a result they are / are not able to take advantage of the redeployment procedure (for employees with over 1 years continuous service)
4. Explaining the process and answering any questions they may have.

The employee should be informed in writing of the decision to end the contract and contractual notice issued. The employee should also be informed of their right to appeal.

Step three: Appeals

An appeal meeting should be held by a Service Director if requested by the employee. The process shown in Appendix 6 to the Disciplinary procedure should be followed and the employee must be informed of the outcome of the appeal.

8. Dismissal - Some Other Substantial Reason

Comment [LF1]: New inclusion with the Dismissal Policy

This process applies where a dismissal does not fall under another policy or procedure but where there is some other substantial reason that would warrant dismissal.

The employee will be invited to attend a dismissal hearing. The employee will be given 5 working days notice of this hearing and will have the right to be accompanied by a work colleague or trade union representative.

The employee will be informed of the reason for the dismissal hearing and be provided with a dismissal hearing pack 5 working days prior to the hearing which will contain all relevant information and evidence to be considered.

The dismissal hearing will be conducted by a Service Director supported by a HR Advisor. The Dismissal Hearing will be conducted as per the Hearing Process outlined in the Disciplinary Policy.

The employee will be informed of the outcome of the dismissal hearing in writing within 5 working days.

The employee has a right of appeal against dismissal in with the appeals process outlined in the Disciplinary Policy.

Managing Sickness Absence Policy

3.10 Appeals against dismissal

Employees have a right of appeal against dismissal to a Deputy Chief Executive or Chief Executive. Any appeal must be registered with the Strategic Director of Transformation within 10 working days of receipt of the outcome letter confirming the decision to dismiss and should set out the reason(s) for appealing, outlining why it is believed that the decision to dismiss was unfair.

Employees will be given not less than 15 days notice of the date of the appeal and will be invited to submit any documentation or call witnesses relevant to their case, as will the Presenting Manager (the Hearing Officer at the Contractual Review). 10 days notice should be given to HR where additional documentation is to be submitted.

The procedure to be followed at the appeal hearing is set out in Appendix 11. The decision of the Appeal Hearing Officer will be notified to the Appellant in writing within 5 working days of the appeal hearing. The decision of the Appeal Hearing Officer will be final.

Where an employee is represented by a recognised trade union official, where possible, HR Services should consider agreeing the date with the official to avoid unnecessary delay should the meeting need to be re-arranged in the event that the trade union official is unavailable.

Redundancy Policy & Procedure

4. Appeals Procedure

Where an employee has received notification of:-

- (a) Selection for redundancy
- (b) An offer of suitable alternative employment / redeployment following selection for redundancy which they believe they have reasonable grounds for refusing.

Where an employee believes that they have grounds of an appeal it should first be raised in writing with the Service Director within 5 days of receipt of the notification.

Upon receipt of an appeal the Service Director (or other nominated officer) will contact the employee within 10 working days of receipt of the appeal to arrange a meeting. Also present at the meeting will be the lead manager who undertook the redundancy selection process, and/or the restructure process, and where required a HR Advisor. The Service Director may also be supported by a HR representative. No later than 5 working days prior to the meeting all parties will be provided with a copy of the information used to determine the employee's selection for redundancy or details of the suitable alternative employment. The scores and ranking provide in respect of other employees will be anonymous. Following the meeting the Service Director will confirm the outcome of the appeal in writing to the employee with 5 working days

Where an employee who has received written notification of dismissal on the grounds of redundancy believes that: -

- (a) he or she has been unfairly dismissed;
- (b) he or she has been unfairly selected for redundancy
- (c) and/or their redundancy pay is being withheld due to refusing an offer of alternative employment
- (d) and their appeal to the Director was not satisfactory resolved

They may appeal in writing within 10 working days of receipt of formal notice of redundancy being issued to the Strategic Director of Transformation. The written appeal must state why an appeal has been lodged and the grounds of the appeal.

The Strategic Director of Transformation will then arrange an appeal hearing to be heard by a Deputy Chief Executive or Chief Executive.

The employee shall be given notice in writing at least 15 days in advance of the time and place of the hearing, and shall be allowed to be represented by his or her Trade Union representative, or some other person of his/her choice and shall be enabled to call witnesses and produce documents relevant to the case at the hearing.

Any documents which the Service Director or employee intends to present at the hearing shall be sent to the HR Services not less than 10 days before the hearing. Failure to observe this requirement may result in the documents being excluded or delay in the hearing the appeal.

The time limits referred to above can be varied by agreement with all the parties concerned.

Capability Policy

5. Right of Appeal

An employee may appeal against dismissal on the grounds of lack of capability. The appeal must be made in writing to the Strategic Director - Transformation, stating the grounds of appeal. The appeal will be heard by a Deputy Chief Executive or Chief Executive.

The employee should be advised in writing of the date for the appeal to be heard, and that they may be accompanied by a trade union representative or work colleague.

The appeal process will be carried out in accordance with the appeals procedure set out in the Council's Disciplinary policy and procedure.

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Southend-on-Sea Borough Council

Report of Strategic Director (Finance & Resources)

to
Cabinet

on
17 January 2019

Report prepared by:
Ian Ambrose, Head of Corporate Finance
Caroline Fozzard, Group Manager for Financial Planning and
Control

Agenda
Item No.

17

Revenue and Capital Budget Monitoring 2018/19 – November 2018

All Scrutiny Committees

Cabinet Member: Councillor John Lamb

Part 1 (Public Agenda Item)

1 Purpose of Report

The budget monitoring report is a key tool in scrutinising the Council's financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the Council monitors its budgets throughout the year to ensure that it is meeting its strategic objectives and that corrective action is taken where necessary.

2 Recommendations

That, in respect of the 2018/19 Revenue Budget Monitoring as set out in appendix 1 to this report, Cabinet:

- 2.1 Note the forecast outturn for the General Fund and Housing Revenue Account, as at November 2018;
- 2.2 Note the planned management actions of £3,230,000 to achieve that forecast outturn;
- 2.3 Approve the planned budget transfers (virements) of £949,000;
- 2.4 Approve the transfer of £413,000 from the Children Social Care reserve to support additional secured placements;
- 2.5 Approve the transfer of £472,000 from the Dedicated School Grant reserve to support 2018/19 in year funding pressures;

- 2.6 Note the potential transfer of £1,505,000 to the Business Transformation Reserve in respect of the forecast General Fund underspend; and
- 2.7 Note the potential transfer of £24,000 to the HRA Capital Investment Reserve in respect of the forecast HRA underspend.

That, in respect of the 2018/19 Capital Budget Monitoring as set out in appendix 2 of this report, Cabinet:

- 2.8 Note the expenditure to date and the forecast outturn as at November 2018 and its financing;
- 2.9 Approve the requested changes to the 2018/19 capital investment programme as set out in Section 2 of Appendix 2;

3 Background and Summary

Revenue

- 3.1 The forecast overall position at the end of November is a net underspend of £1,505,000 ((1.2%) of net expenditure, (2.0%) of council tax requirement) compared to an overspend of £1,043,000 at the end of October.
- 3.2 In February 2018 the Council agreed for 2018/19 a General Fund revenue budget of £123.036M and a balanced Housing Revenue Account revenue budget. This report details the projected outturn position for 2018/19 based on information as at the end of November (period 8). The report includes details of
- General Fund Revenue Budget position;
 - Progress in delivering the 2018/19 revenue savings ;
 - Housing Revenue Account Revenue Budget position.
- 3.3 As at the end of November, the initial General Fund outturn is suggesting a net overspend of £1,405,000, being a projected portfolio overspend of £4,029,000 being partly offset by a £124,000 underspend on non-portfolio services and additional in-year financing of £2,500,000. In the absence of any management action to bring the budget back into line, this sum would fall to be met from the General Reserves. That would reduce General Reserves below the optimal level set by the Council's Section 151 Officer in his adequacy of balances statement to the Council in setting the 2018/2019 budget. The cause of the overspend lies entirely within portfolios, with the most significant budget issues continuing to be within Children & Learning and Infrastructure.
- 3.4 Directors are proposing some management actions, totalling £2,025,000, which reduces the overspend on portfolio services to £2,004,000. There is also a proposal to utilise planned earmarked reserves totalling (£885,000), which alongside the (£124,000) non portfolio service underspend and the additional (£2,500,000) financing, results in the net expenditure underspend of (£1,505,000). In line with previous custom and practice, it is assumed that the residual underspend will be transferred to earmarked reserves rather than impacting on the General Reserve.

- 3.5 The financing of the net £123.036M budget of the Council is largely fixed at the start of the year, being derived from the preset revenue support grant and business rates top-up grant from central government, the council tax precept and business rates retained share from local taxpayers, and any release of accumulated collection fund surpluses. However in addition to these fixed amounts, the Council is also in receipt of Section 31 grants paid to compensate the Council for changes made to the Government's business rates scheme, and also new for this year anticipated benefit to be derived from being inside the Essex Business Rate Pool. A review of the anticipated income relating to Section 31 grants and the Essex pool has been undertaken, and it is forecast that the Council will receive some £2,500,000 additional income.
- 3.6 The forecast for the Housing Revenue Account indicates that the HRA will have an underspend of (£72,000) in 2018/19, (1.6%) of net operating expenditure. Of this £48,000 will be used to fund additional revenue contributions to capital, with the remaining £24,000 being transferred to the HRA Capital Investment Reserve.
- 3.7 Full details of the budget issues facing each portfolio, together with an outline of the management action being undertaken and the residual pressures can be found in the revenue budget monitor at appendix 1. That appendix also sets out the RAG status of the savings targets for each portfolio.

Capital

- 3.8 In February 2018 the Council agreed a capital investment programme budget for 2018/19 of £92.984M. This budget was revised at June Cabinet to £77.689M and was further revised at November Cabinet to £60.481M following approved re-profiles and other amendments. Since November Cabinet further work has been done to align the revised 2018/19 budget to the forecast outturn.
- 3.9 This report details the projected outturn position for 2018/19 based on information as at the end of November (period 8). The report includes details of progress in delivering the 2018/19 capital investment programme and in receiving external funding relating to that year.
- 3.10 The progress of schemes for 2018/19 is detailed in section 1 of Appendix 2 with Section 2 setting out the resulting requests to:
- Carry forward £3,968,000 of 2018/19 scheme budgets into future years;
 - Bring forward £398,000 of budget from future years into 2018/19;
 - Add scheme budgets totalling £779,000 into 2018/19, including £619,000 where new external funding has been received;
 - Remove scheme budgets totalling £10,000 from 2018/19;
- 3.11 As at the end of November the expected capital outturn for 2018/19 is £57,680,000.
- 3.12 The 2018/19 capital budget is part of the wider capital investment programme spanning several years which is set out in the Draft Capital Investment Programme 2019/20 to 2023/24 report elsewhere on this agenda.

4 Other Options

The Council could choose to monitor its budgetary performance against an alternative timeframe but it is considered that the reporting schedule provides the appropriate balance to allow strategic oversight of the budget by members and to manage the Council's exposure to financial risk. More frequent monitoring is undertaken by officers and considered by individual service Directors and the Council's Corporate Management Team (CMT) including approval of management action.

To the extent that there are options for managing the issues identified these are highlighted in the report in order to ensure that members have a full picture of the issues and proposed solutions as part of their decision making

5 Reasons for Recommendations

The regular reporting of Revenue and Capital Budget Monitoring information provides detailed financial information to members, senior officers and other interested parties on the financial performance of the Council. It sets out the key variances being reported by budget holders and the management action being implemented to address the identified issues.

Set alongside relevant performance information contained within the monthly performance report (MPR) pack it also informs decision making to ensure that Members' priorities are delivered within the agreed budget provision.

It is important that issues are addressed to remain within the approved budget provision or where they cannot be contained by individual service management action, alternative proposals are developed and solutions proposed which address the financial impact; Members have a key role in approving such actions as they represent changes to the budget originally set and approved by them.

6 Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

The robustness of the Councils budget monitoring processes and the successful management of in-year spending pressures are key determinants in maintaining the Council's reputation for financial probity and financial stewardship.

6.2 Financial Implications

As set out in the body of the report and accompanying appendices.

6.3 Legal Implications

The report provides financial performance information. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.

Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Monitoring of financial and other performance information is an important way in which that obligation can be fulfilled.

The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council is also required by section 28 of the Local Government Act 2003 to monitor its budget, and take corrective action as necessary. The Council’s chief finance officer has established financial procedures to ensure the Council’s proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for the Cabinet to receive information about the revenue and capital budgets as set out in the report.

6.4 People Implications

None arising from this report

6.5 Property Implications

None arising from this report

6.6 Consultation

None arising from this report

6.7 Equalities and Diversity Implications

None arising from this report

6.8 Risk Assessment

Sound budget monitoring processes underpin the Council’s ability to manage and mitigate the inherent financial risks associated with its budget, due to the volatility of service demand, market supply and price.

The primary mitigation lies with the expectation on CMT and Directors to continue to take all appropriate action to keep costs down and optimise income (e.g. through minimising spending, managing vacancies wherever possible). Adverse variances will require remedial in-year savings and budget reductions. The back-stop mitigation would be to draw on reserves to rebalance the budget, but this will only be done at year end should other measures fail.

With the likely scale of funding pressures and future resource reductions, it is important that the Council holds a robust position on reserves and maintains the ability to deal with issues that arise during the financial year.

6.9 Value for Money

The budget set reflects the Council's drive to improve value for money and to deliver significant efficiencies in the way it operates. Monitoring the delivery of services within the budget set helps to ensure that the planned value for money is achieved.

6.10 Community Safety Implications

None arising from this report

6.11 Environmental Impact

None arising from this report

7 Background Papers

None

8 Appendices

Appendix 1 Revenue Budget Monitoring 2018/19 – November 2018

Appendix 2 Capital Investment Programme Budget Monitoring 2018/19 – November 2018



Revenue Budget Monitor 2018/2019 - November 2018

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General Fund

Portfolio Summary

Portfolio	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Leader	13,384	(2,448)	10,936	747	14,062	(2,379)	11,683	11,618	0	11,618	(65)	↑
Growth	8,880	(5,799)	3,081	(99)	9,879	(6,897)	2,982	3,068	(104)	2,964	(18)	↓
Adult and Housing	69,994	(27,117)	42,877	(1,504)	69,201	(27,828)	41,373	42,698	(1,325)	41,373	0	↔
Children and Learning	108,037	(74,481)	33,556	3,086	111,110	(74,468)	36,642	38,172	(480)	37,692	1,050	↑
Healthy Communities and Wellbeing	119,551	(105,915)	13,636	693	102,433	(88,104)	14,329	14,554	(85)	14,469	140	↓
Infrastructure	28,408	(14,235)	14,173	598	28,981	(14,210)	14,771	16,542	0	16,542	1,771	↑
Public Protection	17,515	(3,733)	13,782	504	17,816	(3,530)	14,286	13,443	(31)	13,412	(874)	↑
Portfolio Net Expenditure	365,769	(233,728)	132,041	4,025	353,482	(217,416)	136,066	140,095	(2,025)	138,070	2,004	↑
Reversal of Depreciation	(39,074)	10,793	(28,281)	0	(39,074)	10,793	(28,281)	(28,281)	0	(28,281)	0	↔
Levies	638	0	638	0	638	0	638	638	0	638	0	↔
Financing Costs	8,542	0	8,542	(308)	8,234	0	8,234	8,110	0	8,110	(124)	↑
Contingency	5,716	0	5,716	(1,828)	3,888	0	3,888	3,888	0	3,888	0	↓
Pensions Upfront Funding	(3,734)	0	(3,734)	0	(3,734)	0	(3,734)	(3,734)	0	(3,734)	0	↔
Non Portfolio Net Expenditure	(27,912)	10,793	(17,119)	(2,136)	(30,048)	10,793	(19,255)	(19,379)	0	(19,379)	(124)	↑
Net Operating Expenditure	337,857	(222,935)	114,922	1,889	323,434	(206,623)	116,811	120,716	(2,025)	118,691	1,880	↑
General grants	0	(2,380)	(2,380)	0	0	(2,380)	(2,380)	(2,380)	0	(2,380)	0	↔
Revenue Contribution to Capital	5,058	0	5,058	(2,678)	2,380	0	2,380	2,380	0	2,380	0	↔
Contribution to / (from) Earmarked Reserves	5,436	0	5,436	789	6,225	0	6,225	6,225	(885)	5,340	(885)	↓
Net Expenditure / (Income)	348,351	(225,315)	123,036	0	332,039	(209,003)	123,036	126,941	(2,910)	124,031	995	↓
Revenue Support Grant	0	(10,318)	(10,318)	0	0	(10,318)	(10,318)	(10,318)	0	(10,318)	0	↔
Business Rates Top-up Grant	0	(12,085)	(12,085)	0	0	(12,085)	(12,085)	(12,085)	0	(12,085)	0	↔
Retained Business Rates	0	(21,924)	(21,924)	0	0	(21,924)	(21,924)	(24,424)	0	(24,424)	(2,500)	↓
Collection Fund Surplus	0	(2,500)	(2,500)	0	0	(2,500)	(2,500)	(2,500)	0	(2,500)	0	↔
Contribution to / (from) General Reserves	0	0	0	0	0	0	0	(1,405)	1,405	0	0	↔
Council Tax Requirement	348,351	(272,142)	76,209	0	332,039	(255,830)	76,209	76,209	(1,505)	74,704	(1,505)	↓

Use of General Reserves	
Balance as at 1 April 2018	11,000
(Use) / contribution to in Year	0
Balance as at 31 March 2019	11,000

11,000	11,000		11,000	0	↔
0	(1,405)	1,405	0	0	↔
11,000	9,595	1,405	11,000	0	↔

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Overall Budget Performance

This report outlines the budget monitoring position for the General Fund and Housing Revenue Account for 2018/2019, based on the views of the Directors and their Management Teams, in light of expenditure and income to 30th November 2018.

The starting point for the budget monitoring is the original budget as agreed by Council in February 2018.

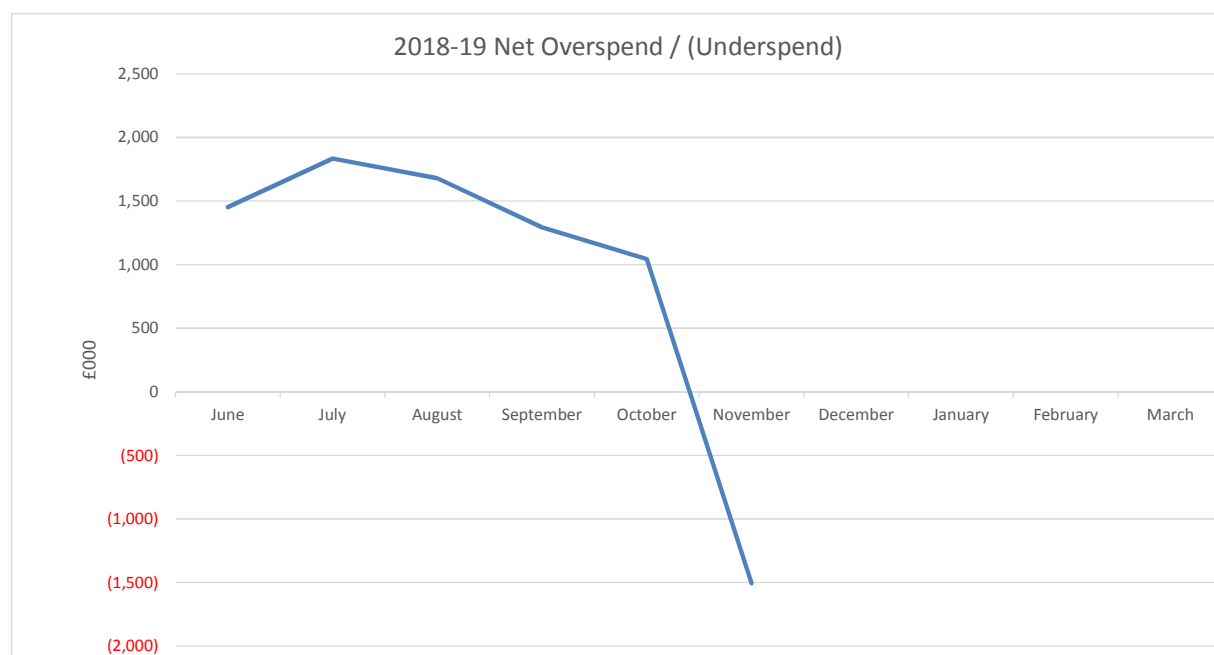
The forecast overall position as at the end of November is a net underspend of (£1,505,000) ((1.2%) of net expenditure, (2.0%) of council tax requirement) compared to an overspend of £1,043,000 at the end of October.

The resultant position arises from a projected overspend of £1,405,000 (a projected portfolio overspend of £4,029,000 being partly offset by a (£124,000) underspend on non-portfolio services and (£2,500,000) additional in-year financing). In the absence of any management action to bring the budget back into line, this sum would fall to be met from the General Reserves. That would reduce General Reserves below the optimal level set by the Council's Section 151 Officer in his adequacy of balances statement to the Council in setting the 2018/2019 budget. The cause of the overspend lies entirely within portfolios, with the most significant budget issues continuing to be within Children & Learning and Infrastructure.

However Directors are progressing with their approved management actions, totalling £2,025,000, which would reduce the overspend of portfolio services to £2,004,000. There is also a proposal to utilise planned earmarked reserves totalling (£885,000), which alongside the (£124,000) non portfolio service underspend and the additional (£2,500,000) financing, results in the net expenditure underspend of (£1,505,000).

The financing of the net £123.036M budget of the Council is largely fixed at the start of the year, being derived from the preset revenue support grant and business rates top-up grant from central government, the council tax precept and business rates retained share from local taxpayers, and any release of accumulated collection fund surpluses. However in addition to these fixed amounts, the Council is also in receipt of Section 31 grants paid to compensate the Council for changes made to the Government's business rates scheme, and also new for this year anticipated benefit to be derived from being inside the Essex Business Rate Pool. A review of the anticipated income relating to Section 31 grants and the Essex pool has been undertaken, and it is forecast that the Council will receive some £2,500,000 additional income.

