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SOUTHEND-ON-SEA BOROUGH COUNCIL

Policy and Resources Scrutiny Committee

Date: Thursday, 30th January, 2020

Time: 6.30 pm

Place: Committee Room 1 - Civic Suite

Contact: Robert Harris

Email: committeesection@southend.gov.uk

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Interest**
- 3 **Questions from Members of the Public**
- 4 **Minutes of the Meeting held on Thursday 28th November 2019 (Pages 1 - 6)**
- **** **ITEMS REFERRED DIRECT BY CABINET HELD ON THURSDAY 16TH JANUARY 2020**
- 5 **Council Tax Base and Non Domestic Rating Base 2020/21 (Pages 7 - 30)**
Minute 690 (Cabinet Book 1, Agenda Item No. 4 refers)
Referred direct by Cabinet
- 6 **Draft Housing Revenue Account Budget 2020/21 and Rent Setting (Pages 31 - 48)**
Minute 691 (Cabinet Book 1, Agenda Item No. 5 refers)
Referred direct by Cabinet
- 7 **Draft Prioritising Resources to Deliver Better Outcomes – 2020/21 to 2024/25 (Pages 49 - 266)**
Minute 692 (Cabinet Book 1, Agenda Item No. 6 refers)
Referred direct to all three Scrutiny Committees
- 8 **Housing and Regeneration Pipeline, Including Acquisitions Programme - Update (Pages 267 - 274)**
Minute 693 (Cabinet Book 2, Agenda Item No. 7 refers)
Referred direct by Cabinet
- 9 **Notice of Motion - Transparent and Accessible Council (Pages 275 - 280)**
Minute 702 (Cabinet Book 3, Agenda Item No. 15 refers)
Referred direct by Cabinet
- 10 **SELEP - Revised Governance Arrangements (Pages 281 - 328)**
Minute 704 (Cabinet Book 3, Agenda Item No. 18 refers)
Referred direct by Cabinet

- 11 Additional Outcome Success Measures Reporting** (Pages 329 - 350)
Minute 708 (Cabinet Book 4, Agenda Item No. 22 refers)
Referred direct to all three Scrutiny Committees
- 12 Corporate Budget Performance - Period 8** (Pages 351 - 392)
Minute 709 (Cabinet Book 4, Agenda Item No. 23 refers)
Referred direct by Cabinet
- 13 2019/20 Corporate Risk Register** (Pages 393 - 428)
Minute 709 (Cabinet Book 4, Agenda Item No. 24 refers)
Referred direct to all three Scrutiny Committees
- 14 Council Debt Position to 30 November 2019** (Pages 429 - 440)
Minute 711 (Cabinet Book 4, Agenda Item No. 25 refers)
Referred direct by Cabinet
- 15 Council Procedure Rule 46** (Pages 441 - 442)
Minute 712 (Cabinet Book 4, Agenda Item No. 26 refers)
Referred direct to all three Scrutiny Committees

ITEMS CALLED IN FROM THE FORWARD PLAN

NONE

PRE-CABINET SCRUTINY ITEMS

NONE

OTHER SCRUTINY MATTERS

NONE

- 16 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.
- 17 Council Procedure Rule 46 - Confidential Sheet** (Pages 443 - 444)
Minute 714 (Cabinet Agenda Item No. 28, report circulated separately)
Referred direct by Cabinet

Members:

Cllr D Garston (Chair), Cllr D McGlone (Vice-Chair), Cllr B Ayling, Cllr D Burzotta, Cllr D Cowan, Cllr T Cox, Cllr P Collins, Cllr M Davidson, Cllr M Dent, Cllr S George, Cllr S Habermel, Cllr H McDonald, Cllr D Nelson, Cllr I Shead, Cllr M Stafford, Cllr S Wakefield and Cllr P Wexham

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SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Policy and Resources Scrutiny Committee

