

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Cabinet

Date: Tuesday, 11th February, 2020
Place: Committee Room 1 - Civic Suite

Present: Councillor I Gilbert (Chair)
Councillors R Woodley (Vice-Chair), T Harp, A Jones, C Mulroney,
K Robinson and M Terry

In Attendance: Councillor K Evans
A Griffin, J K Williams, A Lewis, J Chesterton, J Ruffle, C Gamble,
T Forster, M Marks, L Reed, A Richards, E Cooney, S Dolling and
A Keating

Start/End Time: 2.00pm/2.15pm

796 Apologies for Absence

Apologies for absence were received from Councillor Harp.

797 Declarations of Interest

The following interests were declared at the meeting:

(a) Councillor Mulroney – Agenda Item 5 (Prioritising Resources to Deliver Better Outcomes) – non-pecuniary interest: Member of Leigh Town Council;

(b) Councillor K. Evans - Agenda Item 5 (Prioritising Resources to Deliver Better Outcomes) – non-pecuniary interest: Member of Leigh Town Council.

798 Housing Revenue Account (HRA) Budget and Rent Setting Report 2020/21

The Cabinet considered a report of Executive Director (Finance and Resources) and Deputy Chief Executive and Executive Director (Housing & Growth) setting out the Housing Revenue Account (HRA) budget for 2020/21, together with the information necessary to set a balanced budget as required by legislation. This item was considered by the Policy and Resources Scrutiny Committee.

Recommended:-

1. That an average rent increase of 2.7% on all tenancies, be approved;
2. That an average rent increase of 2.7% on shared ownership properties, be approved.
3. That an increase of 2.7% for garage rents to £12.02 per week for tenants and £14.42 for non-tenants (being £12.02 plus VAT), a rise consistent with the proposal for the main rent increase (all variants on a standard garage will receive a proportionate increase.), be approved.

4. That the proposed rent charges in 1-3 above be effective from 6th April 2020.
5. That the South Essex Homes core management fee at £6,114,000 for 2020/21, be approved.
6. That the South Essex Homes proposals for average increases of 6.36% in service charges and 16.69% in heating charges to reflect the actual costs incurred, be approved.
7. That the following appropriations be approved:
 - £60,000 to the Repairs Contract Pensions Reserve;
 - £5,126,000 to the Capital Investment Reserve; and
 - £8,708,000 from the Capital Investment Reserve
8. That, subject to 1-7 above, the HRA budget for 2020/21 as set out in Appendix 1 to the submitted report, be approved.
9. That the value of the Council's capital allowance for 2020/21 be declared as £57,261,000, as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

Reasons for Recommendations

Part of the process of maintaining a balanced budget for the HRA is to undertake an annual rent review and assessment of other service and facilities charges. Full Council will need to approve the HRA budget and any changes to rent and other services prior to the start of the financial year.

Other Options

There are other options available to Councillors in relation to the proposed rent and other services and facilities increases.

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

799 Treasury Management Policy - 2020/21

The Cabinet considered a report of Executive Director (Finance and Resources) presenting the Treasury Management documents. This item was considered by the Audit Committee.

Recommended:-

1. That the Treasury Management Policy Statement set out at Appendix 1 to the submitted report, be approved.
2. That the Treasury Management Strategy set out at Appendix 2 to the report, be approved.

3. That the Annual Treasury Management Investment Strategy set out at Appendix 3 to the report, be approved.

Reason for Recommendations

To comply with the CIPFA Treasury Management Code of Practice.

Other options:

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

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

Cabinet Member: Cllr Woodley

800 Prioritising Resources to Deliver Better Outcomes - 2020/21 to 2024/25

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the General Fund Revenue Budget for 2020/21. This item was considered by all three Scrutiny Committees.

On consideration of the report, Councillor Woodley indicated the intention to bring forward from the current parking strategy the removal of double yellow lines for the development of disabled parking bays in the streets off the town centre, subject to the necessary feasibility works.

Recommended:-

1. That the the Financial Sustainability Strategy set out at Appendix 1 to the submitted report, be approved.
2. That the Medium Term Financial Strategy set out at Appendix 2 to the report and the resulting Medium Term Financial Forecast and Earmarked Reserves Balances up to 2024/25 (Annexes 1 and 2 to Appendix 2), be approved.
3. That the Section 151 Officer's report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy (Appendix 3 to the report), be noted.
4. That the appropriation of the sums to earmarked reserves totalling £3.370 million (Appendix 4 to the report), be approved.
5. That the the appropriation of the sums from earmarked reserves totalling £11.892 million (Appendix 4 to the report), be approved.
6. That a General Fund Budget Requirement for 2020/21 of £130.428M and Council Tax Requirement of £84.347M (Appendix 5a to the report) and any required commencement of consultation, statutory or otherwise, be approved.

7. That a Council Tax increase of 3.99% for the Southend-on-Sea element of the Council Tax for 2020/21, being 1.99% for general use and 2% for Adult Social care (Section 10.10 of the report), be approved.

8. That it be noted that the 2020/21 revenue budget has been prepared on the basis of using £2 million from the Collection Fund to allow for smoothing of the budget gap across the lifetime of the Medium Term Financial Strategy to 2024/25 (Section 10.9 of the report).

9. That the position of the Council's preceptors, be noted:

- Essex Police – approved Council Tax increase of 2.94%;
- Essex Fire & Rescue Services – approved Council Tax increase of 1.99%;
- Leigh-on-Sea Town Council – approved precept increase of 6.04%;

10. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2020/21.

11. That the proposed General Fund revenue budget investment and reprioritisation of £5.355M (Appendix 6 to the report), be approved.

12. That the additional one-off investment items, as set out in section 10.8 of the report and included within the appropriations (Appendix 7 to the report), be approved.

13. That the Dedicated Schools Grant budget and its relevant distribution as recommended by the Education Board (Appendix 8 to the report), be approved.

14. That the Capital Investment Strategy for 2020/21 to 2024/25 (Appendix 9 to the report) and the Capital Investment Policy (Annex 1 to Appendix 9 to the report), be approved.

15. That the new schemes and additions to the Capital Investment Programme for the period 2020/21 to 2024/25 totalling £28.4M for the General Fund and £18.7M for the Housing Revenue Account (Appendix 10 to the report), be approved.

16. That the schemes subject to viable business cases for the period 2020/21 to 22/23 (Appendix 10 to the report), be approved.

17. That the proposed changes to the current Capital Investment Programme (Appendix 11 to the report), be approved.

18. That the proposed Capital Investment Programme for 2020/21 to 2024/25 (Appendix 12 to the report) be approved and it be noted that the changes to the approved programme will result in a proposed Capital Investment Programme of £204.8M for 2020/21 to 2024/25 (Appendix 12 to the report) of which £51.3M is supported by external funding (Section 11.11 of the report).

19. That the Minimum Revenue Provision (MRP) Policy for 2020/21 (Appendix 13 to the report) and the prudential indicators (Appendix 14 to the report), be approved.

20. That the operational boundary and authorised limits for borrowing for 2020/21 are set at £375M and £385M respectively (Appendix 14 to the report), be approved.

Reasons for Recommendations

To comply with statutory requirements and relevant Local Authority codes of practice. Also, to ensure the budgets align to and enable the delivery of the Council's ambition and desired outcomes or to enhance the Council's infrastructure.

Other Options

Billing authorities are required by law to complete and approve their budgets and set a Council tax before 11th March immediately prior to the start of the financial year on 1st April.

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

Cabinet Member: Cllr Gilbert

Chair: _____