Once factored in, this represents an improved position compared to October 2018, and accelerates the downward trend.



**General Fund Portfolio Forecast Comparison 2018-19
as at Period 8 - November 2018**

Portfolio	Latest Budget 2018/19 £000	Projected Outturn 2018/19 £000	November Forecast Variance £000	October Forecast Variance £000	Trend
Leader	11,683	11,618	(65)	(100)	↑
Growth	2,982	2,964	(18)	(2)	↓
Adult and Housing	41,373	41,373	0	0	↔
Children and Learning	36,642	37,692	1,050	625	↑
Healthy Communities and Wellbeing	14,329	14,469	140	218	↓
Infrastructure	14,771	16,542	1,771	1,761	↑
Public Protection	14,286	13,412	(874)	(897)	↑
Total Portfolio	136,066	138,070	2,004	1,605	↑
Non-Service Areas	(19,255)	(19,379)	(124)	(547)	↑
Earmarked Reserves	6,225	5,340	(885)	(15)	↓
Source of Funding	(46,827)	(49,327)	(2,500)	0	↓
Net Expenditure / (Income)	76,209	74,704	(1,505)	1,043	↓

Performance against Budget Savings Targets

As part of setting the Council budget for 2018/2019, a schedule of Portfolio and Corporate savings was approved totalling £7.594 million. These are required to achieve a balanced budget.

A monthly exercise is in place to monitor the progress of the delivery of these savings. A breakdown, by RAG status, of the Portfolio Savings is shown below:

	a	b	c	b+c	d	e	a-(b+c+e)
	Target	Green	Amber	Expected	Red -	Saving	Residual
	Saving	£000	£000	Delivery of	Estimated not	mitigated	Under /
	£000	£000	£000	Savings	Deliverable	in year	(Over)
				£000	£000	£000	Delivery
							£000
Leader	80	0	0	0	80	80	0
Growth	509	509	0	509	0	0	0
Adults and Housing	2,325	1,000	1,325	2,325	0	0	0
Children and Learning	840	124	370	494	346	346	0
Healthy Communities and Wellbeing	504	355	0	355	149	149	0
Infrastructure	1,006	906	0	906	100	100	0
Public Protection	30	12	0	12	18	18	0
	5,294	2,906	1,695	4,601	693	693	0
Non-Portfolio	2,300	2,300	0	2,300	0	0	0
	7,594	5,206	1,695	6,901	693	693	0

The current forecast is showing £693,000 of savings as being undeliverable in year. These savings are

£000			
Leader			
PL18	80	Print Contract Savings	Saving not deliverable due to on-going management fee funding requirements with new provider
Children and Learning			
PE10	100	Children Services transformation	Saving not deliverable due to required workforce
PE11	165	Children service savings	Saving not deliverable due to required workforce
PE4	25	Passenger transport saving	Saving not deliverable in 2018/19
PE5	56	Education savings	This amount of the Education Saving is undeliverable in 2018/19 but has been mitigated by additional DfE grant income in 2018/19

Healthy Communities and Wellbeing			
PH1	54	Sexual Health	These contracts are being retendered in year, with no expected savings accruing in year, although it is anticipated that the full saving will be achieved for 2019/20. Funding has been drawn down from the Public Health reserve to meet the 2018/19 shortfall
PH2	95	0 - 5 Children's Public Health Service	
Infrastructure			
PL2	100	Cost Reductions in Highways Infrastructure	Increased Highways defects due to adverse weather conditions
Public Protection			
PL9	15	Trade Licence to use Public Highway	Charging arrangements not in place for 2018/19; will be delivered in 2019/20
PL11	3	Food Hygiene Rating Scheme Re-assessment	
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Against these undeliverable savings, in year mitigations of £693,000 have been identified against the required savings total of £7.594 million.

Portfolio Performance – Leader

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
11,683	11,618	0	11,618	(65)

There is currently a forecast underspend of (£65,000) in the Leader's Portfolio which equates to 0.6% of the £11.683M net budget allocation. The key variances are underspends against employee budgets in Internal Audit (£60,000) and Financial Management (£40,000) partially offset by salary overspends in Human Resources £30,000.

The residual saving for the Print Contract (PL19) totalling £80,000 is reflected within "Infrastructure" savings. At budget setting it was removed from the Corporate Core budget although the expenditure is ongoing. It is unlikely that the saving can be met although it is expected to be mitigated by other corporate underspends for this year.

A Treasury Management in-year saving of (£15,000) is forecast resulting from lower short-term borrowing and Public Works Loan Board charges. The budget for the post of Strategic Director of Legal & Democratic Services will not be fully utilised due to vacant hours which is expected to result in a further (£25,000) underspend at year-end.

There is currently a forecast pressure of £45,000 against Electoral Registration mainly due to an increase in the salary costs of Canvassers and the impact of them being auto-enrolled in the NEST pension scheme.

Court Costs and Barristers Fees relating to Child Protection have escalated in recent years with 36 active cases in Southend at the end of November. This remains lower than the 44 cases reported at Period 4 giving the team reason to believe that the intervention strategy being adopted by the Department for People is paying dividends. It has still not been possible to recruit to the Children's Solicitor vacancy, however management now plan to appoint a newly qualified solicitor who can be developed into the role over time. It is hoped this approach will partially mitigate the on-going pressure from Barrister Fees.

Portfolio Performance – Growth

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
2,982	3,068	(104)	2,964	(18)

The forecast underspend of (£18,000) in the Growth Portfolio is 0.6% of the £2.982M net budget allocation.

Asset and Facilities Management

The cost of the cleaning and security contract for the Civic Centre continues to exceed the budget. A saving of £75,000 was agreed in 2017/18 but this hasn't materialised and the current pressure is now £120,000. Attempts have been made to reduce the service without a noticeable impact but this hasn't been possible.

A wide range of responsive repairs and maintenance tasks have been completed in the Civic Centre this year, ranging from boiler repairs and emergency lighting servicing, to door security systems and electrical testing. The number of works which have taken place means that the budget provision is expected to be exceeded by £40,000.

Due to the conversions of schools to academies, a number of trusts have opted out of the schools property service run by the property and regeneration team and utilising their own contractors to deliver works. This is resulting in an income shortfall of £20,000. A number of staff in the property team are employed on the basis of delivering elements of the capital programme and currently more time has been capitalised than expected resulting in a (£20,000) forecast underspend.

Economic Development and Regeneration

Due to the number of events in the Town Centre, additional income has been received from organisations that are using the High Street for promotional purposes. This, alongside the popularity of the High Street markets is resulting in additional income of (£21,000). With the focus on the town centre, new initiatives to better understand the use and popularity of the High Street are being explored which will help provide an evidence base for potential investment decisions by both the private sector and the Council.

A number of the economic growth projects are externally funded and require regular claims to be made to funders – some in advance, some in arrears and others on a payment by results model. All continue to draw down funding in accordance with the terms and conditions of the grants so the committed financial support is being made available to the Council ensuring ongoing delivery and budget management.

Planning

Applications have been made for 7 significant development projects this year and as a result the income received in the Development Control team has been greater than expected. The current forecast is that an additional (£195,000) will have been received by the end of the financial year. In order to cope with the increased demand of these projects, some agency

staff support is in place, and staffing supplements have been agreed to retain talented employees. This is expected to resulting in additional staffing costs of £63,000

Portfolio Performance – Adults and Housing

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
41,373	42,698	(1,325)	41,373	0

The Adults and Housing Portfolio are forecasting an on line position as at the end of period 8. This forecast is assuming the delivery of all the £1.325M management actions so this forecast is being closely monitored because of the volatility of Adult Social Care budgets.

Adult Social Care

Adult services are reporting a break even position as at the end of period 8. As stated above, this position assumes full delivery of the agreed 2018/19 savings. There is therefore a degree of risk to the accuracy of these projections at his time.

Older People – The management action on Older People has been reduced from £1.2M in period 7 to £800,000 in period 8. The forecast variance is a £244,000 underspend due to an overall reduction in the actual commitment on older people residential and domiciliary care. Although the overall commitment on interim placements and reablement has gone up, the residential placements have gone down from 17/18. This reflects the transformation work currently going on in the service, continuing to promote and encourage maximum independence and support the clients to maintain their wellbeing and better quality of life. This is being achieved by working with providers that support short stays in care homes, through enablement and reablement, with the aim of improving outcomes for residents. This helps them become more independent with daily living activities.

Learning Disabilities - The forecast year end pressure on learning disabilities as at period 8 is £188,000, and this assumes full delivery of the £425,000 management actions. There is currently an increase in the commitment on residential placements and supported living.

Mental Health – The forecast year end pressure on mental health is £56,000, and this is mainly on residential placements, with the current year commitment being higher.

In October the government announced a £240M social care investment to ease winter pressures and Southend has been allocated £824,000. The funding will primarily contribute towards a number of community based initiatives that will enhance our whole system transformational approach to supporting people. By looking at the positives through strengths-based assessments, care planning and focusing on individual abilities and community assets, the investment will help to support a preventative approach in line with locality working.

Housing and Homelessness

General fund housing is forecasting a breakeven position at the end of period 8. Homelessness continues to be an issue in Southend and the hostels have been at full capacity, with some families placed in B&B accommodation.

Southend's bid for the Rough Sleeper Initiative Grant was successful and there is now a further £425,000 available in 2018/19. The service has now finalised service level

agreements with the partners to deliver the intended outcomes, focusing on prevention and intervention. We also have £195,000 Flexible Homelessness Support Grant and £91,000 New Burdens Grant (Homelessness Reduction Act). Since the introduction of the Homelessness Reduction Act in April, we have seen a 51% increase in active homeless cases compared to same period last year. These grants are helping meet the existing demands and pressures, as well as investment in a drive towards further homelessness prevention.

Portfolio Performance – Children and Learning

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
36,642	38,172	(480)	37,692	1,050

The Portfolio for Children and Learning is currently forecasting a final year end overspend variance of £1.050M or equivalent 2.9% compared to the latest net budget allocation of £36.617M, and this is after the expectation that all current in year management actions of (£480,000) to reduce the initial outturn forecasts are delivered.

The management actions of (£480,000) reflect any outstanding amber budgeted 2018/19 saving allocations targets which are either yet to be delivered or at risk of non-delivery, and these are identified as (£370,000) for this portfolio, and a further targeted (£110,000) troubled families' payment by results income.

The forecast overspend variance is entirely attributable to financial pressures within Children Social Care. It should be noted that financial pressures within Children Social Care is now recognised as a national issue as well as our own local authority position.

Children's Social Care

As previously reported and recognised, our local financial pressure, is due to both an increased demand for children's social care which has emerged since the middle of 2016/17, alongside an OFSTED inspection in July 2016 that has resulted in Children Social Care itself being under a transformational journey for the last 2 years.

To further explain, whilst additional social work capacity, training and development has been required to support child in need (a budget pressure of £145,000 in totality). Southend has also experienced an increase in the numbers of children who have been taken into care including the complexity of the needs for some of those children.

Southend's current locally employed foster carers are also at maximum capacity. This combined with a private external care market that has reduced capacity regionally, has seen children social care experience higher average costs in external care placements since 2016/17, and this is practically apparent in the external residential care market (a budget pressure of £290,000).

The service has also now been required to place 4 children in secured residential accommodation this year for their safety. These placements, as for all local authorities are unfortunately, at significant cost, and additional one off funding is required to support these placements and budget. As sensibly planned for, in the Council's annual budget cycle, the Children Social Care reserve fund was created to support the Council's annual budget and mitigate the in year financial risk to budget, when considerable unexpected costs occur. Therefore £340,000 had been drawn already to support these placements at the start of this financial year, and this report is recommending the remainder of the children social reserve £413,000 is drawn to support the additional secured placements in 2018/19 (a current additional budget pressure of £425,000).

It also needs to be noted, that once a child turns 16, they are transitioned over to the leaving care team, who will then fully support the costs of a child from 16 to 18 if they are in supported accommodation type placement. Therefore due to the increase in the numbers of looked after children and a private market that has reduced capacity, this has also added to increased ongoing cost pressures (a budget pressure of £190,000).

The directorate continues to look towards reducing the ongoing financial pressures on a longer term basis, but given the current known forecast, this is now very unlikely to be able to reduce by the end of this year, and at further a risk of increase, given the volatility in the nature of service.

It also needs to be noted, that in accordance with agreed budgeted savings for 2018/19, children social care, are also still anticipating the full deliver of current outstanding budgeted savings of (£200,000), although these savings are either yet to be achieved or currently at risk of delivery in full.

The department have also declared £265,000 of the 2018/19 budgeted savings 'PE10 – Children's services transformation' £100,000 and 'PE11 Children's service savings' - £165,000 as undeliverable. As part, of the Children Social Care transformational journey the department has chosen to mitigate this budget saving by re-directing £265,000 of the 2018/19 budgeted £1.2M investment 'P3 – PVI placements and In-House Fostering Care' toward these savings. The departments strategic intention, is to continue on the trajectory of maintaining a stable and strong Social Care workforce that meets case load demand, with the outcome benefits of ensuring our Children in Need, where possible, and safe to do so are kept with their families or Carers. Therefore, in the longer term, whilst most importantly beneficial for the outcome of the Child, from a financial perspective continues to look to reduce the council's costs of placing Children in Care and high cost external placements.

Youth and Family Support

Youth and Family Support, is forecasting a final net expenditure position on-line to budget, but this is dependent upon the anticipated full delivery of (£210,000) management actions. The management action is entirely attributable to targeted additional troubled families' payment by results income levels compared to last financial year. (£100,000) relates to the additional 2018/19 budgeted targeted income, and a further (£110,000) covering the reduction in the fixed amounts of troubled families grants for both the attachment fees and service transformation grant, which are all distributed from the MHCLG.

Education and Schools

Education and Schools is forecasting a final net expenditure position on-line to budget, dependent upon the anticipated full delivery of (£70,000) remaining management actions.

The remaining (£70,000) of required management actions falls within the Council's Learning department, and is in line with the budgeted saving targets for 2018/19 which are therefore either currently outstanding or subject to risk of full delivery.

Whilst, the Council's Learning department is forecasting a total position on line to budget, it should be noted that there is a £100,000 overspend pressure on School Support and Education Transport, which is mainly attributable to in year pressures on Educational

Transport. This is offset by a (£100,000) underspend within the Councils element of High Need educational funding due to a continued, but unexpected government grant receipt in 2018/19 for the SEN reforms. Although, a welcome receipt, the government had not announced this grant would continue for another year, before the original council budget was set.

The department have also declared £56,000 of the 2018/19 budgeted saving PE5 Education savings as undeliverable in 2018/19, and £25,000 of the 2018/19 budgeted PE4 transport saving, however, the department has mitigated the pressure this financial year through the unexpected receipt of a Department for Education (DfE) School Improvement grant £50,000, and remaining (£31,000) in years underspends within Schools Support services.

Education and Schools (Dedicated Schools Grant only)

The Dedicated Schools Grant (DSG) is a specific and ring fenced government grant to support both education and early years providers and therefore sits outside of the Council's own general fund resources.

As clearly highlighted within both this report, and the Education Board - Dedicated School Grant reports themselves, from the autumn term of 2016/17 the High Needs budget has experienced considerable increase in costs, associated with need and therefore demand for special school placements, mainstream schools and Independent provider placements. This position is not just a local issue but a national issue.

In response, to the high need funding pressures and as presented and agreed through the Southend Education Board, the High Needs budget has been constrained for the last two financial years and savings delivered to mitigate further spend pressures.

It also needs to be strongly noted that under the Government's revised National Funding Formulae administered from 2018/19, Southend is now also recognised as significantly underfunded on its high need block allocation, and will therefore be receiving additional, and much needed funding towards its the high needs block funding allocation in 2019/20. However, as funding caps are applied on any gains from DSG funding distributions, it is currently unknown from what financial year Southend will receive its expected full funding allocation.

Therefore, due to the explained financial pressures on high needs, the Dedicated Schools grant reserve balance in totality closed the 2018/19 financial year with a small deficit balance of (£65,000). This was made up of a (£567,000) deficit on High Needs, and a £502,000 surplus balance on Early Years.

This report (and as explained in full in the Education Board DSG reports), is highlighting the further 2018/19 financial funding requirement, that a current further £472,000 in totality, will need to be drawn from the DSG reserve to support DSG resources in 2018/19. And this is made up of £205,000 to support early years, as a one off 2017/18 early years income DSG funding adjustment (which will be drawn from the £502,000 early years DSG surplus balance put aside), £110,000 for growth funding spending pressure awarded to schools, and a £157,000 high need 18/19 expected overspend pressure against the totality of high need funding allocation.

After this funding has been applied, this will then unfortunately leave the DSG reserve balance with an expected (£537,000) deficit balance as at the end of 2018/19.

However, this is a temporary position, and the DSG reserve balances are targeted to be restored by the end of 2019/20, by continuing to constrain high needs funding applied to settings until the DSG reserve is restored to balance, and a revised funding method for the award of growth funding applied to the required growing schools.

Maintained Schools Delegated

Forecast on line to budget. This simply reflects the dedicated schools grant revenue funding and pupil premium funding that is passed through to support our local maintained schools, as well as including the enhanced pupil premium funding attached to our local looked after children.

Portfolio Performance – Healthy Communities and Wellbeing

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
14,329	14,554	(85)	14,469	140

The forecast overspend of £140,000 in the Healthy Communities and Wellbeing Portfolio is 1% of the £14.329M net budget allocation.

Culture

The delivery partner of Twenty One have terminated their agreement with us and as a result, the venue is now only open for any events which were arranged prior to its closure. These events continue up until the end of October and most of them do not pay a hire charge for the venue. At this moment there is no agreed course of action for the future of the venue and therefore we remain liable for the Business Rates and running costs of the site resulting in an overspend of £20,000.

The entire Grounds Maintenance service was brought in-house in January 2016 and after a period of time, the service have been able to understand their staffing requirements and the savings attached to this move have been delivered. One of the biggest challenges this year has been income generation. The service lost a number of contracts in 2017 which it has struggled to replace but the cost base has not been reduced to compensate for this. The current shortfall in income is forecast at £120,000.

The income received from outdoor sports teams and the Belfairs Golf Course has reduced considerably over the last 5 years. After a review to understand where this has taken place and the sports mostly affected by this, it is believed that the increase in budget gyms and the uptake of cycling has had an impact on organised team sports which subsequently has reduced the income this generates within our parks by £210,000. The Parks service currently have a vacant Project Officer post which it is anticipated will not be filled by the end of the financial year. This will result in a staffing underspend of (£20,000). It is expected that this post will be filled in 2019/20 and the team will be fully staffed.

The mobile library has been off of the road for over two months due to maintenance problems. Alternative service provision has been put in place and this revised service is reaching more people who have limited mobility themselves. We are using standard vehicles rather than a bespoke mobile library which is also proving cost effective. Any such proven savings can be built into the permanent budget for 2019/20.

Customer Services

During the period April to November, the Registrations team have recorded 7% fewer births (from 2,569 in 2017/18 to 2,385 in 2018/19) and 6% higher deaths (from 1,778 to 1,892). Notice of Marriages are 23% higher than the same period last year (from 790 to 971) but this trend is not reflected in the number of weddings which are 14% lower than last year (from 414 to 356).

The Group Manager of the Customer Service team is leading the “Channel Shift” Project meaning that a proportion of her salary costs can be capitalised. This will create an underspend against her salary budget. Despite high costs for agency staff, this, along with other staff vacancies, have resulted in an underspend of (£170,000) being forecast. The team are currently in the process of a management restructure but have been experiencing difficulties recruiting to the vacant positions. As a result of additional support from the Human Resources team, one of the posts has now been appointed to.

Revenues and Benefits

Council Tax collections are only 0.1% below target at 69.8% with Business Rates (NDR) collections being 70.7% against a target of 71.1%. NDR collections of arrears remain significantly higher than budget due to the settlement of some large debts in year. Continuing the trend this year, Council Tax arrears is 2% below target at 27.4% partly due to the effects of the Single Person Discount Review whereby additional debt has been raised against previous years. The collection of Council Tax from those in receipt of Council Tax Reduction (CTR) discounts continues to be strong and compares favourably to other areas in Essex. Council Tax Baseline continues to increase with 749 more properties than when the base was set. The NDR rateable value is currently £242,000 higher than base and the number of properties is only 3 higher at 6,008 than when the NNDR1 Base was set in January 2018.

At the end of November there were 2,380 people receiving Housing Benefit or Council Tax Reduction (CTR) with Universal Credit (UC) as their income. 68 Housing Benefit claims were closed in November and migrated to UC (total since going live in July 2017 is 1,546) and the rate of Housing Benefit claims closure is slowing each month since the peak of 187 in November 2017. The level of work outstanding is 10 days for new claims and 5 days for changes; with the error level remaining at a healthy 2% (from 4% at this stage in 2017-18). This reflects the investment made by the team managers over the past two years to provide staff training and closer monitoring of claims.

As the volume of the Council’s future Housing Benefit responsibilities is unknown, the core team is supplemented with outsourced services which, although more costly, will avoid possible future redundancy costs. The overspend on these contractors is offset by vacancies and additional transitional income awarded by the Department for Work and Pensions (DWP) resulting in a (£50,000) forecast underspend for the year.

Public Health

Public health is forecasting an online position as at the end of period 8. As with all activity driven services, it is challenging to predict an accurate outturn on some of the services like Smoking cessation and NHS Health Checks. However, based on current forecasts, Public health will be online. It should be noted that the Council are going out to tender the Sexual Health contract, and the 0-5 contract is currently under review.

Voluntary and Community Services

The Community Hub service which offers financial advice and support to has been commissioned for three years and will be delivered via the South Essex Community Hub. This is funded through a voluntary grant from the Council. Under the terms of the property lease, the Council remains liable for accommodation costs so the grant is reduced accordingly. There is a £15,000 pressure due to backdated rent which was not accounted for at the end of last year.