Date: Thursday, 28th November, 2019

Place: Committee Room 1 - Civic Suite

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Present: Councillor D Garston (Chair)
Councillors D McGlone (Vice-Chair), B Ayling, D Burzotta, D Cowan, T Cox, P Collins, M Dent, George, S Habermel, B Hooper (Councillor), D Jarvis, H McDonald, D Nelson, I Shead, M Stafford and S Wakefield

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: Councillors I Gilbert, M Terry, R Woodley (Executive Councillors), Councillors S Aylen, K Evans and C Mulroney
J Chesterton, E Cooney, J Ruffle, J K Williams and R Harris

Start/End Time: 6.30 - 8.25 pm

571 Apologies for Absence

Apologies for absence were received from Councillor Davidson (substitute: Cllr Jarvis) and Councillor Wexham (substitute: Cllr Hooper).

572 Declarations of Interest

The following interests were declared at the meeting:-

- (a) Councillors Gilbert, Terry and Woodley (Cabinet Members) – interest 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 Ayling – Minute 582 (Council Procedure Rule 46 – East Beach Café surrender of Lease) – non-pecuniary interest – member of Shoebury Watermans Association that has a licence for land at East Beach;
- (c) Councillor Cowan – Minute 577 (Notice of Motion – White Ribbon) – non-pecuniary interest – White Ribbon Ambassador and Council representative with ‘safe steps’;
- (d) Councillor Dent – Minute 577 (Notice of Motion – White Ribbon) – non-pecuniary interest – White Ribbon Ambassador; Minute *** (Notice of Motion – Kursaal Museum – non-pecuniary interest – Ward Councillor and has lobbied for the Kursaal to be reopened;
- (e) Councillor Hooper – Minute 577 (Notice of Motion – White Ribbon) – non-pecuniary interest – On the Board of Safe Steps;
- (f) Councillor McDonald – Minute 577 (Notice of Motion – White Ribbon) – non-pecuniary interest – works at local charity supporting survivors of sexual violence and is a White Ribbon Champion/Ambassador;
- (g) Councillor Nelson – Minute 575 (Notice of Motion – White Ribbon) – non-pecuniary interest – A pending White Ribbon Ambassador;
- (h) Councillor Wakefield – Minute 581 (Minutes of the Shareholder Board held on 16th October 2019) – pecuniary interest – sub-contractor and provides work for South Essex Homes (however, the matters relating to South Essex Homes were not discussed at this meeting).

573 Questions from Members of the Public

There were no questions from members of the public.

574 Minutes of the Meeting held on Thursday, 10th October, 2019

Resolved:-

That the Minutes of the Meeting held on Thursday, 10th October, 2019, be confirmed as a correct record and signed.

575 Notice of Motion - Kursaal Museum

The Committee considered Minute 515 of the meeting of Cabinet held on 5th November 2019 which had been called in to Scrutiny, concerning the Notice of Motion relating to the Kursaal.

The Cabinet Member for Business, Culture and Tourism undertook to provide written responses to questions concerning the lease arrangements (and any break clauses) and the conditions of the lease relating to the maintenance of the external and internal fabric of the Kursaal building.

Resolved:-

That the following decisions of Cabinet be noted:-

“1. That the officers maintain dialogue with the leaseholder and its representatives about their plans for the Kursaal.

2. That the possible opportunities to support evolving plans to enable the building to be let and re-occupied be considered, where appropriate and viable.

3. That it be noted that the current tenant has no plans to sell the leasehold interest at this stage and therefore the suggestions for the Council to purchase the building back for the Prittlewell Prince or any other use are not pursued at this time.”

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

576 Notice of Motion - Gender Neutral Language in the Council

The Committee considered Minute 516 of the meeting of Cabinet held on 5th November 2019 which had been called in to Scrutiny, concerning the Notice of Motion relating to Gender Neutral Language in the Council.

Resolved:-

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

“1. That male universals, such as ‘chairman’, be removed from the constitution, policies and all written and verbal communications and be replaced with gender-neutral terms, such as ‘chair’.

2. Desist from making reference to a person's marital status unless they expressly request it is included.

3. That gender-neutral language be used where an individual's sex or social gender are not relevant or not known.

4. That these changes be communicated to all departments and members of staff within Southend-on-Sea Borough Council."

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

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

577 Notice of Motion - White Ribbon

The Committee considered Minute 517 of the meeting of Cabinet held on 5th November 2019 which had been called in to Scrutiny, concerning the Notice of Motion relating to White Ribbon Campaign.

Resolved:-

That the following decisions of Cabinet be noted:-

"1. That the Council recognises the importance of White Ribbon and its contribution as part of a global campaign taking action to stop male violence against women and resolves to become an accredited authority.

2. That the Council commits to making White Ribbon Day (25th November) part of the civic calendar with ambassador-led activities involving staff, members and the public.

3. That the Council agrees to raise awareness of the White Ribbon Campaign through regular updates and features in internal and external communications.

4. That the Council will provide support to staff and members to take the pledge never to commit, excuse or remain silent about male violence against women and to become ambassadors and champions.

5. That the Council work closely with local agencies and organisations involved in tackling male violence against women to work towards making Southend a White Ribbon Borough.

6. That the Council commits to hosting annual awareness training for all Councillors."

Note: This is an Executive Function
Cabinet Members: Cllr Terry

578 Corporate Budget Performance - Period 6

The Committee considered Minute 521 of the meeting of Cabinet held on 5th November 2019 which had been called in to Scrutiny together with a report of the Executive Director (Finance and Resources). This provided an overview of the corporate budget performance.

Resolved:-

That the following recommendations of Cabinet be noted:-

“In respect of the 2019/20 Revenue Budget Performance as set out in Appendix 1 to this report:

1. That the forecast outturn and mitigating actions for the General Fund and the Housing Revenue Account as at September 2019, be noted.

2. That the planned budget transfers (virements) of £185,875 between portfolio services, as set out in section 3.7 to the submitted report, be approved.

In respect of the 2019/20 Capital Budget Performance as set out in Appendix 2 of this report:

3. The expenditure to date and the forecast outturn as at September 2019 and its financing, be noted.

4. That the requested changes to the 2019/20 Capital Investment Programme as set out in Section 2 of Appendix 2 to the submitted report, be noted.”

Note: This is a Council Function

Cabinet Member: Cllrs Gilbert and Woodley

579 Southend 2050 Outcome Success Measures - Quarter 2 Report 2019/20

The Committee considered Minute 522 of the meeting of Cabinet held on 5th November 2019, which had been referred direct to all three Scrutiny Committees, together with a report of the Chief Executive. This provided an update on the second quarter of the Southend 2050 Outcome Success Measures for 2019/20.

Resolved:-

That the following decision of Cabinet be noted:-

“That the Quarter 2 performance, be noted.”

Note: This is an Executive Function

Cabinet Member: Cllr Gilbert

580 Treasury Management Report - Mid Year 2019/20

The Committee considered Minute 524 of the meeting of Cabinet held on 5th November 2019 which had been called in to Scrutiny together with a report of the Executive Director (Finance and Resources). This covered the treasury management activity and compliance with the treasury management strategy for both quarter two and the period from April to September 2019.

Resolved:-

That the following recommendations of Cabinet be noted:-

“1. That the Treasury Management Mid-Year Position report for 2019/20, be approved.

That the following be noted:

2. Treasury management activities were carried out in accordance with the CIPFA (The Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Sector during the period from April to September 2019.

3. The loan and investment portfolios were actively managed to minimise cost and maximise interest earned, whilst maintaining a low level of risk.