Portfolio Performance – Infrastructure

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
14,771	16,542	0	16,542	1,771

The forecast overspend of £1.771M in the Infrastructure Portfolio is 12% of the £14.771M net budget allocation. The key variances are £597,000 within the highways maintenance budget, £705,000 relating to car parking and a £362,000 shortfall in streetworks regulation & compliance income.

Transport

As a result of the poor weather conditions in late February / early March labelled as the “Beast from the East”, the condition of the road network deteriorated and as a result there was a large increase in the number of defects on the highways and footways. An increase in the number of Highway Inspectors has also resulted in a greater area being inspected more frequently which is also identifying more defects than usual. The launch of MySouthend is giving residents the opportunity to report defects and these are focussing the Inspectors on verifying MySouthend calls which will ultimately result in more works to the Highway. All of these factors are resulting in a pressure of approximately £465,000 above the original budget although over a period of time we will be able to understand better if this is a current spike in identification of defects, or the new norm under an enhanced inspection regime. As part of the Autumn budget statement the Council has received £617,000 of additional funding in 2018/19 for pothole funding. Of this, (£400,000) has been allocated to the main revenue budget for routine maintenance and as such, a £65,000 pressure at the end of the year is anticipated based on current assumptions to the end of the financial year.

There have been a number of incidents across the Borough which has resulted in damage to street furniture. Unfortunately due to a lack of evidence to identify the culprit the cost to rectify this damage has been met by the service area. With regards to street lighting, this is expected to result in an additional £80,000 of repairs and maintenance expenditure which with more information as to how the incident occurred, could have been recharged to the offender. The number of incidents is also impacting on the traffic signals budget whereby the maintenance contractor is undertaking chargeable works to reinstate the signals, and the highways maintenance contract is being utilised for any reactive maintenance for required civil engineering works. This is resulting in a forecast overspend in the Traffic Signals budget of £89,000.

Income from rechargeable works has historically been low and based on current income a shortfall of £125,000 is likely. However the service area are engaging with an external insurance specialist on a payment by results trial basis in an attempt to pursue claims for damage to the Highway.

In an effort to increase the number of Highways Inspectors within the Borough, the establishment was increased by 3 additional Inspectors who were to be funded by the additional income generated from streetwork permits and the inspections after work has been completed. Unfortunately this additional income hasn't materialised and therefore the cost of these staff is resulting in a forecast overspend of £90,000.

There has been on average a 14% increase in the number of PCN's (Penalty Charge Notice) issued against the same time period last year and a £85,000 increase in the income collected for those tickets as at the end of October. However there is still an anticipated shortfall in the income budget of £190,000. Due to a significant write off of historic debt which can no longer be collected, it is anticipated that (£210,000) will be released from the bad debt provision built up over prior years. The number of PCN's registered with the Traffic Enforcement Centre has also increased in 2018/19 in an attempt to collect outstanding debts. Although there is a cost associated with this registration, estimated at £15,000 for this financial year, it allows further opportunities for the debt to be collected. The implementation of a CCTV (closed circuit television) vehicle is resulting in an increase in the number of PCN's issued, however there are start-up costs associated with this in year one.

The rollout from the parking and enforcement contract had a number of improvements and efficiencies over a number of years and savings were agreed in the budget to reflect these. Unfortunately, due to delays in the ICT infrastructure from third parties some of these efficiencies are yet to be implemented. This is resulting in an overspend of £55,000 in decriminalised parking and £70,000 in car parking.

As part of the 2018/19 budget, an increase of £700,000 in the income budget for car parking was agreed after independent advice from Steer Davies Gleave (SDG) which modelled the impact of removing the 1, 3 and 5 hour parking rates in a number of car parks. As at period 8, car parking income has increased significant, especially in June and July when we enjoyed a very dry spell and a heatwave. Within that, there has been an 11% shift in usage from on street car parks to off street surface car parks. From an analysis of 7 town centre car parks which have retained the same machines over this period, projections suggest that the off street car parks will perform even better than SDG suggested. However, due to the shift from on street to off street (where VAT is payable) the additional income from the removal of 1, 3 and 5 hour parking charges is currently being negated by the loss in on street parking income (where no VAT is payable). The total effect of this is an anticipated shortfall in income of £324,000. There is also an anticipate shortfall in the income generated from season tickets and resident permit schemes of £105,000. Security at the University Square car park has been increased to 24 hours which increases the pressure on this budget to £89,000 and an additional £60,000 has been spent on upgrades to the pay & display machines within the borough.

The latest estimates from our concessionary fares consultants suggest that the concessionary fares budget will underspend by approximately (£156,000). This is due to the decision made in 2016 to switch to a calculator method rather than a fixed amount which takes account of actual passenger numbers. Due to declining numbers, the amount to be paid to Essex County Council in relation to the concessionary fares scheme will also reduce.

Unfortunately the Travel Centre has been vandalised on a number of occasions and incidents of anti-social behaviour have resulted in the necessity to provide regular security patrols at the site in order to provide a safe environment for bus users. This security service is estimated to result in an overspend of £90,000.

The management system used to log and inspect streetwork permits had a number of changes made to it towards the end of the last financial year. These changes resulted in works which overran the length of their permits not being correctly categorised, and

therefore the financial penalties which have been levied were not correct which is currently resulting in an income shortfall of £360,000. Work is currently underway to revisit these cases to charge the correct amount, but in the meantime, the system has been corrected and works are now being charged for correctly.

In order to deliver a number of projects within the Traffic Management team, a project manager has been employed on a fixed term contract until March 2019 for which there is no budget provision. This, alongside a reduction in the amount of staff time being spent on schemes within the capital programme and therefore being transferred from revenue to capital, is resulting in a forecast pressure of £115,000.

Portfolio Performance – Public Protection

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
14,286	13,443	(31)	13,412	(874)

The forecast underspend of (£874,000) in the Public Protection Portfolio is 6.1% of the £14.286M net budget allocation.

Community Safety

Due to a review of the strategy for replacement and procurement of new CCTV equipment, the additional revenue provision for maintenance is currently not required. This is resulting in a forecast underspend of (£40,000). A carry forward request has been made for the remaining capital funding and a further capital bid has been submitted for 2019/20.

Cemeteries and Crematorium

There have been 312 burials in the first eight months of the year to November which is the same as this period last year. Cremations are considerably higher (1,693 in the current year compared to 1,571 at the same time last year) which equates to an 8% increase. Income of £1,656,000 achieved at Period 8 is over £90,000 higher than for the same period last year and an underspend of (£100,000) has been forecast at year-end. This anticipates a £20,000 pressure as a result of the hospital processing more Public Health Act funerals. As at Period 8, only 6 of the 246 Mini Graves have been sold.

Flooding

There are a number of engineering vacancies within the Flood Defences section which are yet to be filled. Recruitment is ongoing, but until the posts are filled there will be an underspend on staffing costs within this team. No additional consultancy or contractor costs have been incurred during this time, and due to a lack of engineers, the expected contractor costs have reduced significantly due to no works being identified and this is resulting in a forecast underspend of (£200,000).

Regulatory Services

Due to internal promotions there is currently a vacancy within the team which will result in a staffing underspend of approximately (£50,000). Attempts to fill vacancies throughout the year have proved difficult and it is felt that our proximity to London is making it difficult to recruit staff. As a result, attempts are now being made to develop a programme to 'grow our own' to train and retain staff.

Income generated through the Building Control Trading Account is significantly less than in previous years. Currently the levels of income received are at their lowest levels since 2012/13. It is felt that this is due to increased levels of competition from private businesses, and the level of service provided by the contact centre who deal with a range of queries rather than specialising in Building Control.

Waste and Street Scene

Due to the Mechanical Biological Treatment plant (MBT) in Basildon continuing to fail to meet the performance requirements of the original specification, the reduced gate fee during the commissioning phase is still in place. This is allowing SBC to dispose of residual waste at a lower rate than the original business case. However, due to poor performance at the facility, the average cost per tonne for disposal this year has increased to £122, whereas the cost of landfill is £102. This, along with a change in the disposal of food waste which now provides us with an income, is resulting in a forecast underspend of (£385,000). There is an opportunity to source a short term agreement for our waste disposal requirement from January 2020 up until October 2023 when the Waste Collection contract will expire with a view to procuring a joint waste collection and disposal contract from October 2023 onwards.

As a result of the revised agreement with Essex County Council relating to the waste Joint Working Agreement, we are continuing to receive a share of the Waste Infrastructure Grant in relation to the MBT. The value of this income in 2018/19 is forecast to be (£130,000).

Non Portfolio Performance

Current Budget	Initial Outturn	Management Actions	Expected Outturn	Forecast Variance
£000	£000	£000	£000	£000
(19,230)	(19,354)	25	(19,379)	(149)

Financing Costs

The (£124,000) favourable variance is lower than forecast at Period 7 mainly due to the statutory mitigation required by MHCLG in response to the new accounting standard affecting this area;

- Income of (£72,000) resulting from additional investment of £10M into the Property Fund which is £278,000 lower than forecast in Period 7 (as mentioned above);
- A loan made to South Essex College is attracting interest at market rates. Due to the unknown timing of the capital receipt at budget setting, additional interest of (£152,000) will be received;
- A favourable variance of (£222,000) is expected to arise due to reduced long term Public Works Loan Board borrowing which is now anticipated to be in the region of £20M, half the amount that was originally forecast.
- An adverse variance of £24,000, partly offset by a (£11,000) short-term borrowing favourable variance has also resulted from the statutory mitigation mentioned above.
- There is expected to be an adverse variance of £309,000 due to greater Capital Expenditure in 2017-18 than expected.

Contingency

The Strategic Director of Finance and Resources has delegated authority to release funds held as contingencies within the approved budget. As at Period 8 the following drawdowns have been approved:-

	£000
Drawdowns agreed as at period 6	1,598
• Funding for a communications campaign to target alternative donation methods for the homeless as agreed at the High Street summit	20
• Increased demand on Regulatory Services from the planning process	8
• Staff training conducted by the Public Service Transformation Academy	10
• Grounds maintenance costs for rugby pitches at Westbarrow Farm relating to the Airport Business Park project	15
• Additional personnel to make the Emergency Planning team more resilient	70
• Funding for two additional posts in Human Resources team to promote the apprenticeship programme	32
• Earmarked RCCO to fund setup costs to move hosting and support for Northgate as per November Cabinet	50
• Funding to support the violence and vulnerability campaign	25
Total	1,828

Revenue Contribution to Capital

The original budget for 2018/19 included planned revenue contributions for capital investments, via the use of Earmarked Reserves, of £5,058,000. Due to slippage from 2018/19 into 2019/20 agreed at Cabinet in November 2018, this budget has now decreased to £2,380,000. The Capital Reserve will fund £1,940,000 of this, £238,000 is funded from the Agresso Reserve and the remaining £202,000 is funded from the People Workforce Strategy Team, energy savings generated from energy efficiency projects and contingency.

Transfers to / (from) Earmarked Reserves

Net transfers to Earmarked Reserves totalling £5,436,000 were agreed by Council when setting the 2018/19 budget in February 2018. The current outturn position allows for further in-year net transfers to reserves totalling £789,000. Total net transfers to reserves for 2018/19 are therefore forecast to be £6,225,000.

The net change of £ 789,400 comprises the following agreed additional transfers

Transfers to Earmarked Reserves

- £2,736,000 to the Capital Reserve due to programme re-profiling

Transfers from Earmarked Reserves

- (£1,106,000) from the Children's Social Care Reserve – to support the OFSTED improvement programme, Edge of Care Team, secured looked after children placements and Children's Local Safeguarding Board.
- (£237,600) from the Business Transformation Reserve – for specific projects agreed by CMT.
- (£22,000) from the Troubled Families Reserve – for supporting the targeting of additional troubled families payment by results income.
- (£20,000) from the Adult Social Care Reserve – for the Adult's Safeguarding Board.
- (£240,000) from the Public Health Reserve – for the Interim Director of Public Health and unachieved 2018/19 Sexual Health and 0-5 contract savings.
- (£203,000) from the Licensing Reserve to recognise income received in 2017/18 relating to part of 2018/19.
- (£40,000) from the Grants Reserve to fund the final cost of the Cultural Destinations project, funded by the Arts Council.
- (£23,000) from the Grants Reserve to fund 2018/19 costs relating to the 60 Minute Mentor programme, which has been extended in Southend.
- (£40,000) from the Grants Reserve to fund the reimbursement of the remainder of the TRACE (Walking and Cycling Tracking Services) grant
- (£15,000) from the Election Reserve to supplement funding for the Local Government Elections held in May

However as part of the proposed management actions, there is a request to transfer a further £885,000 of earmarked reserves; namely

- (£413,000) from the Children Social Care Reserve to support additional secured looked after children placements
- (£472,000) from the Dedicated Schools Grant Reserve, to support in year DSG funding pressures

Providing the request to transfer (£885,000) above is agreed, there will be a need to transfer £1,505,000 to the Business Transformation Reserve for the projected residual underspend at year end.

Housing Revenue Account

	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Employees	210	0	210	0	210	0	210	210	0	210	0	↔
Premises (excluding repairs)	790	0	790	0	790	0	790	765	0	765	(25)	↓
Repairs	4,930	0	4,930	469	5,399	0	5,399	5,399	0	5,399	0	↓
Supplies and Services	69	0	69	0	69	0	69	69	0	69	0	↔
Management Fee	5,579	0	5,579	38	5,617	0	5,617	5,617	0	5,617	0	↓
MATS	1,146	0	1,146	0	1,146	0	1,146	1,146	0	1,146	0	↔
Provision for Bad Debts	394	0	394	0	394	0	394	394	0	394	0	↔
Depreciation	6,284	0	6,284	0	6,284	0	6,284	6,284	0	6,284	0	↔
Capital Financing Charges	3,515	0	3,515	0	3,515	0	3,515	3,505	0	3,505	(10)	↓
Gross Expenditure	22,917	0	22,917	507	23,424	0	23,424	23,389	0	23,389	(35)	↓
			0									
Fees and Charges	0	(349)	(349)	0	0	(349)	(349)	(349)	0	(349)	0	↔
Dwelling Rents	0	(24,900)	(24,900)	(507)	0	(25,407)	(25,407)	(25,495)	0	(25,495)	(88)	↑
Other Rents	0	(1,372)	(1,372)	0	0	(1,372)	(1,372)	(1,372)	0	(1,372)	0	↔
Other Income	0	(27)	(27)	0	0	(27)	(27)	(27)	0	(27)	0	↔
Interest	0	(250)	(250)	0	0	(250)	(250)	(240)	0	(240)	10	↑
Recharges	0	(566)	(566)	0	0	(566)	(566)	(525)	0	(525)	41	↑
Non Department Net Expenditure	0	(27,464)	(27,464)	(507)	0	(27,971)	(27,971)	(28,008)	0	(28,008)	(37)	↑
Net Operating Expenditure	22,917	(27,464)	(4,547)	0	23,424	(27,971)	(4,547)	(4,619)	0	(4,619)	(72)	↑
Revenue Contribution to Capital	1,925	0	1,925	0	1,925	0	1,925	1,973	0	1,973	48	↑
Contribution to/ (from) Earmarked Reserves	2,622	0	2,622	0	2,622	0	2,622	2,646	0	2,646	24	↓
Contribution to/ (from) General Reserves	0	0	0	0	0	0	0	0	0	0	0	↔
Net Expenditure/ (Income)	27,464	(27,464)	0	0	27,971	(27,971)	0	0	0	0	0	↔

Use of general Reserves		
Balances as at 1 April 2018		3,502
(Use)/ contribution to in Year		0
Balance as at 31 March 2019		3,502

3,502	3,502	0	3,502	0	↔
0	0	0	0	0	↔
3,502	3,502	0	3,502	0	↔

Overall Budget Performance

The HRA budget was approved by Council in February 2018 and anticipated an operating surplus of £4,547,000.

The closing HRA balance as at March 2018 was £3,502,000.

The latest forecast as at November 2018 indicates that the HRA will have an operating surplus of £4,619,000, an increase of (£72,000) in 2018/19. The main reasons are as follows:

- (£25,000) underspend on council tax because the actual council tax on void sheltered properties is higher than estimated in the budget. The assumption for the council tax budget was at higher voids than the actual to date.
- (£88,000) over recovery of rental income - This is because predictions as at the end of period 7 are showing higher rental income than budgeted for. The estimate assumes a 4% void allowance across all properties and the actual up to end of October has been less. Rather than increase the HRA balance, normal custom and practice would see this surplus transferred to the HRA Capital Investment Reserve.
- £41,000 overspend on the recharge to the HRA capital programme. This is because of the anticipated underspend on the capital budget.

Rather than increase the HRA balance, normal custom and practice would see this surplus transferred to the HRA Capital Investment Reserve.

Revenue Contribution to Capital Expenditure

The original budget for 2018/19 included planned revenue contributions for capital investments, via the use of earmarked reserves, of £1,925,000. There had been earlier thoughts to finance the majority of this through different means, but for now it is considered that it is appropriate to stick with the original proposal. Due to a revision in the capital programme however the RCCO has risen by £48,000.

Transfers to / (from) Earmarked Reserves

Net transfers to Earmarked Reserves totalling £2,622,000 were agreed by Council when setting the 2018/19 budget in February 2018. Based on the current forecasts, there will be the need to transfer a further £24,000 to the HRA Capital Investment Reserve in respect of the projected residual underspend at year end.

Budget Transfers

In line with the approved financial procedure rules all budget transfers (Virements) over £50,000 between portfolio services or between pay and non-pay budgets are to be approved by Cabinet. Below is a table showing the transfers which fall within these parameters

	DR £000	CR £000
Transfers approved under delegated authority	949	(949)
Transfers over £50,000 previously reported	11,238	(11,238)
Transfers over £50,000 in this period for approval	205	(205)
Total Budget Transfers	12,392	(12,392)

The budget transfers for Cabinet approval this period are:

	£000
1) Allocation of Children's recruitment and DBS re-alignment back to service lines.	55
2) Allocation of the Rough Sleeper Initiative Grant	425
3) Housing Revenue Account repairs contract price increase	469
Total	949

Decisions Required

Members are asked to

- Note the forecast outturn for the General Fund and Housing Revenue Accounts as at November 2018
- Note the planned management actions of £2,025,000 to achieve that forecast outturn;
- Agree the planned budget transfers (Virements) of £949,000;
- Agree the transfer of (£413,000) from the Children Social Care reserve to support additional secured placements
- Agree the transfer of (£472,000) from the Dedicated School Grant reserve to support 2018/19 in year funding pressures.
- Note the potential transfer of £1,505,000 to the Business Transformation Reserve in respect of the forecast General Fund underspend; and
- Note the potential transfer of £24,000 to the HRA Capital Investment Reserve in respect of the forecast HRA underspend

General Fund

Leader Portfolio

Leader : Cllr John Lamb

Service Department	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Corporate Planning and Policy												
a. Corporate and Non-Distributable Costs	1,919	(184)	1,735	45	1,964	(184)	1,780	1,765	0	1,765	(15)	↔
Corporate Services												
b. Department of the Chief Executive	634	0	634	(2)	632	0	632	607	0	607	(25)	↔
Financial Services												
c. Accountancy	2,131	(295)	1,836	0	2,131	(295)	1,836	1,796	0	1,796	(40)	↔
d. Accounts Payable	119	(4)	115	0	119	(4)	115	115	0	115	0	↔
e. Accounts Receivable	190	(77)	113	0	190	(77)	113	113	0	113	0	↓
f. Insurance	162	(247)	(85)	0	162	(247)	(85)	(85)	0	(85)	0	↔
g. Internal Audit	774	(271)	503	0	705	(202)	503	443	0	443	(60)	↔
h. Corporate Fraud	225	(52)	173	1	226	(52)	174	174	0	174	0	↔
i. Corporate Procurement	621	0	621	125	746	0	746	746	0	746	0	↔
Human Resources & Organisational Development												
j. Human Resources	1,815	(505)	1,310	84	1,899	(505)	1,394	1,424	0	1,424	30	↑
k. People and Organisational Development	414	(115)	299	(1)	413	(115)	298	298	0	298	0	↔
l. Tickfield Training Centre	370	(156)	214	3	373	(156)	217	217	0	217	0	↔
Legal and Democratic Services												
m. Democratic Services Support	371	0	371	0	371	0	371	371	0	371	0	↔
n. Mayoralty	191	0	191	6	197	0	197	197	0	197	0	↔
o. Member Support	730	0	730	0	730	0	730	730	0	730	0	↔
p. Elections and Electoral Registration	354	0	354	15	369	0	369	414	0	414	45	↑
q. Local Land Charges	197	(297)	(100)	0	197	(297)	(100)	(100)	0	(100)	0	↔
r. Legal Services	1,308	(245)	1,063	218	1,526	(245)	1,281	1,281	0	1,281	0	↔
Other Services												
s. Emergency Planning	82	0	82	0	82	0	82	82	0	82	0	↔
t. Corporate Subscriptions	85	0	85	70	155	0	155	155	0	155	0	↔
u. Strategy and Performance	692	0	692	183	875	0	875	875	0	875	0	↔
Total Net Budget for Department	13,384	(2,448)	10,936	747	14,062	(2,379)	11,683	11,618	0	11,618	(65)	↑