4. £1.067m of interest was received during this six month period. The total investment income earned including this interest during this six month period was £1.104m, at an average rate of 1.85%. This is 1.28% over the average 7 day LIBID (London Interbank Bid Rate) and 1.10% over the average bank rate. (Section 8).

5. The level of borrowing from the Public Works Loan Board (PWLB) (excluding debt relating to services transferred from Essex County Council on 1st April 1998) increased from £267.8m to £310.3m (Housing Revenue Account (HRA): £75.0m, General Fund: £235.3m) during the period from April to September 2019.

6. The level of financing for ‘invest to save’ schemes decreased from £8.73m to £8.67m during the period from April to September 2019.”

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

581 Minutes of the meeting of the Shareholder Board held on Wednesday, 16th October 2019

The Committee considered Minute 526 of the meeting of Cabinet held on 5th November 2019 which had been called in to Scrutiny concerning the Minutes of the meeting of the Shareholder Board, held on 16th October 2019.

In consideration of the Shareholder Board minutes held on 16th October 2019, the Committee only asked questions and made comments concerning the Porters Place LLP Business Plan.

The Leader of the Council agreed to provide a written response as to where the part 1 report on the matter could be accessed.

Resolved:-

That the following decision of Cabinet be noted:-

“That the recommendations of the Shareholder Board held on 16th October 2019, be approved.”

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

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

582 Council Procedure Rule 46

The Committee considered Minute 527 of the meeting of Cabinet held on 5th November 2019 which had been called in to Scrutiny, in connection with the action taken with regard to East Beach Café – Surrender of Lease (item 2.1 refers).

Resolved:-

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

“That the submitted report be noted.”

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

Note: This is a Executive Function
Cabinet Member: Cllr Woodley

Chair: _____

Southend-on-Sea Borough Council

Report of Executive Director (Finance & Resources)

To

Cabinet

On

16th January 2020

Report prepared by: Joe Chesterton
Executive Director (Finance & Resources)

Agenda
Item No.

5

Council Tax Base and National Non Domestic Rating Base 2020/21

Policy & Resources Scrutiny Committee
Cabinet Member: Councillor Ian Gilbert
Part 1 Public Agenda Item

1. Purpose of Report

- 1.1. 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 2020/21.
- 1.2. To approve the National Non Domestic Rates (NNDR1) form that must be submitted to the Ministry of Housing, Communities and Local Government (MHCLG) by 31st January 2020.

2. Recommendations

That Cabinet approve that:

In respect of the Council Tax Base;

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):

- 2.1. From 1st April 2020 the premium for properties (empty for 5 years but less than 10 years) will be increased to 200%;
- 2.2. The amount calculated by Southend-on-Sea Borough Council as its Council Tax Base for the year 2020/21 shall be 58,680.94;

- 2.3. **The amount calculated by Southend-on-Sea Borough Council as the Council Tax Base in respect of Leigh-on-Sea Town Council for the year 2020/21 shall be 8,845.24;**
- 2.4. **The new Care Leavers Council Tax Relief Policy at Appendix A be endorsed and to note the subsequent impact on the Council Tax Base.**

In respect of the Non-Domestic Rates Base (NDR1 Form);

- 2.5. **The NDR1 form (to follow) attached at Appendix D 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 Central Government's 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 13th 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 31st January deadline. In addition, the Council has delegated the authority to approve the NNDR1 form and the Council Tax Base to the Executive 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 Executive 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.
- 3.7. Details of the tax base and the retained business rates will be reported to Cabinet and Council as part of the budget setting process.

4. Council Tax Base

- 4.1. The Regulations require the tax base to be based upon the District Valuer's List as at 30th November each year. This figure is then amended for the estimated activity on the Council Tax base from 1st December to 31st March. An early determination assists the Council and precepting authorities in their financial planning.
- 4.2. Since 1st 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 1st 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 1st 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%. From 1st April 2019, an Empty Homes Premium of up to 100% can be charged on dwellings that had been empty for more than 2 years and additionally from 1st April 2020 an Empty Homes Premium of 200% can be charged on dwellings empty for 5 years or more but less than 10 years. This report seeks to endorse this latest Empty Homes Premium of 200% from 1st April 2020.
- 4.5. On 5th January 2016, Cabinet approved to implement further changes to uninhabitable, empty and unfurnished properties, and this came into effect on 1st April 2016, regardless of when any previous discount has been awarded. These arrangements will remain unchanged for 2020/21.