General Fund

Growth Portfolio

Growth : Cllr James Courtenay

Service Department	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Asset and Facilities Management												
a. Asset Management	416	(16)	400	0	416	(16)	400	400	0	400	0	↔
b. Corporate and Industrial Estates	177	(3,319)	(3,142)	301	170	(3,011)	(2,841)	(2,841)	0	(2,841)	0	↔
c. Property Management and Maintenance	469	(111)	358	(11)	458	(111)	347	347	0	347	0	↔
d. Buildings Management	2,543	(110)	2,433	89	2,632	(110)	2,522	2,682	0	2,682	160	↔
Economic Development and Regeneration												
e. Economic Development	1,004	(578)	426	(45)	2,365	(1,984)	381	371	0	371	(10)	↓
f. Town Centre	206	(59)	147	(1)	205	(59)	146	110	0	110	(36)	↓
g. Better Queensway	0	0	0	0	0	0	0	0	0	0	0	↔
Planning												
h. Development Control	895	(631)	264	0	895	(631)	264	132	0	132	(132)	↑
i. Regional and Local Town Plan	284	0	284	0	284	0	284	388	(104)	284	0	↔
Tourism												
j. Resorts Services Pier and Foreshore	2,828	(957)	1,871	(431)	2,397	(957)	1,440	1,440	0	1,440	0	↔
k. Tourism	58	(18)	40	(1)	57	(18)	39	39	0	39	0	↔
Total Net Budget for Department	8,880	(5,799)	3,081	(99)	9,879	(6,897)	2,982	3,068	(104)	2,964	(18)	↓

General Fund

Adults and Housing Portfolio

Adults and Housing : Cllr Tony Cox

Service Department	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Adult Social Care												
a. Adult Support Services and Management	298	0	298	213	511	0	511	511	0	511	0	↔
b. Business Support Team	1,776	(184)	1,592	(1)	1,775	(184)	1,591	1,591	0	1,591	0	↔
c. Strategy, Development and Commissioning	2,228	(590)	1,638	3	2,231	(590)	1,641	1,641	0	1,641	0	↔
d. People with a Learning Disability	14,427	(1,922)	12,505	(18)	14,409	(1,922)	12,487	13,100	(425)	12,675	188	↑
e. People with Mental Health Needs	3,653	(198)	3,455	(29)	3,624	(198)	3,426	3,482	0	3,482	56	↑
f. Older People	29,566	(16,464)	13,102	(2,085)	29,630	(18,613)	11,017	11,573	(800)	10,773	(244)	↓
g. Other Community Services	5,877	(4,574)	1,303	601	4,294	(2,390)	1,904	1,904	0	1,904	0	↔
h. People with a Physical or Sensory Impairment	4,614	(1,222)	3,392	1	4,650	(1,257)	3,393	3,393	0	3,393	0	↔
i. Service Strategy and Regulation	124	(69)	55	(1)	123	(69)	54	54	0	54	0	↔
Council and Private Sector Housing Investment												
j. Private Sector Housing	3,780	(1,119)	2,661	0	3,780	(1,119)	2,661	2,661	0	2,661	0	↔
k. Supporting People	2,433	0	2,433	(188)	2,245	0	2,245	2,345	(100)	2,245	0	↔
Homelessness												
l. Housing Needs and Homelessness	994	(658)	336	0	1,705	(1,369)	336	336	0	336	0	↔
Strategy and Advice												
m. Strategy and Planning for Housing	224	(117)	107	0	224	(117)	107	107	0	107	0	↔
Total Net Budget for Department	69,994	(27,117)	42,877	(1,504)	69,201	(27,828)	41,373	42,698	(1,325)	41,373	0	↔

General Fund

Children and Learning Portfolio

Children and Learning : Cllr Helen Boyd

Service Department	Original Budget			Virement	Latest Budget			Initial Outturn	Proposed Management Action	Expected Outturn	Forecast Variance	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Childrens Social Care												
a. Children Fieldwork Services	4,379	(5)	4,374	929	5,308	(5)	5,303	5,448	0	5,448	145	↔
b. Children with Disabilities	1,175	(183)	992	1	1,176	(183)	993	993	0	993	0	↔
c. Childrens Specialist Support and Commissioning	2,624	(164)	2,460	135	2,759	(164)	2,595	2,595	0	2,595	0	↔
d. Inhouse Fostering and Adoption	4,911	(236)	4,675	104	5,015	(236)	4,779	4,779	0	4,779	0	↔
e. Leaving Care Placements and Resources	1,104	(232)	872	502	2,043	(669)	1,374	1,614	(50)	1,564	190	↔
f. Private Voluntary Independent Provider Placements	3,825	(120)	3,705	1,190	5,015	(120)	4,895	5,760	(150)	5,610	715	↑
Youth and Family Support												
g. Early Help and Family Support	1,723	(1,201)	522	261	1,984	(1,201)	783	993	(210)	783	0	↔
h. Youth Offending Service	1,894	(632)	1,262	(2)	1,834	(574)	1,260	1,260	0	1,260	0	↔
i. Youth Service	597	(96)	501	(29)	518	(46)	472	472	0	472	0	↔
Educational and Schools												
j. School Support and Education Transport	23,116	(11,213)	11,903	(14)	23,202	(11,313)	11,889	12,049	(60)	11,989	100	↔
k. Early Years Development and Child Care Partnership	12,023	(10,825)	1,198	(11)	11,569	(10,382)	1,187	1,197	(10)	1,187	0	↔
l. High Needs Educational Funding	11,906	(11,028)	878	20	11,927	(11,029)	898	798	0	798	(100)	↔
m. Southend Adult Community College	3,400	(3,186)	214	0	3,400	(3,186)	214	214	0	214	0	↔
Maintained Schools Delegated												
n. Maintained Schools Delegated Budgets	32,454	(32,454)	0	0	32,454	(32,454)	0	0	0	0	0	↔
o. Pupil Premium	2,906	(2,906)	0	0	2,906	(2,906)	0	0	0	0	0	↔
Total Net Budget for Department	108,037	(74,481)	33,556	3,086	111,110	(74,468)	36,642	38,172	(480)	37,692	1,050	↑

General Fund

Healthy Communities and Wellbeing Portfolio

Healthy Communities and Wellbeing : Cllr Lesley Salter

Service Department	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Community Resilience and Cohesion												
a. Partnership Team	231	0	231	(1)	230	0	230	230	0	230	0	↔
b. Community Centres and Club 60	93	(1)	92	(9)	84	(1)	83	83	0	83	0	↔
Culture												
c. Arts Development	499	(233)	266	78	577	(233)	344	364	0	364	20	↑
d. Amenity Services Organisation	3,673	(683)	2,990	88	3,761	(683)	3,078	3,228	(15)	3,213	135	↔
e. Culture Management	146	(6)	140	0	146	(6)	140	140	0	140	0	↔
f. Library Service	3,378	(397)	2,981	1	3,379	(397)	2,982	3,012	(30)	2,982	0	↔
g. Museums and Art Gallery	1,995	(80)	1,915	15	2,010	(80)	1,930	1,970	(40)	1,930	0	↔
h. Parks and Amenities Management	1,812	(786)	1,026	141	1,953	(786)	1,167	1,357	0	1,357	190	↔
i. Sports Development	54	0	54	(1)	53	0	53	53	0	53	0	↔
j. Sport and Leisure Facilities	589	(304)	285	34	623	(304)	319	319	0	319	0	↔
k. Southend Theatres	647	(27)	620	26	673	(27)	646	646	0	646	0	↔
Customer Services												
l. Registration of Births Deaths and Marriages	330	(378)	(48)	0	330	(378)	(48)	(48)	0	(48)	0	↔
m. Customer Services Centre	1,976	(295)	1,681	34	2,010	(295)	1,715	1,545	0	1,545	(170)	↓
Revenues and Benefits												
n. Council Tax Collection	869	(607)	262	0	869	(607)	262	262	0	262	0	↑
o. Non Domestic Rates Collection	199	(306)	(107)	0	199	(306)	(107)	(107)	0	(107)	0	↔
p. Housing Benefit Administration	1,801	(1,195)	606	8	1,809	(1,195)	614	564	0	564	(50)	↔
q. Rent Benefit Payments	91,582	(91,685)	(103)	0	73,771	(73,874)	(103)	(103)	0	(103)	0	↔
Health												
r. Public Health	6,323	(6,480)	(157)	241	6,564	(6,480)	84	84	0	84	0	↔
s. Drug and Alcohol Action Team	2,270	(2,187)	83	24	2,294	(2,187)	107	107	0	107	0	↔
t. Young Persons Drug and Alcohol Team	273	(265)	8	(1)	272	(265)	7	7	0	7	0	↔
Voluntary and Community Services												
u. Support to Voluntary Sector	811	0	811	15	826	0	826	841	0	841	15	↔
Total Net Budget for Department	119,551	(105,915)	13,636	693	102,433	(88,104)	14,329	14,554	(85)	14,469	140	↓

General Fund

Infrastructure Portfolio

Infrastructure : Cllr Andrew Moring

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Service Department	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Transport												
a. Highways Maintenance	10,956	(1,708)	9,248	438	11,394	(1,708)	9,686	10,283	0	10,283	597	↑
b. Bridges and Structural Engineering	414	0	414	0	414	0	414	379	0	379	(35)	↔
c. Decriminalised Parking	1,171	(1,699)	(528)	(1)	1,170	(1,699)	(529)	(477)	0	(477)	52	↓
d. Car Parking Management	1,170	(7,222)	(6,052)	107	1,277	(7,222)	(5,945)	(5,240)	0	(5,240)	705	↑
e. Concessionary Fares	3,307	0	3,307	83	3,390	0	3,390	3,234	0	3,234	(156)	↔
f. Passenger Transport	417	(65)	352	(1)	416	(65)	351	444	0	444	93	↔
g. Road Safety and School Crossing	229	0	229	(1)	228	0	228	194	0	194	(34)	↔
h. Transport Planning	1,672	(1,990)	(318)	41	1,688	(1,965)	(277)	127	0	127	404	↑
i. Traffic and Parking Management	600	(5)	595	(1)	599	(5)	594	709	0	709	115	↔
j. Dial A Ride Service	105	(19)	86	5	110	(19)	91	91	0	91	0	↔
k. Transport Management	173	0	173	0	173	0	173	173	0	173	0	↔
l. Vehicle Fleet	550	(344)	206	6	556	(344)	212	212	0	212	0	↔
m. Digital Futures	6,193	(1,183)	5,010	(77)	6,116	(1,183)	4,933	4,933	0	4,933	0	↔
Other Services												
n. Enterprise Tourism and Environment Central Pool	1,451	0	1,451	(1)	1,450	0	1,450	1,480	0	1,480	30	↔
Total Net Budget for Department	28,408	(14,235)	14,173	598	28,981	(14,210)	14,771	16,542	0	16,542	1,771	↑

General Fund

Public Protection Portfolio

Public Protection : Cllr Mark Flewitt

Service Department	Original Budget			Virement £'000	Latest Budget			Initial Outturn £'000	Proposed Management Action £'000	Expected Outturn £'000	Forecast Variance £'000	Movement from Period 7
	Gross Expend £'000	Gross Income £'000	Net £'000		Gross Expend £'000	Gross Income £'000	Net £'000					
Community Safety												
a. Closed Circuit Television	549	(33)	516	(1)	548	(33)	515	475	0	475	(40)	↓
b. Community Safety	216	(32)	184	(2)	214	(32)	182	182	0	182	0	↔
Energy												
c. Climate Change	111	(144)	(33)	64	175	(144)	31	31	0	31	0	↔
Cemeteries and Crematorium												
d. Cemeteries and Crematorium	1,161	(2,566)	(1,405)	12	1,173	(2,566)	(1,393)	(1,493)	0	(1,493)	(100)	↔
Flooding												
e. Flood and Sea Defences	811	(11)	800	(2)	809	(11)	798	599	0	599	(199)	↑
Regulatory Services												
f. Regulatory Business	35	(14)	21	0	35	(14)	21	34	0	34	13	↔
g. Regulatory Licensing	100	(469)	(369)	222	119	(266)	(147)	(132)	0	(132)	15	↔
h. Regulatory Management	1,134	0	1,134	12	1,146	0	1,146	1,076	0	1,076	(70)	↓
i. Regulatory Protection	71	(13)	58	12	83	(13)	70	75	0	75	5	↔
j. Building Control	443	(440)	3	(1)	442	(440)	2	48	(31)	17	15	↔
Waste and Street Scene												
k. Public Conveniences	550	0	550	20	570	0	570	570	0	570	0	↔
l. Waste Collection	4,695	0	4,695	347	5,042	0	5,042	5,042	0	5,042	0	↔
m. Waste Disposal	5,264	0	5,264	(227)	5,037	0	5,037	4,654	0	4,654	(383)	↑
n. Street Cleansing	1,360	0	1,360	35	1,395	0	1,395	1,395	0	1,395	0	↔
o. Household Recycling	477	(7)	470	12	489	(7)	482	482	0	482	0	↔
p. Environmental Care	242	(4)	238	3	245	(4)	241	241	0	241	0	↔
q. Waste Management	296	0	296	(2)	294	0	294	164	0	164	(130)	↑
Total Net Budget for Department	17,515	(3,733)	13,782	504	17,816	(3,530)	14,286	13,443	(31)	13,412	(874)	↑

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**Capital Investment Programme
Budget Monitoring 2018/19**

Period 8

**as at 30th November 2018
Summary by Investment Area**

Capital Investment Programme Monitoring Report – November 2018

1. Overall Budget Performance by Investment Area

The revised Capital budget for the 2018/19 financial year is £60.481million which includes all changes agreed at November Cabinet. Actual capital spend at 30th November is £31.116million representing approximately 51% of the revised budget. This is shown in Section 3. (Outstanding creditors totalling £0.240million have been removed from this figure).

The expenditure to date has been projected to year end and the outturn position is forecast to reflect the Project Manager's realistic expectation. This is broken down by type of investment area as follows:

Investment Area	Revised Budget 2018/19 £'000	Outturn to 30 th November 2018/19 £'000	Expected outturn 2018/19 £'000	Latest Expected Variance to Revised Budget 2018/19 £'000	Previous Expected Variance to Revised Budget 2018/19 £'000
Works to Property	1,095	364	1,289	194	300
Social Care	3,214	435	880	(2,334)	(2,334)
General Fund Housing	1,372	586	1,222	(150)	(150)
Schools	13,352	10,433	13,429	77	-
Culture & Tourism	7,095	3,971	6,295	(800)	-
Enterprise & Regeneration	4,841	2,816	4,841	-	-
ICT	4,073	2,067	4,073	-	-
Southend Pier	3,158	845	3,158	-	-
Highways & Infrastructure	10,736	4,858	11,353	617	617
S106/S38/CIL	1,145	214	1,135	(10)	-
Energy Saving	714	100	714	-	-
Community Safety	233	20	233	-	-
Council Housing & New Build Programme	9,453	4,407	9,058	(395)	-
Total	60,481	31,116	57,680	(2,801)	(1,567)

The above investment is proposed to be funded as follows:

	Council Budget £'000	Grant Budget £'000	Developer & Other Contributions £'000	Total Budget £'000
Total Budget	31,273	27,510	1,698	60,481
As a percentage of total budget	51.7%	45.5%	2.8%	
External Funding Received to date		14,819	1,551	16,370
External Funding Outstanding		12,691	147	12,838

Progress of Schemes for 2018/19

Works to Property

Works are currently on hold for the demolition of 62 Avenue Road following objections from Clifftown Conservation Society. This has led to the commissioning of a heritage expert to assess and cost the options for both repair and demolition and potential future use. The work is currently being concluded so that an informed decision can be made.

The final stages are underway for various demolition schemes at Darlows Green and Leigh Cliffs. Some heritage etchings have created some additional work at Leigh Cliffs due to the need to refurbish and reinstate them and Darlows Green is on hold pending ecology issues.

£300k of works to the Investment Property at Fossetts Park is required to bring the asset into use for the new tenant. An accelerated delivery request has been included in the draft Capital Investment Programme report elsewhere on this agenda.

The tender for the replacement boiler at the crematorium is to be published in early January and the works are therefore unlikely to take place until the new financial year. £129k of the current budget has been included as a carry forward request in the draft Capital Investment Programme report elsewhere on this agenda.

The replacement coffin charger scheme has become more urgent and the budget is now required in 2018/19. Costs have been reduced from £40k to £23k and this budget has been included as an accelerated delivery in the draft Capital Investment Programme report elsewhere on this agenda.

The Priority works provision budget currently has £92k remaining unallocated.

Social Care

The Community Capacity grant is used to enable vulnerable individuals to remain in their own homes and to assist in avoiding delayed discharges from hospital. Plans for 2018/19 include the enhancement of an independent living centre and innovation site to demonstrate technological and robotic opportunities.

Funding from the Dementia Friendly scheme will contribute towards the Dementia Peer Network Development project. This will include set up costs to work across Southend and build on the current programme of asset based community development. This will help to promote people's health, happiness and wellbeing through assessing, identifying and utilising skills and resources within the community.

The tender process is currently underway for the build contract on the new care home, which will be subject to a viable business case. Budget of £2.3million has been included as a carry forward request in the draft Capital Investment Programme report elsewhere on this agenda.

General Fund Housing

The Private Sector Renewal scheme is in place to ensure that the private sector stock is kept in a good condition to enable the authority to assist its most vulnerable residents. A full service review is currently taking place exploring team objectives and options for delivering against these. A carry forward request of £150k has been included in the draft Capital Investment Programme report elsewhere on this agenda based on current projections for the financial year.

The adaptations framework for the Disabled Facilities scheme commenced in early September with six new contractors following a successful workshop. Works are scheduled to commence on site shortly.

Schools

Condition schemes for 2018/19 total £813k allocated to address larger condition items in schools where the cost is over the schools capabilities to fund. Most of these works were undertaken over the school summer holidays to minimise disruption to the schools. Two schemes at Chalkwell Hall Infants and Eastwood Primary are progressing ahead of schedule therefore an accelerated delivery request of £75k has been included in the draft Capital Investment Programme report elsewhere on this agenda. Retentions of £7k are being held for works completed last year at four primary schools. Unallocated grant of £2k has also been included as new budget in the draft Capital Investment Programme report elsewhere on this agenda to fund additional spend on Chalkwell Infants main building windows and Friars fire systems replacement.

The Devolved Formula Capital scheme is an annual devolution of dedicated capital grant to all maintained schools. The grant for 2018/19 has now been confirmed as £125k. The grant amount has reduced significantly in recent years and will continue to do so as further maintained schools convert to academy status.

A purpose built nursery at the Renown Centre which faces Friars Primary School is now completed and in use, funded from a central government grant of £332k. This is part of a larger project to demolish the older community centre and decommissioned pupil referral unit building and replace them with nine affordable family homes. The demolition phase is nearing completion.

The secondary expansion programme is progressing. 120 permanent places have been created for September 2018 and a further seven places will be available from September 2019 along with additional new places over the following years. This expansion will be across eight of the twelve secondary schools.

Shoeburyness High School, St Thomas More High School, Belfairs Academy, The Eastwood Academy and St Bernard's High School have building contractors on site and their building works are at various stages with one progressing to completion in the new year. Two further schools are commencing feasibility studies and planning applications. These plans are to ensure that the Local Authority can meet its statutory duty of supplying a good school places to any local resident that requests one. Works at Wentworth Road are now complete and Southchurch High School works are progressing.

Culture and Tourism

Tender assessments have been completed for the main design team on the Forum II scheme and the cost consultant appointment has been approved by the project board. Design work commenced at the beginning of September and the planning application is to be submitted in April 2019. A plan of action and costings are currently being prepared.

South Essex Local Enterprise Partnership has deferred the decision on the Local Growth Fund 3b applications until 8th March 2019. Procurement of the works to convert the old Beecroft Art Gallery into artist studios cannot commence until the full funding package is in

place therefore £800k of the 2018/19 budget has been included as a carry forward request in the draft Capital Investment Programme report elsewhere on this agenda.

The order for the outer tow path at Southchurch Park has now been raised and works are scheduled to complete by the end of the financial year however these works are weather dependent.

The new steps opened at Belton Way on 1st November. The landscaping and final works will be undertaken by the end of the financial year.

Planning consent has been granted for the security railings at the Queen Victoria statue. Updated quotes are now being requested.

Enterprise and Regeneration

Design consultants have been appointed for the Launchpad at the Airport Business Park. Procurement is in the early stages to find an operator and preliminary interviews were held on 6th December. Procurement of the remaining phase one infrastructure works is complete and procurement of phases two and three are underway.

Works are nearing completion at the Hive as part of the Incubation Centre scheme and it is on track to spend the full budget provision in 2018/19. Marketing is now underway to find tenants for the new premises.

The procurement stage of the Better Queensway scheme has been amended to include a Refined Solutions stage and the deadline was 3rd December. This is compliant through procurement and on legal grounds. This currently poses no change to the agreed timetable.

ICT

Phase two is continuing on the Liquid Logic scheme with the development and delivery of web portals. An upgrade is taking place on 19th January to enable portals to be implemented.

Wireless survey and install work is scheduled to commence shortly at various sites including Alan Cole House, Priory House, Delaware House and Porters House.

The business case for the Intelligence Hub scheme is to be reframed in a way which shows how it will support the Southend 2050 outcomes. It is to be known as the Operations Centre and the Environmental Impact Assessment is in the process of being drafted.

Procurement has completed for the Phones Migration and Re-Tender scheme and the contract has been agreed with the supplier. Server infrastructure and the new Avaya system install work commenced in early December with migration and go live planned for January. Some additional elements relating to speech to text, automated quality managements and sentiment analysis have been identified at an additional cost along with finance system integration requirements. The £75k relating to these works has been transferred from Priority Works.

Process maps for Environmental Health are complete with work continuing on the process maps for Building Control, Development Control and Private Sector Housing which is due for completion by the end of December. The Symology upgrade was successfully completed.

Southend Pier

Various works are currently taking place on the pier and completion is very much dependent on the weather conditions over the coming months. The contract has now been tendered for the Southend Pier Entrance Enhancement scheme and orders have been placed for phase one of the Bearing Refurbishment scheme. Various decking condition works are also in progress.

Highways and Infrastructure

Infrastructure

The geotechnical consultant contract is currently out to tender for the cliff slip investigation works. In the meantime a series of stand-alone schemes are progressing including Clifton Gardens and the cliff path adjacent to the lift.

Scheme designs are being prepared for the resilience of the borough to flooding from extreme weather events scheme for interventions at Shoebury and Chalkwell. It is hoped that these schemes will be on site in the new year.

Highways

Implementation is on-going on the carriageway and footway improvements programme and will continue for the remainder of the financial year.

The Highways Maintenance Potholes scheme is a demand led service and actions are taken on a daily basis to repair potholes that have met the necessary threshold. Additional funding of £617k has been announced by the Government for 2018/19 and the budget has been added to the capital programme in the draft Capital Investment Programme report elsewhere on this agenda.

Another round of bridge inspections is planned along with a list of remedial works to continue the bridge maintenance programme.

Transport

The A127 Growth Corridor projects will support the predicted growth associated with London Southend Airport and the Joint Area Action Plan (JAAP) proposals developed by Southend, Rochford and Essex County Councils to release land and create 7,380 high value jobs. The improvement will also support background growth of Southend and Rochford.

The final business case for A127 Kent Elms junction improvements has been approved by the SELEP and all funding has been received.

Phase two was completed at the end of June 2017 with three inbound lanes and two new pedestrian crossings in place. Footbridge foundations works on the south side are now complete. The new westbound lane was open to traffic from 9th September and works to the drainage and footway are now complete. Water main diversion works have completed and the north footbridge foundation construction is now underway. Footbridge installation is currently programmed for early 2019.

Southend Transport Model is an on-going scheme to support various multi modal transport projects. A review of the model is complete with options on updating the model to be considered.

S106/S38/S278 and Community Infrastructure Levy (CIL)

Various highway S106 schemes are scheduled to take place during 2018/19. There are also a number of S38, S278 and S78 schemes all at various stages. Some of the larger schemes include works on pedestrian crossings and footpath improvements at the airport and works at Fossetts Farm. A contribution of £10k has been removed from the programme in the draft Capital Investment Programme report elsewhere on this agenda in relation to a S106 scheme for Audley Court CCTV as the funding has been repaid.

Energy Saving Projects

Several LED lighting projects have been identified from the energy efficiency budget including Priory Park workshops, the Travel Centre and the Civic Centre. The majority of the budget has been moved into 2019/20 but the works are scheduled to commence before the end of 2018/19. A project is currently being assessed at Chalkwell Hall as part of the Solar Photovoltaics scheme and results are currently awaited on structural surveys.

Community Safety

Works are taking place to identify the most effective strategy for replacement and procurement of CCTV equipment. A proposed addition to the capital programme has been submitted for additional works identified.

Consultants are currently undertaking a survey for the provision of a report on the vulnerability in the town centre as part of the Security Measures scheme. This report will inform some recommendations around the types of security which can be installed. Time scales will become apparent once the report has been produced.

Council Housing & New Build Programme

The contracts have been awarded for the bathroom, kitchen and rewiring programme as part of the decent homes programme but the contractor has been slow in commencing these works. All other contracted works are progressing as per the programme and are expected to stay on track for the remainder of the financial year. Various reprofiles have been identified across the Decent Homes programme with a net effect of £555k has been included as a carry forward request in the draft Capital Investment Programme report elsewhere on this agenda.

The Disabled Adaptations budget relates to minor and major adaptations in council dwellings. Spend depends on the demand for these adaptations and works are currently in progress for 2018/19.

The Rochford Road construction has now been on site since April 2018 and due to the good weather over the summer months the contractor is now running around four months ahead of schedule. Internal walls to all houses have been completed and the kitchens have been delivered and due to be installed over the Christmas break. Work on the internal walls is nearing completion on the flats with the first fixing of electrics and plumbing now complete. The bungalow in Audley Close is nearing completion and the first snagging of the property will be complete by the end of December. The handover of this property is scheduled before the end of January.

A further budget of £160k has been included in the draft Capital Investment Programme report elsewhere on this agenda to fund the acquisition of the leaseholder share of a shared ownership property.

2. Requested Changes to the 2018/19 Capital Programme

Carry Forwards to Future Years

Scheme	Proposed Forward £000	Carry
Replacement Boiler at Southend Crematorium		129
LATC – Delaware and Priory		2,334
Private Sector Housing		150
New Artist Studios		800
HRA Decent Homes Programme		555
Total Carry Forwards		3,968

Accelerated Deliveries from Future Years

Scheme	Proposed Accelerated Delivery £000
Commercial Property Investment	300
Replacement of Coffin Charger	23
Chalkwell Hall Infants Insulation	25
Eastwood Primary Roof	50
Total Accelerated Deliveries	398

New External Funding

Scheme	Proposed External Funding £000	New
Highways Maintenance - Potholes		617
Chalkwell Infants Main Building Windows		1
Friars Fire Systems Replacement		1
Total New External Funding		619

New Budgets

Scheme	Proposed Budgets £000	New
Acquisition of leasehold property		160
Total New Budgets		160

Budgets Removed

Scheme	Proposed Budgets Removed £000
S106 Audley Court 0200874 Ful - CCTV	10
Total Budgets Removed	10

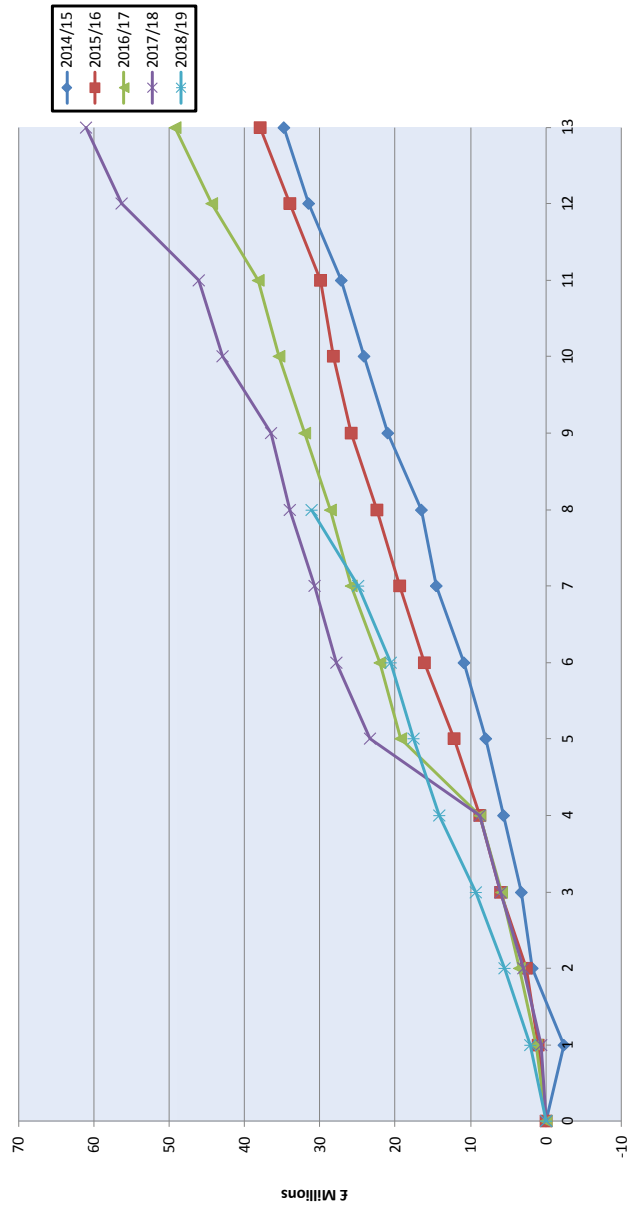
Summary of Capital Expenditure at 30th November 2018

Section 3

	Original Budget 2018/19 £000	Revisions £000	Revised Budget 2018/19 £000	Actual 2018/19 £000	Forecast outturn 2018/19 £000	Forecast Variance to Year End 2018/19 £000	% Variance
Finance and Resources	5,555	(4,859)	696	194	996	300	28%
Transformation	395	252	647	260	541	(106)	40%
People	25,591	(7,085)	18,506	11,454	16,099	(2,407)	62%
Place	52,031	(20,852)	31,179	14,801	30,986	(193)	47%
Housing Revenue Account	9,412	41	9,453	4,407	9,058	(395)	47%
	<u>92,984</u>	<u>(32,503)</u>	<u>60,481</u>	<u>31,116</u>	<u>57,680</u>	<u>(2,801)</u>	<u>51%</u>
Council Approved Original Budget - February 2018	92,984						
Finance and Resources amendments	(296)						
People amendments	(2,615)						
Place amendments	(12,851)						
HRA amendments	(1,772)						
Carry Forward requests from 2017/18	6,795						
Accelerated Delivery requests to 2017/18	(2,584)						
Budget re-profiles (June Cabinet)	(19,467)						
New external funding	287						
Council Approved Revised Budget - November 2018	<u>60,481</u>						
Actual compared to Revised Budget spent is £31.116M or 51%							

Section 4

Capital programme Delivery
Cumulative Capital Expenditure 2014/15 to 2018/19



Year	Outturn £m	Outturn %
2014/15	34.8	83.8
2015/16	37.9	97.0
2016/17	48.8	89.0
2017/18	61.0	95.0

1. Budget Performance and Financing by Department

Department	Revised Budget 2018/19 £'000	Outturn to 30 th November 2018/19 £'000	Expected outturn 2018/19 £'000	Latest Expected Variance to Revised Budget 2018/19 £'000	Previous Expected Variance to Revised Budget 2018/19 £'000
Finance & Resources	696	194	996	300	300
Transformation	647	260	541	(106)	-
People	18,506	11,454	16,099	(2,407)	(2,484)
Place	31,179	14,801	30,986	(193)	617
Housing Revenue Account (HRA)	9,453	4,407	9,058	(395)	-
Total	60,481	31,116	57,680	(2,801)	(1,567)

The capital programme is expected to be financed as follows:

Department	Council Budget £'000	Grant Budget £'000	Developer & Other Contributions £'000	Total Budget £'000
Finance & Resources	692	-	4	696
Transformation	647	-	-	647
People	3,558	14,380	568	18,506
Place	17,294	13,130	755	31,179
Housing Revenue Account (HRA)	9,082	-	371	9,453
Total	31,273	27,510	1,698	60,481
As a percentage of total budget	51.7%	45.5%	2.8%	

The funding mix for the total programme could change depending on how much grant and external contributions are received by the Council by the end of the year.

The grants and external contributions position to 30th November is as follows:

Department	Grant Budget £'000	Developer & Other Contributions Budget £'000	Total external funding budget £'000	External funding received £'000	External funding outstanding £'000
Finance & Resources	-	4	4	-	4
People	14,380	568	14,948	7,113	7,835
Place	13,130	755	13,885	8,886	4,999
Housing Revenue Account (HRA)	-	371	371	371	-
Total	27,510	1,698	29,208	16,370	12,838

2. Departmental Budget Performance

Finance and Resources

The revised capital budget for Finance and Resources is £0.696million. The budget is distributed across various scheme areas as follows:

Finance and Resources	Revised Budget 2018/19 £'000	Outturn to 30 th November 2018/19 £'000	Expected outturn 2018/19 £'000	Latest Forecast Variance to Year End 2018/19 £'000	Previous Forecast Variance to Year End 2018/19 £'000
Asset Management (Property)	604	194	904	300	300
Subtotal	604	194	904	300	300
Priority Works (see table)	92	-	92	-	-
Total	696	194	696	300	300

Priority Works	£'000
Budget available	600
Less budget allocated to agreed schemes	(508)
Remaining budget	92

Actual spend at 30th November stands at £0.194million. This represents 28% of the total available budget.

Transformation

The revised capital budget for Transformation is £0.647million. The budget is distributed across various scheme areas as follows:

Transformation	Revised Budget 2018/19 £'000	Outturn to 30 th November 2018/19 £'000	Expected outturn 2018/19 £'000	Latest Forecast Variance to Year End 2018/19 £'000	Previous Forecast Variance to Year End 2018/19 £'000
Transformation	493	250	493	-	-
Cemeteries & Crematorium	154	10	48	(106)	-
Total	647	260	541	(106)	-

Actual spend at 30th November stands at £0.260million. This represents 40% of the total available budget.

Department for People

The revised Department for People budget totals £18.506million.

Department for People	Revised Budget 2018/19	Outturn to 30 th November 2018/19	Expected outturn 2018/19	Latest Expected Variance to Year End 2018/19	Previous Expected Variance to Year End 2018/19
	£'000	£'000	£'000	£'000	£'000
Social Care	3,214	435	880	(2,334)	(2,334)
General Fund Housing	1,372	585	1,222	(150)	(150)
Housing S106 Agreements	568	-	568	-	-
Children & Learning Other Schemes	52	-	52	-	-
Condition Schemes	738	594	815	77	-
Devolved Formula Capital	125	125	125	-	-
Early Years	342	342	342	-	-
Secondary School Places	12,095	9,373	12,095	-	-
Total	18,506	11,454	16,099	(2,407)	(2,484)

Actual spend at 30th November stands at £11.454million. This represents 62% of the total available budget.

Department for Place

The revised capital budget for the Department for Place is £31.179million. This includes all changes approved at November Cabinet. The budget is distributed across various scheme areas as follows:

Department for Place	Revised Budget 2018/19 £'000	Outturn to 30 th November 2018/19 £'000	Expected outturn 2018/19 £'000	Latest Expected Variance to Year End 2018/19 £'000	Previous Expected Variance to Year End 2018/19 £'000
Culture – Leisure	242	87	242	-	-
Culture - Parks	556	302	556	-	-
Culture - Libraries	686	105	686	-	-
Culture - Theatres	537	184	537	-	-
Culture - Museums	1,219	900	1,219	-	-
Other Culture & Tourism	4,100	2,554	3,300	(800)	-
Culture S106 Agreements	331	94	331	-	-
ICT Programme	3,580	1,817	3,580	-	-
Airport Business Park	4,200	2,371	4,200	-	-
Better Queensway Regeneration	610	486	610	-	-
Incubation Centre	31	-	31	-	-
Southend Pier	3,158	845	3,158	-	-
Coastal Defence & Foreshore	607	118	607	-	-
Highways and Infrastructure	2,980	1,328	3,597	617	617
Highways S106 Agreements	169	8	169	-	-
Parking Management	450	149	450	-	-
Section 38, 278 & 78 / CIL	66	112	66	-	-
Local Transport Plan	3,350	818	3,350	-	-
Local Growth Fund	2,848	2,273	2,848	-	-
Community Safety	233	20	233	-	-
Community Safety S106	11	-	1	(10)	-
Transport	501	130	501	-	-
Energy Saving Projects	714	100	714	-	-
Total	31,179	14,801	30,986	(193)	617

Actual spend at 30th November stands at £14.801million. This represents 47% of the total available budget.

Housing Revenue Account

The revised budget for the Housing Revenue Account capital programme for 2018/19 is £9.453million. The latest budget and spend position is as follows:

Housing Revenue Account	Revised Budget 2018/19 £'000	Outturn to 30 th November 2018/19 £'000	Expected outturn 2018/19 £'000	Latest Expected Variance to Year End 2018/19 £'000	Previous Expected Variance to Year End 2018/19 £'000
Decent Homes Programme	6,784	2,509	6,229	(555)	-
Council House Adaptations	884	257	884	-	-
Other HRA	1,785	1,641	1,945	160	-
Total	9,453	4,407	9,058	(395)	-

The actual spend at 30th November of £4.407million represents 47% of the HRA capital budget.

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MONTHLY PERFORMANCE REPORT

November 2018

Contents







Section 1 Pages 1 - 7	2018-19 Exceptions – Current Month’s Performance Current Month’s performance information for indicators rated Red or Amber and highlighted Green indicators with commentary.
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Section 3 Pages 12 - 21	Detail of Indicators Rated Red or Amber Performance detail for indicators rated Red or Amber
Section 4 Pages 22 - 26	Partnership Indicators Health Wellbeing Indicators Local Economy Indicators Community Safety Indicators

Version: **V1.0**

Published by the Policy, Engagement & Communication Team

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Key to Columns and symbols used in report

Column Heading	Description
Minimise or Maximise	Indicates whether higher or lower number is better: Minimise = lower is better, maximise = higher is better
Latest Month	The latest month for which performance information is available
Month's Value	Performance to date for the latest month
Month's Target	Target to date for the latest month
Annual Target 2018/19	Annual target for 2018/19
<u>Outcome</u>	<p>Symbol based on a traffic light system; Red, Amber, Green indicating whether an indicator's performance is on track to achieve the annual target. Symbols used and their meaning are:</p> <p> = at risk of missing target</p> <p> = some slippage against target, but still expected to meet year-end target (31/03/2019)</p> <p> = on course to achieve target</p>
Comment	Commentary for indicators not on track providing reasons for low performance and identifying initiatives planned to bring performance back on track
Better or worse than last year	<p>Symbol indicating whether performance for the Latest Month is better or worse than the same month in the previous year. Symbols and their meanings are:</p> <p> = Latest Month's performance is better than the same month last year</p> <p> = Latest Month's performance is worse than the same month last year</p> <p> = Data not available for current or previous year</p>

Version: **V1.0**

Published by the Policy, Engagement & Communication Team

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Section 1: 2018-2019 Exceptions - Current Month Performance

Comments on Indicators rated Red or Amber

Generated on: 07 January 2019 10:22



Expected Outcome At risk of missing target
Responsible OUs Department for People

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
467 1.2	Rate of Looked After Children per 10,000 population under the age of 18. [Monthly Snapshot]	Goldilocks	November 2018	74.65	57 - 67	57 - 67			The rate of children looked after remains above target This is a demand measurement and the key question is whether the right children are brought into care. Other than children who need to become looked after in an emergency, the decision for a child to become looked after is made by the Placement Panel to ensure that all other options are considered before care is agreed. The Panel process has prevented the numbers escalating and, where safely, put other measures in place to support the family. Planned work around reunification should ensure that children do not remain in care for longer than necessary.	People Scrutiny
CP 1.4	Percentage of children who have been LAC for at least 5 working days, who have had a visit in the 6 weeks (30 working days), prior to the last day of the month.[Monthly Snapshot]	Aim to Maximise	November 2018	87%	95%	95%			This is missing target and this is still a real focussed work with staff and managers. There has been particular demands and staffing issues in one team and whilst these issues are being addressed, this has not yet impacted on performance. This is reported on a weekly basis and assurance is given that children are being appropriately safeguarded.	People Scrutiny
CP 3.2	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services. (ASCOF 2B(1)) [Rolling Quarter]	Aim to Maximise	November 2018	74%	88.7%	88.7%			The adoption of the fully inclusive "Home First" approach across the whole of the social care system means that our reablement services are offered to as wide a cohort of clients as possible. Inherently, this will impact on the number of clients who are deemed to be successful in their reablement as defined by the Adult Social Care Outcomes Framework (ASCOF) definition. This strategy will cause variability in the performance of this indicator on a month to month basis depending on the	People Scrutiny



MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
									make-up of the cohort. The fluctuation in performance is attributed to the high level of acuity of adults being discharged from hospital and those being referred for care and support. The current prediction is that this trend will continue over the coming months with the onset of winter pressures.	
CP 3.10	Percentage of Initial Child Protection Conferences that took place with 15 working days of the initial strategy discussion. [Cumulative YTD]	Aim to Maximise	November 2018	72.9%	90%	90%			In Nov-18 90% of ICPC were held within timescale (nine out of 10). We are now more consistently meeting target in this area and where conferences are delayed we are clear as to the reason to ensure that the delay is a child focused decision. The percentage since Apr-18 is consistently rising month on month and the average length between Apr-18 and Nov-18 was 16.6 days.	People Scrutiny

Expected Outcome At risk of missing target
Responsible OUs Strategic Services



MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
468 CP 5.4	Working days lost per FTE due to sickness - excluding school staff [Cumulative YTD]	Aim to Minimise	November 2018	4.89	4.27	7.20			Absence levels year to date is running at 4.89 average days lost compared to a target of 4.27 days. Apart from one month the department's sickness absence levels are running higher every month than the actual targets. HR is currently out to tender for an Occupational health provider and are undertaking a review of the sickness absence policy. HR is also continuing to provide advice and training on managing sickness absence.	Policy & Resources Scrutiny
CP 5.5	Increase the number of people signed up to MySouthend to 45,000 [Cumulative YTD]	Aim to Maximise	November 2018	31,718	41,666	45,000			Registrations show a 7% increase on last month. Registrations remain steady, a communications campaign is being launched before Christmas to encourage further take up.	Policy & Resources Scrutiny



Expected Outcome Some slippage against target
Responsible OUs Department for People

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
CP 1.1	Rate of children subject to a Child Protection Plan per	Goldilocks	November 2018	35.79	38 - 48	38 - 48			We are now at target. This relates to 140 children. However this is only a measure of	People Scrutiny

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
	10,000 population under the age of 18. [Monthly Snapshot]								demand in the system and the key question is whether the correct children are made subject to child protection plans. We assure ourselves through a number of quality assurance mechanisms; including audit and senior management oversight (eg. the Principal Reviewing Officer reviews all requests for initial child protection conferences).	
CP 3.4	The proportion of people who use services who receive direct payments (ASCOF 1C (2A)) [YTD Snapshot]	Aim to Maximise	November 2018	32.7%	33%	33%			This indicator continues to be above the national benchmark and we are confident that we will be able to meet the target. The social work teams continue to promote direct payments as a real choice for adults to take control of how their care is personalised to meet their needs. This is promoted through the commissioning of Vibrance to support adults to employ their own care and support and the increase in our approved list of spot providers.	People Scrutiny







Expected Outcome Some slippage against target
Responsible OUs Strategic Services







MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
CP 4.3	% of Council Tax for 2018/19 collected in year [Cumulative YTD]	Aim to Maximise	November 2018	69.80%	69.90%	97.50%			he collection rate for Council Tax as at the 30th November 2018 is 69.8%, which is 0.1% below the target for this financial year. In financial terms a total of £4m in additional tax has been collected in the year to date compared to 2017/2018. We continue to have a large number of cases for court proceedings as council tax payers have fallen behind with their payments. Both enforcement agents continue with very similar acceptable levels of collection. We continue to work with the support sector to support our most needy residents, working with these people to agree payment plans or support with applications for hardship relief or benefit claims. We also continue to work with our commercial partners using new initiatives to pursue persistent defaulters where other methods have failed through Bankruptcy and Committal court action.	Policy & Resources Scrutiny