- 4.6. The Local Council Tax Support Scheme for 2020/21 was approved by Council on 17th December 2019 with no changes from the 2019/20 scheme.
- 4.7. Southend-On-Sea Borough Council are proposing from 1st April 2020 to provide additional financial support for care leavers between the ages of 18 and 21. The proposed policy is shown at **Appendix A**. The Council recognises that young people's transition out of care and into adulthood can be extremely difficult. Managing money for the first time, without the support from family, potentially puts care leavers at real risk of falling into debt. The council is proposing to support those leaving its care by reducing their net liability for council tax after application of any other national reliefs to zero until the charge payers 21st birthday. In exceptional cases the support will be extended to the charge payers 25th birthday. The estimated cost of introducing this new policy in 2020/21 (in terms of a reduction of band 'D' equivalent in the tax base) is circa £52,000 p.a.

Calculation of the Council Tax Base

- 4.8. 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 30th November each year (the relevant day).
- 4.9. 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 31st March each year.
 - (f) Impacts of the Local Council tax Support Scheme.
- 4.10. 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.
- 4.11. 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.

4.12. The Council Tax base for 2020/21 is therefore:-

	Southend-on-Sea	Leigh-on-Sea
Council Tax Base 2019/20	58,424.44	8,814.09
Council Tax Base 2020/21	58,680.94	8,845.24
Increase in Tax Base - 2019/20 to 2020/21	256.50	31.19
% Increase in Tax Base - 2019/20 to 2020/21	0.44%	0.35%

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.

4.13. The calculation of the Tax Base is set out in **Appendices B and C**.

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 1st April 2013 a proportion of non-domestic rates will be retained locally rather than paid into the central pool.
- 5.2. The NNDR1 form (**Appendix D**) 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 has not been received. Depending on when we receive the form it may be the case, that the Executive Director (Finance and Resources) will have to use his delegated authority to ensure that it is returned by the statutory deadline, and report back to Cabinet/Council subsequently. However, the intention is that the form will be received in sufficient time to allow it to be completed and submitted to the Cabinet meeting on 16th January 2020.

6. Corporate Implications

6.1. Contribution to the Southend 2050 Road Map

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. It is therefore a key enabler and an essential part of the financial planning process that directly supports all of our Southend 2050 outcomes and priorities.

6.2. Financial Implications

The financial implications of the approved Council Tax Base and NNDR1 will be included in the budget and council tax report for 2020/21 to be considered by Council on 20 February 2020.

These figures will be reflected in the budget proposals for 2020/21 and the Medium Term Financial Strategy.

6.3. Legal Implications

There is a statutory duty to approve the Council Tax Base and NNDR1 for 2020/21 and notify precepting authorities and the Government by 31st January 2020.

6.4. People Implications

None.

6.5. Property Implications

None.

6.6. Consultation

None.

6.7. Equalities Impact Assessment

None.

6.8. 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 2020/21 and notify precepting authorities by 31st January 2020. In addition, it will also enable the statutory deadline of 31st January 2020 to be achieved for the submission of the NNDR1.

6.9. 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.

6.10. Community Safety Implications

None.

6.11. Environmental Impact

None.