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
CP 4.4	% of Non-Domestic Rates for 2018/19 collected in year [Cumulative YTD]	Aim to Maximise	November 2018	70.70%	71.10%	98.30%			The collection rate for Business Rates for the period ending the 30th November is 70.7%, which is 0.4% down on the monthly target profile. We continue to review the small business rates relief awards, some of these awards have been reviewed and withdrawn at they no longer appropriate. This in turn has slightly increased the figure to collect and created a slight slip in achieving the profile target for this month. The 0.4% shortfall in target equates to £208,000. We are still chasing several large outstanding accounts for both current year and previous years arrears where we are seeking professional legal advice. Work is also continuing around the review of Charities and their status.	Policy & Resources Scrutiny

Expected Outcome: Indicators on course to achieve target (Greens)

Expected Outcome On course to achieve target
Responsible OUs Department for People

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
CP 1.5	Percentage of children who have had their Child Protection Plan for at least 20 working days and who have had a visit in the 20 working days prior to the last day of the month [Monthly Snapshot]	Aim to Maximise	November 2018	96.9%	95%	95%			This is above target. Visit rates have slightly improved since last month. This continues to be an area of focus and is monitored on a weekly basis and managers provide reassurance that all children not visited in timescales are appropriately safeguarded.	People Scrutiny
CP 3.5	Proportion of adults with a learning disability in paid employment. (ASCOF 1E) [Monthly Snapshot]	Aim to Maximise	November 2018	10.1%	10%	10%			The current data continues to evidence the sustained focus by the Community Learning Disabilities Team, in collaboration with the LD employment team, for 10% of individuals with a Learning Disability accessing long term support are in paid employment. This figure continues to be above the national benchmark.	People Scrutiny
CP 3.13	Delayed transfers of care from hospital (DToC Beds), and those which are attributable to adult social	Aim to Minimise	November 2018	0.5	1.81	1.81			Delayed transfers of care from the acute and non-acute settings for social care continues to be a high priority. Sustained performance is achieved from a strong system leadership	People Scrutiny

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
	care per 100,000 population [ASCOF(2C2) SOCIAL CARE ONLY][Cumulative YTD]								approach through the reintroduction of the Urgent Care Operations Group. Joint initiatives have been agreed with partner agencies to be trailed and will be on-going throughout the winter months and will support the continued development of the local winter pressures planning. Nationally released DTOC data for Nov-18 by LG Inform continues to place Southend Borough Council within the top quartile of all English single-tier and county councils.	
4.7 4.8	Current Rent Arrears as % of rent due [Monthly Snapshot]	Aim to Minimise	November 2018	1.75%	1.77%	1.77%			This indicator represents the current arrears as a percentage of the total rent collectable for the year. I am pleased to report that we are just within the target this month, which has been as a result of the combined efforts of the frontline teams working together to tackle rent arrears at an early stage, and to support tenants in sustaining their tenancies. However as mentioned last month we are continuing to see an increase in both the numbers of Universal Credit (UC) claims, together with an increase in the level of arrears, and there is no indication that the number of cases will reduce. Based on the current trends we have forecast that the current arrears as a percentage of collectable debit is likely to increase to circa 2% by the end of this financial year. These forecasts are based on the current information available, and do not take into account any future changes that the DWP may introduce, or indeed the final transition of the residual Housing benefit cases over to UC.	Policy and Resources Scrutiny
CP 4.9	Percentage of children in good or outstanding schools. [Monthly Snapshot]	Aim to Maximise	November 2018	85.8%	82.5%	82.5%			The latest inspection published for Nov-18 saw Porters Grange Primary School moving from Inadequate to Good.	People Scrutiny
CP 4.10	Rate of households in temporary accommodation per 1,000 households [Cumulative YTD]	Aim to Minimise	November 2018	2.03	3.19	3.19			There continues to be pressure in this area with 160 households at the end of the month in TA which is up from 140 in Mar-18. Work continues to improve access to private sector rented property to ease pressures in the systems. More broadly, through the implementation of the newly adopted <i>Housing, Homelessness and Rough Sleeping Strategy 2018-2028</i> , supply of locally affordable housing is being driven corporately, along with continued attention to the delivery of high quality and accessible Homelessness reduction Act aligned Community Housing services. The	Policy and Resources Scrutiny



MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
									<p>rate of households in temporary accommodation remains significantly below the England average and that of the East of England.</p> <p>Data on the rate of households in temporary accommodation is published at quarterly intervals and not in line with MPR timescales. The information showing may not always reflect the latest figure therefore.</p>	

Expected Outcome On course to achieve target
Responsible OUs Department for People; Public Health

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
CP 3.7	PHRD Public Health Responsibility Deal [Cumulative YTD]	Aim to Maximise	November 2018	31	26	40			Working in conjunction with economic development & Southend Business Partners to develop Southend Borough Council's offer to businesses.	People Scrutiny
472 CP 3.9	Take up of the NHS Health Check programme - by those eligible [Cumulative YTD]	Aim to Maximise	November 2018	3,791	3,664	5,740			<p>Targets for invites through GPs are being exceeded, and Health Check invites and delivery are now both above target after month-on-month improvement which is a tremendous achievement from our GP partners and our Public Health, NHS Health check team.</p> <p>68.9% of expected Health Checks for the year have been completed (target is 66.6%). ACE delivery has improved on previous months.</p>	People Scrutiny

Expected Outcome On course to achieve target
Responsible OUs Department for Place

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
CP 2.2	% acceptable standard of cleanliness: litter [Cumulative YTD]	Aim to Maximise	November 2018	94%	94%	94%			The set target is an exceptionally high cleansing target and achieving it will depict a very high level of overall cleansing performance across the borough. November's returns are very encouraging and Veolia are confident in meeting the end of year target.	Place Scrutiny

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Comment - explanation of current performance, actions to improve performance and anticipated future performance	Scrutiny Committee
CP 2.4	Number of reported missed collections - per year value [Cumulative YTD]	Aim to Minimise	November 2018	5,317	5,328	8,000			The month value of 468 missed collections represents a 0.03% missed rate against 1,476,795 collections per month. The missed collection target is back on track as was previously highlighted. Veolia management will be tracked closely to ensure that the end of year target will be met.	Place Scrutiny

Section 2: 2018- 2019 Corporate Performance Indicators

Information for all 2013-2014 Corporate Priority Indicators

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Performance Data Expected Outcome: At risk of missing target 6 On course to achieve target 18 Some slippage against target 4 No Value 1

Aim: SAFE: Priorities • Create a safe environment across the town for residents, workers and visitors. • Work in partnership with Essex Police and other agencies to tackle crime. • Look after and safeguard our children and vulnerable adults.

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Managed By	Scrutiny Committee
CP 1.1	Rate of children subject to a Child Protection Plan per 10,000 population under the age of 18. [Monthly Snapshot]	Goldilocks	November 2018	35.79	38 - 48	38 - 48			John O'Loughlin	People Scrutiny
CP 1.2	Rate of Looked After Children per 10,000 population under the age of 18. [Monthly Snapshot]	Goldilocks	November 2018	74.65	57 - 67	57 - 67			John O'Loughlin	People Scrutiny
474 CP 1.4	Percentage of children who have been LAC for at least 5 working days, who have had a visit in the 6 weeks (30 working days), prior to the last day of the month. [Monthly Snapshot]	Aim to Maximise	November 2018	87%	95%	95%			John O'Loughlin	People Scrutiny
CP 1.5	Percentage of children who have had their Child Protection Plan for at least 20 working days and who have had a visit in the 20 working days prior to the last day of the month [Monthly Snapshot]	Aim to Maximise	November 2018	96.9%	95%	95%			John O'Loughlin	People Scrutiny

Aim: CLEAN: Priorities • Continue to promote the use of green technology and initiatives to benefit the local economy and environment. • Encourage and enforce high standards of environmental stewardship.

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Managed By	Scrutiny Committee
CP 2.2	% acceptable standard of cleanliness: litter [Cumulative YTD]	Aim to Maximise	November 2018	94%	94%	94%			Carl Robinson	Place Scrutiny
CP 2.3	Percentage of household waste sent for reuse, recycling and composting [Cumulative YTD]	Aim to Maximise	June 2018	51.60%	- 8	46.38%		-	Carl Robinson	Place Scrutiny

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Managed By	Scrutiny Committee
CP 2.4	Number of reported missed collections - per year value [Cumulative YTD]	Aim to Minimise	November 2018	5,317	5,328	8,000			Carl Robinson	Place Scrutiny

Aim: HEALTHY: Priorities • Actively promote healthy and active lifestyles for all. • Work with the public and private rented sectors to provide good quality housing. • Improve the life chances of our residents, especially our vulnerable children & adults, by working to reduce inequalities and social deprivation across our communities.









MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Managed By	Scrutiny Committee
CP 3.1	Proportion of adults in contact with secondary mental health services who live independently with or without support. (ASCOF 1H) [Monthly Snapshot]	Aim to Maximise	November 2018	TBC	74%	74%	-	-	Sharon Houlden	People Scrutiny
CP 3.2	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services. (ASCOF 2B(1)) [Rolling Quarter]	Aim to Maximise	November 2018	74%	88.7%	88.7%			Sharon Houlden	People Scrutiny
CP 3.4	The proportion of people who use services who receive direct payments (ASCOF 1C (2A)) [YTD Snapshot]	Aim to Maximise	November 2018	32.7%	33%	33%			Sharon Houlden	People Scrutiny
CP 3.5	Proportion of adults with a learning disability in paid employment. (ASCOF 1E) [Monthly Snapshot]	Aim to Maximise	November 2018	10.1%	10%	10%			Sharon Houlden	People Scrutiny
CP 3.6	Participation and attendance at council owned / affiliated cultural and sporting activities and events and visits to the Pier [Cumulative YTD]	Aim to Maximise	November 2018	3,028,788	2,933,333	4,400,000			Scott Dolling	Place Scrutiny
CP 3.7	PHRD Public Health Responsibility Deal [Cumulative YTD]	Aim to Maximise	November 2018	31	26	40			Krishna Ramkhelawon	People Scrutiny
CP 3.9	Take up of the NHS Health Check programme - by those eligible [Cumulative YTD]	Aim to Maximise	November 2018	3,791	3,664	5,740			Krishna Ramkhelawon	People Scrutiny
CP 3.10	Percentage of Initial Child Protection Conferences that took place with 15 working days of the initial strategy discussion. [Cumulative YTD]	Aim to Maximise	November 2018	72.9%	90%	90%			John O'Loughlin	People Scrutiny

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Managed By	Scrutiny Committee
CP 3.11	Smoking Cessation (quits) - Number of people successfully completing 4-week stop smoking course [Cumulative YTD]	Aim to Maximise	November 2018	505	482	771	✔	↑	Ian Diley	People Scrutiny
CP 3.13	Delayed transfers of care from hospital (DToC Beds), and those which are attributable to adult social care per 100,000 population [ASCOF(2C2) SOCIAL CARE ONLY][Cumulative YTD]	Aim to Minimise	November 2018	0.5	1.81	1.81	✔	↑	Sharon Houlden	People Scrutiny

Aim: PROSPEROUS: Priorities • Maximise opportunities to enable the planning and development of quality, affordable housing. • Ensure residents have access to high quality education to enable them to be lifelong learners & have fulfilling employment. • Ensure the town is 'open for businesses' and that new, developing and existing enterprise is nurtured and supported • Ensured continued regeneration of the town through a culture led agenda.

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Managed By	Scrutiny Committee
CP 4.3	% of Council Tax for 2018/19 collected in year [Cumulative YTD]	Aim to Maximise	November 2018	69.80%	69.90%	97.50%	⚠	↓	Joe Chesterton	Policy & Resources Scrutiny
4.3 4.4	% of Non-Domestic Rates for 2018/19 collected in year [Cumulative YTD]	Aim to Maximise	November 2018	70.70%	71.10%	98.30%	⚠	↓	Joe Chesterton	Policy & Resources Scrutiny
CP 4.5	Major planning applications determined in 13 weeks [Cumulative YTD]	Aim to Maximise	November 2018	100.00%	79.00%	79.00%	✔	▬	Peter Geraghty	Place Scrutiny
CP 4.6	Minor planning applications determined in 8 weeks [Cumulative YTD]	Aim to Maximise	November 2018	98.64%	84.00%	84.00%	✔	↑	Peter Geraghty	Place Scrutiny
CP 4.7	Other planning applications determined in 8 weeks [Cumulative YTD]	Aim to Maximise	November 2018	98.55%	90.00%	90.00%	✔	↑	Peter Geraghty	Place Scrutiny
CP 4.8	Current Rent Arrears as % of rent due [Monthly Snapshot]	Aim to Minimise	November 2018	1.75%	1.77%	1.77%	✔	↓	Sharon Houlden	Policy and Resources Scrutiny
CP 4.9	Percentage of children in good or outstanding schools. [Monthly Snapshot]	Aim to Maximise	November 2018	85.8%	82.5%	82.5%	✔	↑	Brin Martin	People Scrutiny
CP 4.10	Rate of households in temporary accommodation per 1,000 households [Cumulative YTD]	Aim to Minimise	November 2018	2.03	3.19	3.19	✔	↓	Sharon Houlden	Policy and Resources Scrutiny

Aim: EXCELLENT: Priorities • Work with & listen to our communities & partners to achieve better outcomes for all • Enable communities to be self-sufficient & foster pride in the town • Promote & lead an entrepreneurial, creative & innovative approach to the development of our town.

MPR Code	Short Name	Minimise or Maximise	Latest Month	Month's Value	Month's Target	Annual Target 2018/19	Expected Outcome	Better or worse than last year	Managed By	Scrutiny Committee
CP 5.1	Number of hours delivered through volunteering within Culture, Tourism and Property, including Pier and Foreshore and Events. [Cumulative YTD]	Aim to Maximise	November 2018	13,759	13,000	19,500			Scott Dolling	Place Scrutiny
CP 5.4	Working days lost per FTE due to sickness - excluding school staff [Cumulative YTD]	Aim to Minimise	November 2018	4.89	4.27	7.20			Joanna Ruffle	Policy & Resources Scrutiny
CP 5.5	Increase the number of people signed up to MySouthend to 45,000 [Cumulative YTD]	Aim to Maximise	November 2018	31,718	41,666	45,000			Joanna Ruffle	Policy & Resources Scrutiny
CP 5.6	Percentage of new Education Health and Care (EHC) plans issued within 20 weeks including exception cases. [Cumulative YTD]	Aim to Maximise	November 2018	95.2%	95%	95%			Brin Martin	People Scrutiny

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Section 3: Detail of indicators rated Red or Amber

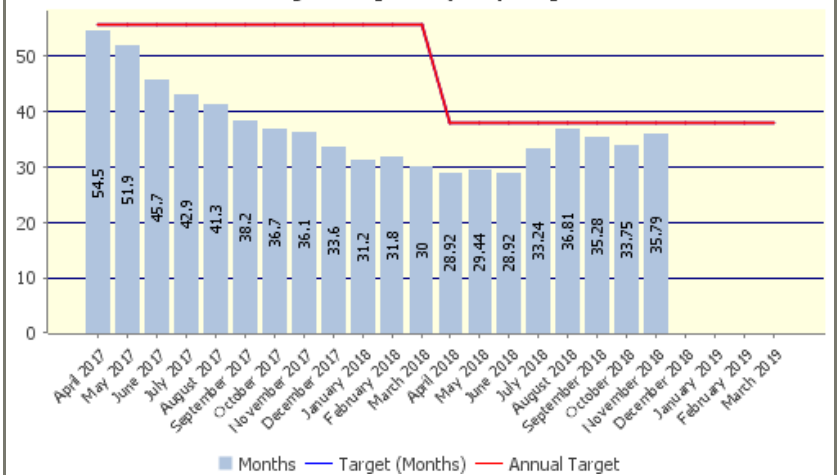
Aim: SAFE: Priorities • Create a safe environment across the town for residents, workers and visitors. • Work in partnership with Essex Police and other agencies to tackle crime. • Look after and safeguard our children and vulnerable adults.

Expected Outcome: At risk of missing target 2 Some slippage against target 1

CP 1.1	Rate of children subject to a Child Protection Plan per 10,000 population under the age of 18. [Monthly Snapshot]			<p>November 2018 result</p> <p>34.3 28 0 35.79 48 80 41.7</p>
Expected Outcome		Format	Goldilocks	
Managed By	John O'Loughlin			
Year Introduced	2014			

Date Range 1		
	Value	Target
April 2017	54.5	50.4 - 55.7
May 2017	51.9	50.4 - 55.7
June 2017	45.7	50.4 - 55.7
July 2017	42.9	50.4 - 55.7
August 2017	41.3	50.4 - 55.7
September 2017	38.2	50.4 - 55.7
October 2017	36.7	50.4 - 55.7
November 2017	36.1	50.4 - 55.7
December 2017	33.6	50.4 - 55.7
January 2018	31.2	50.4 - 55.7
February 2018	31.8	50.4 - 55.7
March 2018	30	50.4 - 55.7
April 2018	28.92	38 - 48
May 2018	29.44	38 - 48
June 2018	28.92	38 - 48
July 2018	33.24	38 - 48
August 2018	36.81	38 - 48
September 2018	35.28	38 - 48
October 2018	33.75	38 - 48
November 2018	35.79	38 - 48

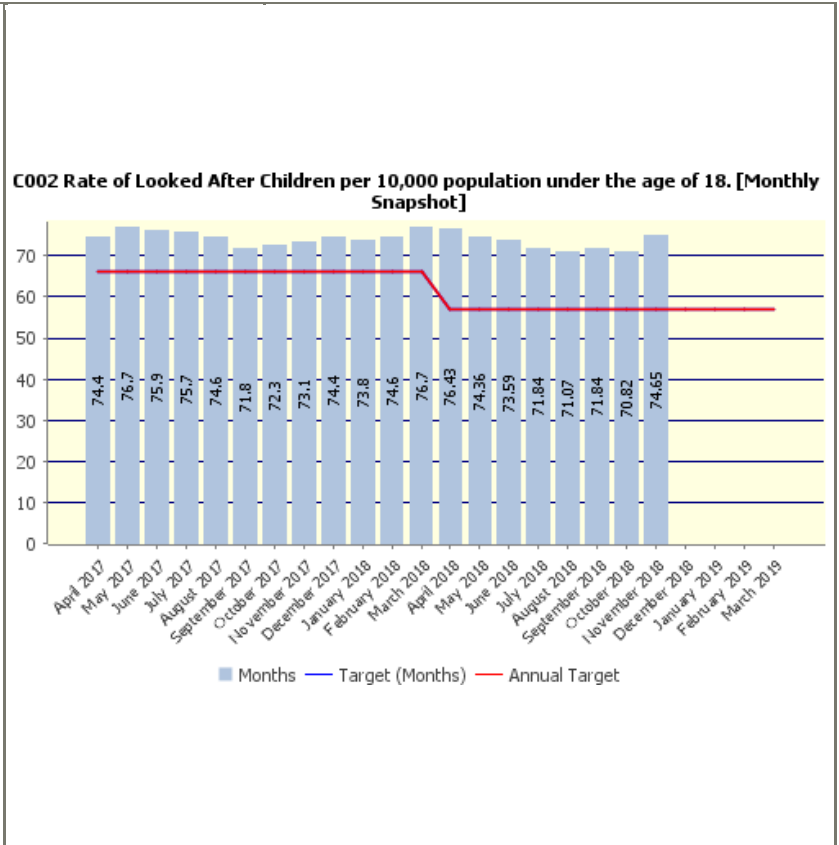
CO01 Rate of children subject to a Child Protection Plan per 10,000 population under the age of 18. [Monthly Snapshot]



We are now at target. This relates to 140 children. However this is only a measure of demand in the system and the key question is whether the correct children are made subject to child protection plans. We assure ourselves through a number of quality assurance mechanisms; including audit and senior management oversight (e.g. the Principal Reviewing Officer reviews all requests for initial child protection conferences).