7. 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
- Local Council Tax Support Scheme for 2020/21

8. Appendices

Appendix A - Care Leavers Council Tax Relief Policy

Appendix B - Council Tax base calculation – Southend-on-Sea Council

Appendix C - Council Tax base calculation – Leigh-on-Sea Town Council

Appendix D - NNDR1 Form

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Care Leavers Council Tax Relief Policy

Introduction

Southend-on-Sea Borough Council as part of its 2050 ambition wants to provide additional support to children leaving the care of the local authority with their Council Tax liability. This additional financial assistance will be available for care leavers until the age of 21 years or under exceptional circumstances until the age of 25 years. We recognise that care leavers are among the most vulnerable groups in our society and by granting up to 100% discretionary relief from council tax, the council will be providing practical help and financial assistance to care leavers whilst they are developing their life skills and beginning their journey towards hopefully leading independent, healthy and prosperous lives.

This policy utilises the discretionary powers available to billing authorities arising from S13A(1)(c) of the Local Government Finance Act 1992 to reduce, or further reduce, the amount of council tax a person is liable to pay as it sees fit.

The discretionary relief will be awarded only after entitlement to other legislative discounts or exemptions, including Council Tax Reduction, have been applied and will be awarded to all Southend-on-Sea care leavers living in the area from 1st April 2020.

Definitions

For the purpose of this policy, a 'care leaver' is defined as:

A person aged up to 21, (or 25 in exceptional circumstances) who has been looked after by a local authority for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date.

The Children Act 1989 defines the categories of children entitled to leaving care support as:

'Eligible children' are those young people aged 16-17 who are still in care and have been 'looked after' for a total of 13 weeks from the age of 14 and including their 16th birthday;

'Relevant children' are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17;

'Former relevant children' are those young people aged 18, 19 or 20 who have been eligible and/or relevant.

Policy statement

For the purpose of calculating the amount of discretionary council tax reduction to apply, care leavers are to be treated in the same way as 'disregarded persons' (such as students) as detailed in s11 and Schedule 1 of the Local Government Finance Act 1992.

Criteria

The policy statement above will apply in the calculation of the relevant discount.

For example:

A care leaver joining an existing household with a single person discount in place will be given sufficient discretionary relief to ensure that the council tax liability does not increase as a result of their presence.

A household where only care leavers are liable to pay council tax will be given sufficient discretionary relief to extinguish the council tax liability completely.

A care leaver in a property, which would otherwise be exempt from council tax, will be given sufficient discretionary relief to ensure that no council tax continues to be payable.

A claim for council tax reduction must be made and determined to reduce the original council tax liability before any additional discretionary relief is applied to the account.

Application process

A care leaver (or his/her appointee or a recognised third party acting on his/her behalf) will complete an application form, or provide sufficient detail to enable the relief to be processed.

The application will be available from the Revenues Service or from the care leaver's Personal Advisor.

The application form should provide the following information:

- Full name
- Date of birth
- Current address
- Details of any other adults in the property and the relationship to them
- Details to any circumstances that would be relevant to entitlement to legislative discounts, disregards or exemptions
- Contact details
- Name of personal advisor if known

Upon receipt of an application, an officer will verify the status of the care leaver from council records and assess the award.

Awards will be made directly by a reduction in liability on the council tax account and notification of the award of discretionary relief will be by way of a council tax bill.

The Revenues service will undertake periodic reviews appropriate to the individual circumstances of each case.

The care leaver (or his/her appointee or a recognised third party acting on his/her behalf) must provide appropriate details of any change of circumstances which may impact the council tax charge within 21 days.

Any overpaid discretionary relief will be reclaimed through the relevant council tax account and collected and recovered under the Council Tax (Administration and Enforcement) Regulations 1992.

Review of Decisions/Appeals

The council will accept a written request from a care leaver (or his/her appointee or a recognised third party acting on his/her behalf) for a re-determination of the decision.

- Re-determination of the decision will be made by a senior officer who has not previously been involved with that specific award.
- In the case where the customer has been notified of a decision and they exercise their rights to appeal, they must make payment to their council tax account as requested. In the event the appeal is successful any credit on the account will be refunded.
- If an applicant remains dissatisfied with the outcome of the council's decision they may appeal to the Valuation Tribunal for England.