CP 1.2	Rate of Looked After Children per 10,000 population under the age of 18. [Monthly Snapshot]			<p style="text-align: center;">November 2018 result</p>
Expected Outcome		Format	Goldilocks	
Managed By	John O'Loughlin			
Year Introduced	2014			

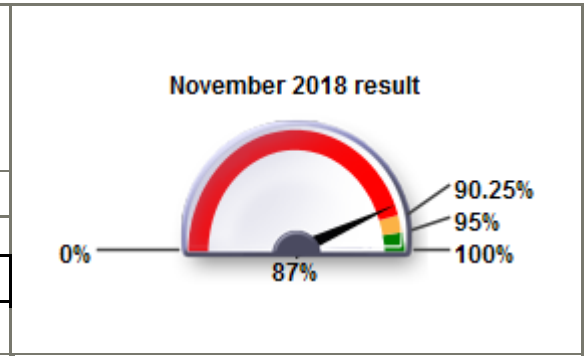
Date Range 1		
	Value	Target
April 2017	74.4	66
May 2017	76.7	66
June 2017	75.9	66
July 2017	75.7	66
August 2017	74.6	66
September 2017	71.8	66
October 2017	72.3	66
November 2017	73.1	66
December 2017	74.4	66
January 2018	73.8	66
February 2018	74.6	66
March 2018	76.7	66
April 2018	76.43	57 - 67
May 2018	74.36	57 - 67
June 2018	73.59	57 - 67
July 2018	71.84	57 - 67
August 2018	71.07	57 - 67
September 2018	71.84	57 - 67
October 2018	70.82	57 - 67
November 2018	74.65	57 - 67



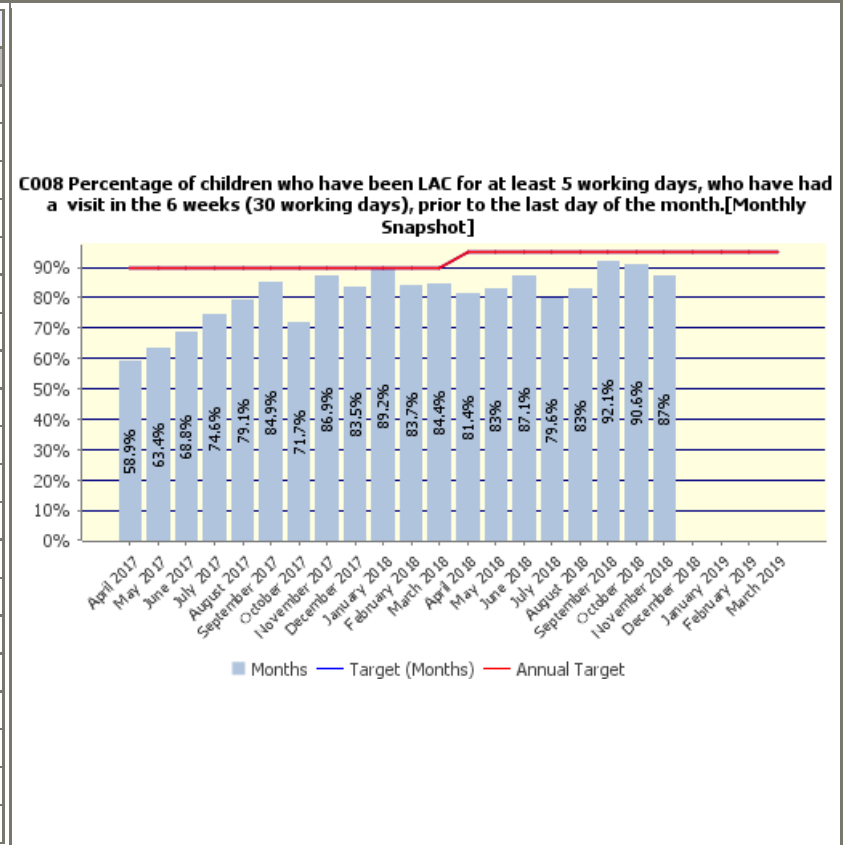
The rate of children looked after remains above target

This is a demand measurement and the key question is whether the right children are brought into care. Other than children who need to become looked after in an emergency, the decision for a child to become looked after is made by the Placement Panel to ensure that all other options are considered before care is agreed. The Panel process has prevented the numbers escalating and, where safely, put other measures in place to support the family. Planned work around reunification should ensure that children do not remain in care for longer than necessary.

CP 1.4	Percentage of children who have been LAC for at least 5 working days, who have had a visit in the 6 weeks (30 working days), prior to the last day of the month.[Monthly Snapshot]		
Expected Outcome		Format	Aim to Maximise
Managed By	John O'Loughlin		
Year Introduced	2017		




Date Range 1		
	Value	Target
April 2017	58.9%	90%
May 2017	63.4%	90%
June 2017	68.8%	90%
July 2017	74.6%	90%
August 2017	79.1%	90%
September 2017	84.9%	90%
October 2017	71.7%	90%
November 2017	86.9%	90%
December 2017	83.5%	90%
January 2018	89.2%	90%
February 2018	83.7%	90%
March 2018	84.4%	90%
April 2018	81.4%	95%
May 2018	83%	95%
June 2018	87.1%	95%
July 2018	79.6%	95%
August 2018	83%	95%
September 2018	92.1%	95%
October 2018	90.6%	95%
November 2018	87%	95%

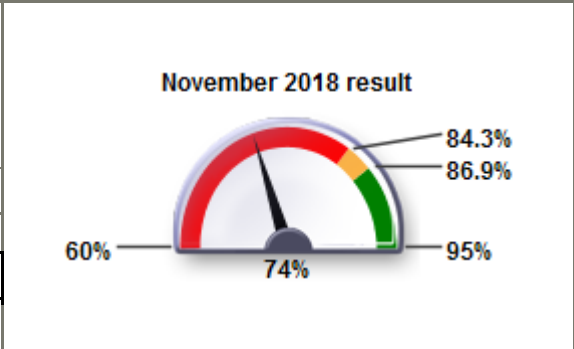


This is missing target and this is still a real focussed work with staff and managers. There has been particular demands and staffing issues in one team and whilst these issues are being addressed, this has not yet impacted on performance. This is reported on a weekly basis and assurance is given that children are being appropriately safeguarded.

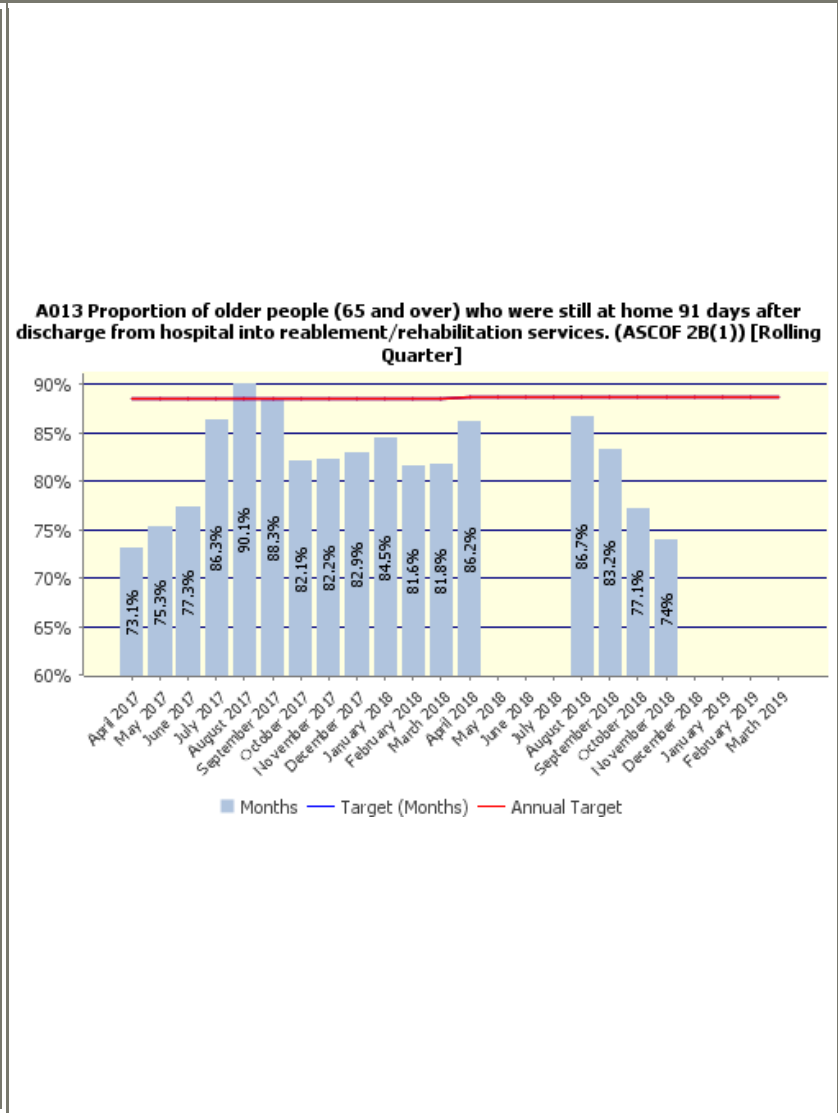
Aim: HEALTHY: Priorities • Actively promote healthy and active lifestyles for all. • Work with the public and private rented sectors to provide good quality housing • Improve the life chances of our residents, especially our vulnerable children & adults, by working to reduce inequalities and social deprivation across our communities.

Expected Outcome: At risk of missing target 2 Some slippage against target 1


CP 3.2	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services. (ASCOF 2B(1)) [Rolling Quarter]		
Expected Outcome		Format	Aim to Maximise
Managed By	Sharon Houlden		
Year Introduced	2012		

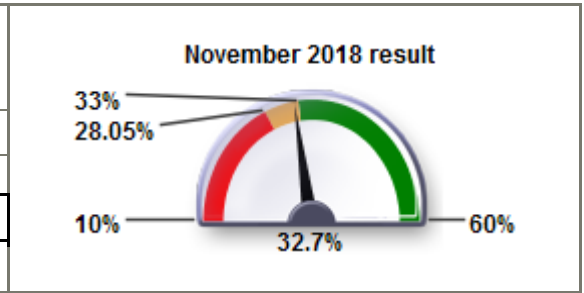


Date Range 1		
	Value	Target
April 2017	73.1%	88.6%
May 2017	75.3%	88.6%
June 2017	77.3%	88.6%
Q1 2017/18		
July 2017	86.3%	88.6%
August 2017	90.1%	88.6%
September 2017	88.3%	88.6%
Q2 2017/18		
October 2017	82.1%	88.6%
November 2017	82.2%	88.6%
December 2017	82.9%	88.6%
Q3 2017/18		
January 2018	84.5%	88.6%
February 2018	81.6%	88.6%
March 2018	81.8%	88.6%
Q4 2017/18		
April 2018	86.2%	88.7%
May 2018		88.7%
June 2018		88.7%
Q1 2018/19		
July 2018		88.7%
August 2018	86.7%	88.7%
September 2018	83.2%	88.7%
Q2 2018/19		
October 2018	77.1%	88.7%
November 2018	74%	88.7%
December 2018		88.7%

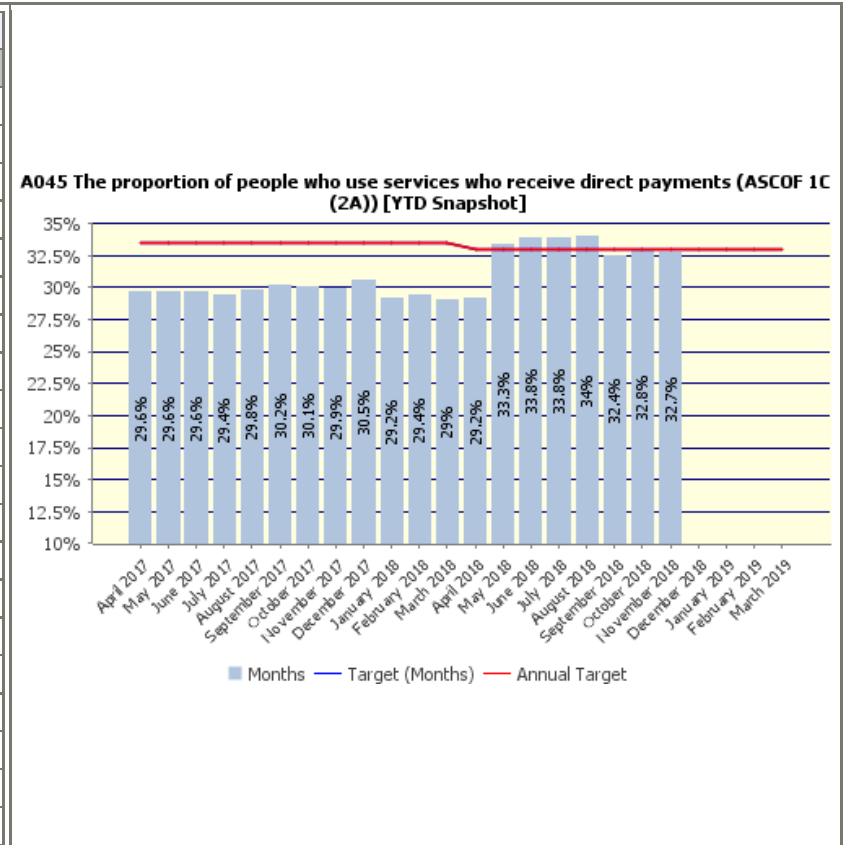


The adoption of the fully inclusive "Home First" approach across the whole of the social care system means that our reablement services are offered to as wide a cohort of clients as possible. Inherently, this will impact on the number of clients who are deemed to be successful in their reablement as defined by the Adult Social Care Outcomes Framework (ASCOF) definition. This strategy will cause variability in the performance of this indicator on a month to month basis depending on the make-up of the cohort. The fluctuation in performance is attributed to the high level of acuity of adults being discharged from hospital and those being referred for care and support. The current prediction is that this trend will continue over the coming months with the onset of winter pressures.

CP 3.4	The proportion of people who use services who receive direct payments (ASCOF 1C (2A)) [YTD Snapshot]		
Expected Outcome		Format	Aim to Maximise
Managed By	Sharon Houlden		
Year Introduced	2015		



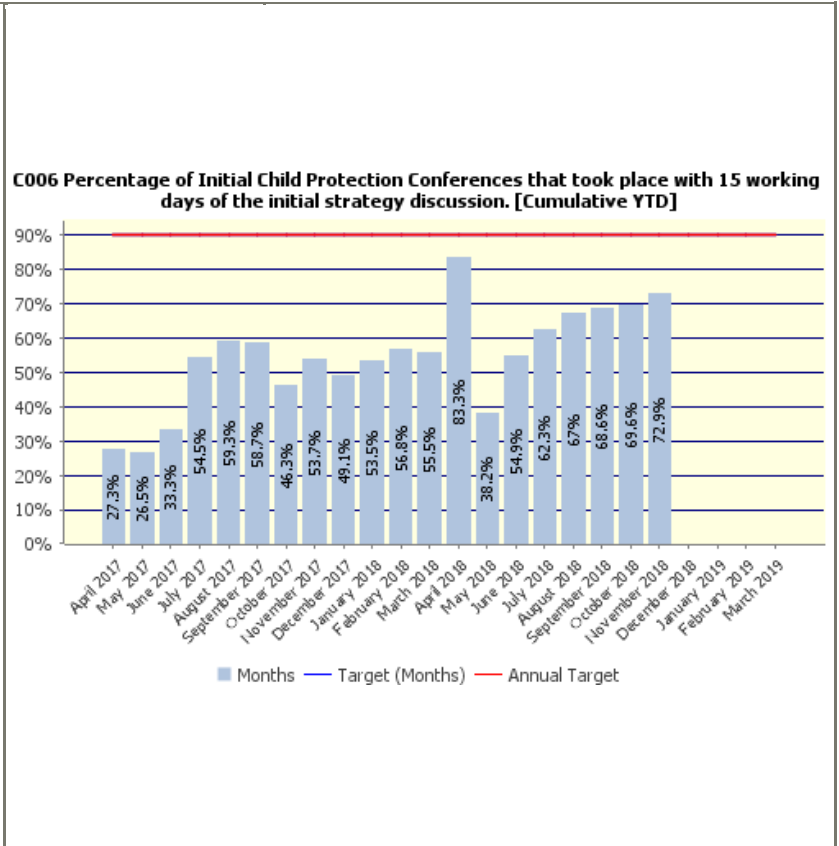
Date Range 1		
	Value	Target
April 2017	29.6%	33.5%
May 2017	29.6%	33.5%
June 2017	29.6%	33.5%
July 2017	29.4%	33.5%
August 2017	29.8%	33.5%
September 2017	30.2%	33.5%
October 2017	30.1%	33.5%
November 2017	29.9%	33.5%
December 2017	30.5%	33.5%
January 2018	29.2%	33.5%
February 2018	29.4%	33.5%
March 2018	29%	33.5%
April 2018	29.2%	33%
May 2018	33.3%	33%
June 2018	33.8%	33%
July 2018	33.8%	33%
August 2018	34%	33%
September 2018	32.4%	33%
October 2018	32.8%	33%
November 2018	32.7%	33%



This indicator continues to be above the national benchmark and we are confident that we will be able to meet the target. The social work teams continue to promote direct payments as a real choice for adults to take control of how their care is personalised to meet their needs. This is promoted through the commissioning of Vibrance to support adults to employ their own care and support and the increase in our approved list of spot providers.

CP 3.10	Percentage of Initial Child Protection Conferences that took place with 15 working days of the initial strategy discussion. [Cumulative YTD]		<p style="text-align: center;">November 2018 result</p>	
Expected Outcome		Format		
Managed By	John O'Loughlin			
Year Introduced	2017			

Date Range 1		
	Value	Target
April 2017	27.3%	90%
May 2017	26.5%	90%
June 2017	33.3%	90%
July 2017	54.5%	90%
August 2017	59.3%	90%
September 2017	58.7%	90%
October 2017	46.3%	90%
November 2017	53.7%	90%
December 2017	49.1%	90%
January 2018	53.5%	90%
February 2018	56.8%	90%
March 2018	55.5%	90%
April 2018	83.3%	90%
May 2018	38.2%	90%
June 2018	54.9%	90%
July 2018	62.3%	90%
August 2018	67%	90%
September 2018	68.6%	90%
October 2018	69.6%	90%
November 2018	72.9%	90%



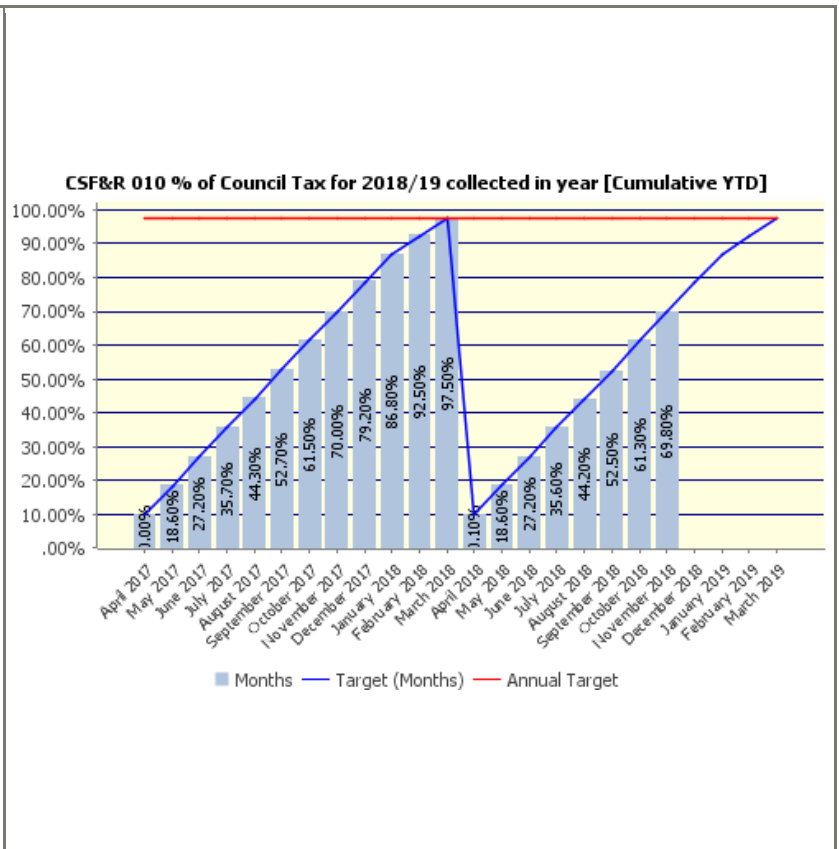
In Nov-18 90% of ICPC were held within timescale (nine out of 10). We are now more consistently meeting target in this area and where conferences are delayed we are clear as to the reason to ensure that the delay is a child focused decision. The percentage since Apr-18 is consistently rising month on month and the average length between Apr-18 and Nov-18 was 16.6 days.

Aim: PROSPEROUS: Priorities • Maximise opportunities to enable the planning and development of quality, affordable housing. • Ensure residents have access to high quality education to enable them to be lifelong learners & have fulfilling employment. • Ensure the town is 'open for businesses' and that new, developing and existing enterprise is nurtured and supported • Ensured continued regeneration of the town through a culture led agenda.

Expected Outcome: Some slippage against target 2

CP 4.3	% of Council Tax for 2018/19 collected in year [Cumulative YTD]			<p>November 2018 result</p> <p>66.41% 69.90% 100.00% 69.80% .00%</p>
Expected Outcome		Format	Aim to Maximise	
Managed By	Joe Chesterton			
Year Introduced	2000			

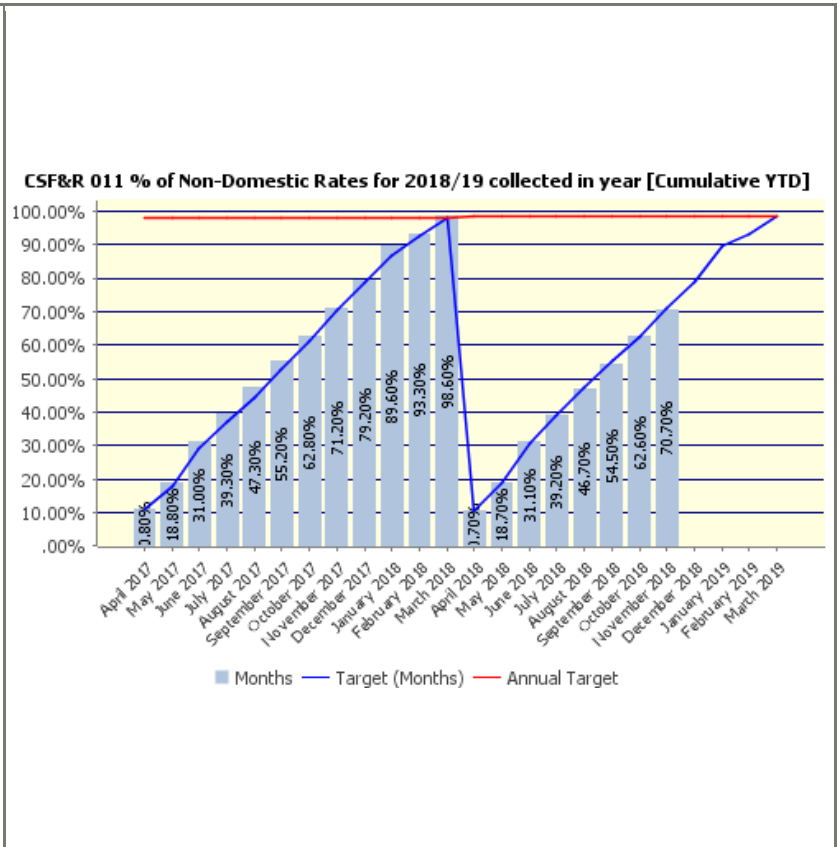
Date Range 1		
	Value	Target
April 2017	10.00%	10.00%
May 2017	18.60%	18.40%
June 2017	27.20%	27.10%
July 2017	35.70%	35.50%
August 2017	44.30%	44.00%
September 2017	52.70%	52.60%
October 2017	61.50%	61.30%
November 2017	70.00%	69.80%
December 2017	79.20%	78.30%
January 2018	86.80%	86.70%
February 2018	92.50%	92.30%
March 2018	97.50%	97.30%
April 2018	10.10%	10.00%
May 2018	18.60%	18.50%
June 2018	27.20%	27.10%
July 2018	35.60%	35.60%
August 2018	44.20%	44.20%
September 2018	52.50%	52.50%
October 2018	61.30%	61.40%
November 2018	69.80%	69.90%



he collection rate for Council Tax as at the 30th November 2018 is 69.8%, which is 0.1% below the target for this financial year. In financial terms a total of £4m in additional tax has been collected in the year to date compared to 2017/2018. We continue to have a large number of cases for court proceedings as council tax payers have fallen behind with their payments. Both enforcement agents continue with very similar acceptable levels of collection. We continue to work with the support sector to support our most needy residents, working with these people to agree payment plans or support with applications for hardship relief or benefit claims. We also continue to work with our commercial partners using new initiatives to pursue persistent defaulters where other methods have failed through Bankruptcy and Committal court action.

CP 4.4	% of Non-Domestic Rates for 2018/19 collected in year [Cumulative YTD]		<p>November 2018 result</p>
Expected Outcome		Format Aim to Maximise	
Managed By	Joe Chesterton		
Year Introduced	2000		

Date Range 1		
	Value	Target
April 2017	10.80%	10.80%
May 2017	18.80%	17.80%
June 2017	31.00%	29.00%
July 2017	39.30%	37.10%
August 2017	47.30%	44.50%
September 2017	55.20%	53.00%
October 2017	62.80%	61.10%
November 2017	71.20%	70.60%
December 2017	79.20%	78.70%
January 2018	89.60%	86.60%
February 2018	93.30%	92.40%
March 2018	98.60%	97.90%
April 2018	10.70%	10.70%
May 2018	18.70%	18.70%
June 2018	31.10%	30.50%
July 2018	39.20%	39.20%
August 2018	46.70%	47.20%
September 2018	54.50%	55.00%
October 2018	62.60%	62.70%
November 2018	70.70%	71.10%



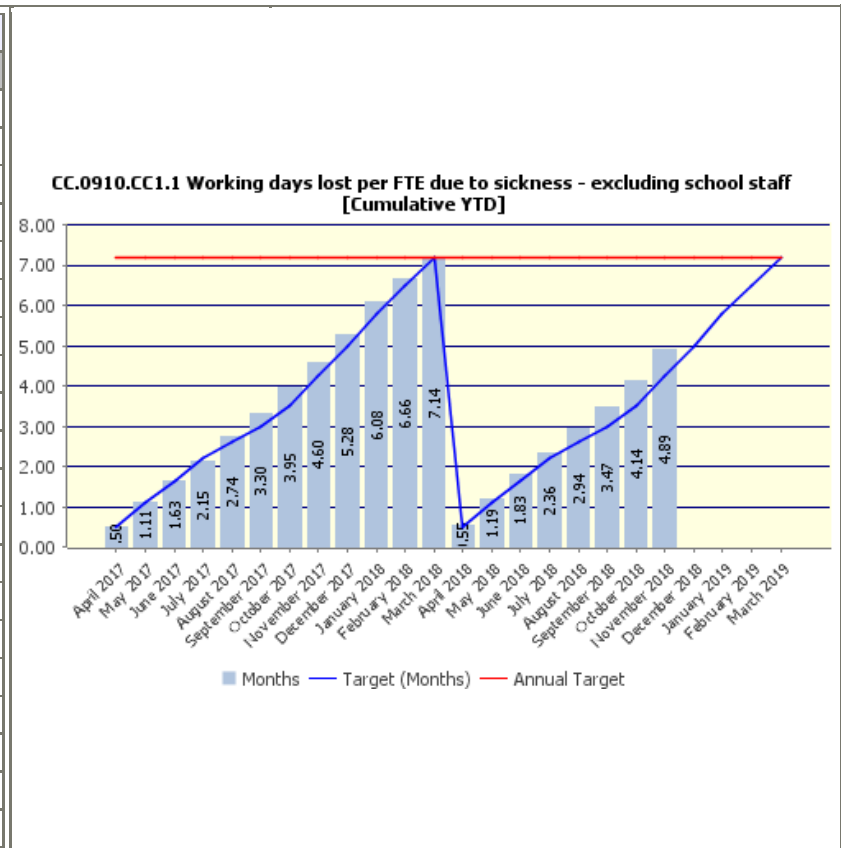
The collection rate for Business Rates for the period ending the 30th November is 70.7%, which is 0.4% down on the monthly target profile. We continue to review the small business rates relief awards, some of these awards have been reviewed and withdrawn as they are no longer appropriate. This in turn has slightly increased the figure to collect and created a slight slip in achieving the profile target for this month. The 0.4% shortfall in target equates to £208,000. We are still chasing several large outstanding accounts for both current year and previous year's arrears where we are seeking professional legal advice. Work is also continuing around the review of Charities and their status.

Aim: EXCELLENT: Priorities • Work with & listen to our communities & partners to achieve better outcomes for all • Enable communities to be self-sufficient & foster pride in the town • Promote & lead an entrepreneurial, creative & innovative approach to the development of our town.


Expected Outcome: At risk of missing target 2

CP 5.4	Working days lost per FTE due to sickness - excluding school staff [Cumulative YTD]		<p>November 2018 result</p> <p>4.48 4.27 0.00 4.89 10.00</p>
Expected Outcome		Format Aim to Minimise	
Managed By	Joanna Ruffle		
Year Introduced	2009		

Date Range 1		
	Value	Target
April 2017	0.50	0.51
May 2017	1.11	1.10
June 2017	1.63	1.65
July 2017	2.15	2.21
August 2017	2.74	2.61
September 2017	3.30	3.01
October 2017	3.95	3.51
November 2017	4.60	4.27
December 2017	5.28	4.99
January 2018	6.08	5.82
February 2018	6.66	6.49
March 2018	7.14	7.20
April 2018	0.55	0.51
May 2018	1.19	1.10
June 2018	1.83	1.65
July 2018	2.36	2.21
August 2018	2.94	2.61
September 2018	3.47	3.01
October 2018	4.14	3.51
November 2018	4.89	4.27

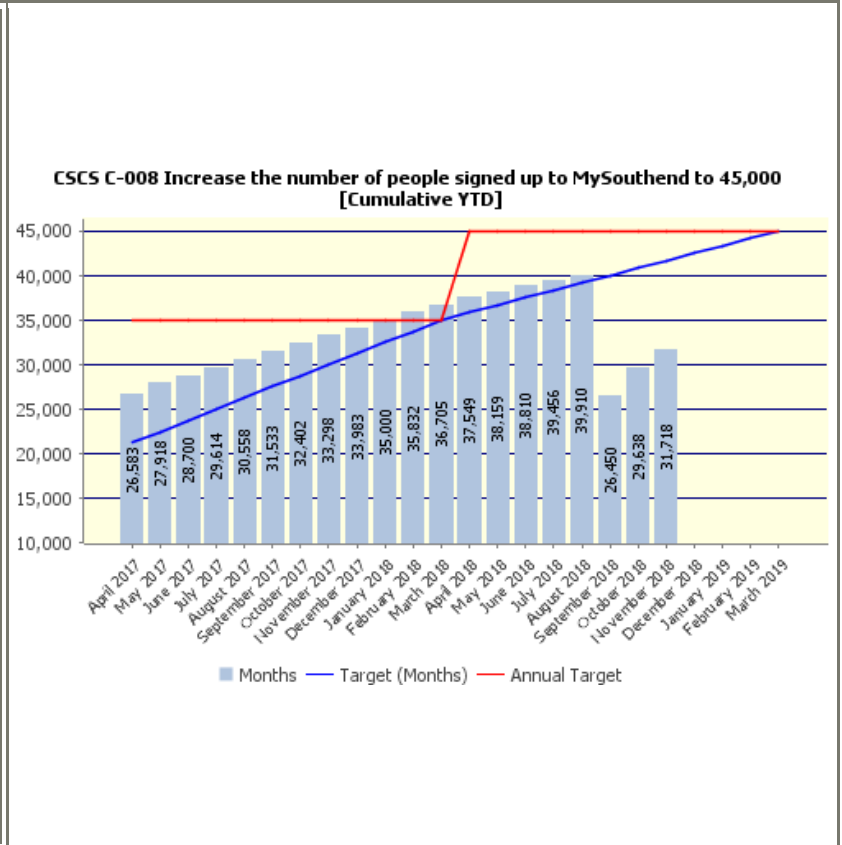


Absence levels year to date is running at 4.89 average days lost compared to a target of 4.27 days. Apart from one month the department's sickness absence levels are running higher every month than the actual targets. HR is currently out to tender for an Occupational health provider and are undertaking a review of the sickness absence policy. HR is also continuing to provide advice and training on managing sickness absence.

CP 5.5	Increase the number of people signed up to MySouthend to 45,000 [Cumulative YTD]		
Expected Outcome		Format	Aim to Maximise
Managed By	Joanna Ruffle		
Year Introduced	2016		



Date Range 1		
	Value	Target
April 2017	26,583	21,250
May 2017	27,918	22,500
June 2017	28,700	23,750
July 2017	29,614	25,000
August 2017	30,558	26,250
September 2017	31,533	27,500
October 2017	32,402	28,750
November 2017	33,298	30,000
December 2017	33,983	31,250
January 2018	35,000	32,500
February 2018	35,832	33,750
March 2018	36,705	35,000
April 2018	37,549	35,833
May 2018	38,159	36,666
June 2018	38,810	37,500
July 2018	39,456	38,333
August 2018	39,910	39,166
September 2018	26,450	40,000
October 2018	29,638	40,833
November 2018	31,718	41,666



Registrations show a 7% increase on last month. Registrations remain steady, a communications campaign is being launched before Christmas to encourage further take up.

SECTION 4 – Partnership Indicators

Health and Wellbeing Indicators

	Performance Measures	Rationale for inclusion	Latest Performance
1.	<p>Referral for treatment - % of patients referred from GP to hospital treatment within 18 weeks (SCCG) (monthly snapshot)</p> <p>https://southendccg.nhs.uk/news-events/governing-body-papers/28-november-2018/2593-item-13-appendix-2-2018-19-performance-dashboard-281118/file</p>	National standard, providing a measurement of key area of performance and a key area of public concern. Can be produced monthly and is easy to benchmark.	<p>86.31% (September 2018)</p> <p>Against national target of 92%</p>
2.	<p>Cancer treatment - % patients treated within 62 days of GP urgent suspected cancer referral (Southend University Hospital Foundation Trust)</p> <p>https://southendccg.nhs.uk/news-events/governing-body-papers/28-november-2018?limit=20&limitstart=20</p>	National standard, providing a measurement of key area of performance and a key area of public concern. Can be produced monthly and is easy to benchmark.	<p>62 Day Operational Standard 64.32% (September 2018) YTD 69.50%</p> <p>Against 85% target</p>
3.	<p>A&E - % of patients attending Southend University Hospital A&E, seen and discharged in under 4 hours (monthly snapshot)</p> <p>https://southendccg.nhs.uk/news-events/governing-body-papers/26-september-2018</p>	National standard. Provides information relating to the effectiveness of the urgent care system. Can be produced monthly and is easy to benchmark.	<p>90.65% (September 2018)</p> <p>Against national target of 95%</p>
4.	<p>Mental health - Improving Access to Psychological Therapy (IAPT) - % of people with common mental health problems accessing the service and entering treatment in the current year (monthly snapshot)</p> <p>https://southendccg.nhs.uk/news-events/governing-body-papers/26-september-2018/2505-item-15-appendix-2-2018-19-performance-dashboard-260918/file</p>	Provides an indicator for a priority area for councillors and one of the HWB Strategy ambitions. Can be produced monthly and is easily benchmarked.	<p>1.45% (September 2018)</p> <p>Against target of 1.40%</p>
5.	<p>Dementia - % of people diagnosed with dementia against the estimated prevalence. (66.7% national ambition)</p> <p>https://southendccg.nhs.uk/news-events/governing-body-papers/28-november-2018/2593-item-13-appendix-2-2018-19-performance-dashboard-281118/file</p>	Issue of increasing prevalence and concern among the public. Can be produced monthly and is easy to benchmark.	<p>Southend achieved 76.88% in August 2018 against the 67% diagnosis ambition target.</p>

6.	<p>Primary Care – GP Patient Survey: - Overall experience of the GP surgery (very/fairly good; fairly/very poor; neither good nor poor)</p> <p>https://gp-patient.co.uk/Slidepacks2018</p>	<p>Provides residents views on the quality of GP service in the borough. Survey is now produced annually.</p>	<p>Overall experience of GP surgery – July 2018</p> <p>Very good – 41% Fairly good – 39% Neither good nor poor – 12% Fairly poor – 5% Very poor – 3%</p> <p>National Average of patients rating ‘Good’ is 84%</p>
7.	<p>End of life care - Preferred Place of Death (PPoD) – Percentage of patients referred to the Palliative Care Support Register (PCSE) who have expressed a preference for place of death and who achieve this preference. *</p>	<p>Nationally accepted as a key performance indicator for end of life care; integral to Ambitions for Palliative and End of Life Care: a national framework for local action 2015-2020.</p> <p>Can be produced monthly.</p>	<p>Southend: 89.4%</p> <p>The PPoD achievement for Southend in November 2018 is 42 out of 47</p> <p>(no national target at present)</p>

*although patients make a preference for a place of death, often home, the reality of the last days/hours of life often prompts patients and/or relatives/carers to change their mind and seek what they consider to be a place of safety and support, which is invariably the acute trust. Patients are documented for PPoD as: Home; Hospital; Hospice; Care/Nursing Home; Community Hospital.

Local Economy Indicators

Performance Measures		Latest Performance Economic Scorecard Reported Quarterly										
1.	Average House Prices	<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 30%;"></th> <th style="width: 35%;">July 2017</th> <th style="width: 35%;">July 2018</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Average Price</td> <td style="text-align: center;">£271,612.00</td> <td style="text-align: center;">£279,358.00</td> </tr> <tr> <td style="text-align: center;">% Change</td> <td style="text-align: center;">7.3% (July 17-18)</td> <td style="text-align: center;">2.4% (July 18-19)</td> </tr> </tbody> </table>			July 2017	July 2018	Average Price	£271,612.00	£279,358.00	% Change	7.3% (July 17-18)	2.4% (July 18-19)
	July 2017	July 2018										
Average Price	£271,612.00	£279,358.00										
% Change	7.3% (July 17-18)	2.4% (July 18-19)										
2.	Planning Applications	<table border="1" style="margin: auto; border-collapse: collapse;"> <tbody> <tr> <td style="width: 60%;">November 2018</td> <td style="width: 40%; text-align: center;">192</td> </tr> <tr> <td>November 2017</td> <td style="text-align: center;">194</td> </tr> </tbody> </table>		November 2018	192	November 2017	194					
November 2018	192											
November 2017	194											
3.	Out-of-Work Benefits Claimants (All People)	<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 30%;"></th> <th style="width: 35%;">November 2017</th> <th style="width: 35%;">November 2018</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Out-of-Work Benefit Claimants (Number)</td> <td style="text-align: center;">2,480</td> <td style="text-align: center;">3,850</td> </tr> <tr> <td style="text-align: center;">Out-of-Work Benefit Claimants (%)</td> <td style="text-align: center;">2.2%</td> <td style="text-align: center;">3.4%</td> </tr> </tbody> </table> <p style="margin-top: 10px;">Source: Office of National Statistics & Southend-on-Sea Borough Council</p>			November 2017	November 2018	Out-of-Work Benefit Claimants (Number)	2,480	3,850	Out-of-Work Benefit Claimants (%)	2.2%	3.4%
	November 2017	November 2018										
Out-of-Work Benefit Claimants (Number)	2,480	3,850										
Out-of-Work Benefit Claimants (%)	2.2%	3.4%										

Community Safety Indicators

Short name	Month's value (Oct 2018)	Comment – explanation of current performance, actions to improve performance and anticipated future performance																																				
Score against 10 BCS crimes; Theft of Vehicle, theft from vehicle, vehicle interference, domestic burglary, theft of cycle, theft from person, criminal damage, common assault, wounding's, robbery. [Cumulative]	5578	<p>November commentary: Community Safety Officers had a successful first month, namely reducing incidents of ASB in the Town Centre. The campaign 'Make A Change' continues to be promoted as does 'Spot the Signs' Campaign. The partnership hosted an activity day in November with 31 agencies and 73 personnel in attendance. Southend Community Policing Team continues with their coffee with copper and patrolling known areas. A decrease in 'Theft of Vehicle' was noted.</p> <p>October 2018 BCS Breakdown: Theft of a vehicle – 4%; Theft from a vehicle - 8% ; Vehicle interference – 2%; Burglary in a dwelling – 8%; Bicycle Theft – 4%; Theft from the person -2%; Criminal damage (exc 59) - 16%; HMIC Violence without injury – 39%; Wounding (Serious or Other) – 15%; Personal Robbery – 2%.</p>																																				
Performance Measures	Rationale for inclusion	Latest Performance Available																																				
10 BCS crimes	Provides a broad indication of the level of crime in the borough, is a familiar performance measure and is easy to benchmark.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Individual Components of 10 BCS Comparator Crime</th> <th style="width: 20%;">BCS Crimes (October 2018)</th> <th style="width: 50%;">Essex Police Performance Summary Offences (Rolling 12 months to November 2018)</th> </tr> </thead> <tbody> <tr> <td>10 BCS Crimes - total</td> <td style="text-align: center;">1159</td> <td style="text-align: center;">*</td> </tr> <tr> <td>Theft of a vehicle</td> <td style="text-align: center;">49</td> <td style="text-align: center;">453</td> </tr> <tr> <td>Theft from Vehicle</td> <td style="text-align: center;">98</td> <td style="text-align: center;">901</td> </tr> <tr> <td>Vehicle Interference</td> <td style="text-align: center;">26</td> <td style="text-align: center;">220</td> </tr> <tr> <td>Burglary in a dwelling (Pre-April 17 definition)</td> <td style="text-align: center;">110</td> <td style="text-align: center;">738</td> </tr> <tr> <td>Bicycle theft</td> <td style="text-align: center;">49</td> <td style="text-align: center;">461</td> </tr> <tr> <td>Theft from the person</td> <td style="text-align: center;">21</td> <td style="text-align: center;">250</td> </tr> <tr> <td>Criminal Damage (exc 59)</td> <td style="text-align: center;">166</td> <td style="text-align: center;">1989</td> </tr> <tr> <td>HMIC Violence Without Injury</td> <td style="text-align: center;">460</td> <td style="text-align: center;">2591</td> </tr> <tr> <td>Wounding (Serious or Other)</td> <td style="text-align: center;">154</td> <td style="text-align: center;">*</td> </tr> <tr> <td>Robbery (Personal Property)</td> <td style="text-align: center;">26</td> <td style="text-align: center;">266</td> </tr> </tbody> </table>	Individual Components of 10 BCS Comparator Crime	BCS Crimes (October 2018)	Essex Police Performance Summary Offences (Rolling 12 months to November 2018)	10 BCS Crimes - total	1159	*	Theft of a vehicle	49	453	Theft from Vehicle	98	901	Vehicle Interference	26	220	Burglary in a dwelling (Pre-April 17 definition)	110	738	Bicycle theft	49	461	Theft from the person	21	250	Criminal Damage (exc 59)	166	1989	HMIC Violence Without Injury	460	2591	Wounding (Serious or Other)	154	*	Robbery (Personal Property)	26	266
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*Not recorded.																																						
**Solved rates show the ratio between the number of police-recorded crimes where the offender has received a formal sanction (includes;																																						

		charges, cautions, penalty notices and cannabis warnings), and the total number of crimes recorded in the time period covered. (Solved rates do not include restorative justice or a community resolution.			
Potential Performance Measures		Rationale for inclusion	Latest Performance		
			Rolling 12 months to November 2018		Rolling 12 month Increase/ Decrease %
2	Total number of crimes +/- incidents	Provides a broad indication of the level of crime in the borough, covering all crimes	Total number of Incidents	Total number of Crimes	Crimes – ↑21.2%
			3,388	18,372	Incidents - ↑11.2%
3	Anti-social Behaviour reported	A key concern of members and public that is not reflected in the 10 BCS crimes performance measure.	6,737		↑1.3%
4	Number of arrests (cumulative)	Provides key performance information relating to Police activity to tackle crime. However, the measure may be misleading as the number of arrests has been declining as a result of greater use of alternatives to formal charges (penalty notices, community resolution, cautions etc..) – a trend which is likely to continue.	319		TBC
5	'Positive disposals' (outcomes of crimes 'cleared up' other than a formal conviction –..)	Recognises the full range of possible outcomes taken following arrest, such as community resolution, cautions etc...	217		↑22%
6	Number of domestic abuse incidents	High profile area of work and a demand pressure on resources.	TBC		TBC
7	Number of incidents of missing people reported	High profile area of work and a demand pressure on resources.	121		↑30%

CABINET

Thursday, 17th January 2019

COUNCIL PROCEDURE RULE 46

The following action taken in accordance with Council Procedure Rule 46 is reported. In consultation with the appropriate Cabinet Member(s):-

1. **The Strategic Director Finance and Resources authorised:**
 - 1.1 Grant of agreement for lease and lease of land at East Beach for Restaurant Development
Updated authority prior to contract completion for the proposed leasing arrangements in relation to East Beach Café on the terms detailed on the confidential sheet.

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Document is Restricted

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