Council Tax Base 2020/21 - All Areas

	A*	A	B	C	D	E	F	G	H	TOTAL
DWELLINGS ON VO LIST AT 30/11/19		16,820.00	15,873.00	24,321.00	12,774.00	6,720.00	3,650.00	1,574.00	122.00	81,854.00
LESS EXEMPTIONS AS AT 30/11/19		(588.00)	(284.00)	(336.00)	(230.00)	(99.00)	(42.00)	(14.00)	0.00	(1,593.00)
ADD BAND CHANGES - DISABLED	18.00	28.00	64.00	57.00	54.00	24.00	29.00	28.00		302.00
LESS BAND CHANGES - DISABLED		(18.00)	(28.00)	(64.00)	(57.00)	(54.00)	(24.00)	(29.00)	(28.00)	(302.00)
TOTAL CHARGEABLE DWELLINGS	18.00	16,242.00	15,625.00	23,978.00	12,541.00	6,591.00	3,613.00	1,559.00	94.00	80,261.00
PROPERTIES DUE ON LIST	0.00	18.00	130.00	139.00	6.00	5.00	0.00	0.00	0.00	298.00
LESS % DISCOUNTS	(2.50)	(2,269.25)	(1,489.25)	(1,858.25)	(834.25)	(358.25)	(167.25)	(71.25)	(0.75)	(7,051.00)
LESS LCTSS DISCOUNTS	(5.48)	(3,682.44)	(2,128.81)	(1,931.78)	(577.28)	(156.11)	(36.61)	(7.32)	0.00	(8,525.83)
LESS CARE LEAVERS DISCOUNT	0.00	(55.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(55.50)
EQUIVALENT NUMBER OF CHARGEABLE DWELLINGS	10.02	10,252.81	12,136.94	20,326.97	11,135.47	6,081.64	3,409.14	1,480.43	93.25	64,926.67
RATIO TO BAND D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	2	
BAND D EQUIVALENTS	5.57	6,835.21	9,439.84	18,068.42	11,135.47	7,433.11	4,924.31	2,467.38	186.50	60,495.81
ALLOWANCE FOR NON COLLECTION									3.00%	(1,814.87)
COUNCIL TAX BASE 2020/21										58,680.94
COUNCIL TAX BASE 2019/20										58,424.44
YEAR ON YEAR INCREASE IN TAX BASE										256.50
YEAR ON YEAR INCREASE IN TAX BASE %										0.44%

Council Tax Base 2020/21 - Leigh Town Council only

	A*	A	B	C	D	E	F	G	H	TOTAL
DWELLINGS ON VO LIST AT 30/11/19		1,287.00	1,551.00	2,184.00	2,529.00	1,858.00	666.00	432.00	7.00	10,514.00
LESS EXEMPTIONS AS AT 30/11/19		(42.00)	(37.00)	(29.00)	(32.00)	(24.00)	(8.00)	(3.00)	0.00	(175.00)
ADD BAND CHANGES - DISABLED	0.00	1.00	3.00	6.00	8.00	0.00	2.00	2.00	0.00	22.00
LESS BAND CHANGES - DISABLED		0.00	(1.00)	(3.00)	(6.00)	(8.00)	0.00	(2.00)	(2.00)	(22.00)
TOTAL CHARGEABLE DWELLINGS	0.00	1,246.00	1,516.00	2,158.00	2,499.00	1,826.00	660.00	429.00	5.00	10,339.00
PROPERTIES DUE ON LIST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS % DISCOUNTS	0.00	(168.75)	(194.25)	(189.75)	(167.25)	(89.25)	(31.25)	(20.25)	(0.75)	(861.50)
LESS LCTSS DISCOUNTS	0.00	(190.13)	(115.79)	(111.32)	(73.38)	(28.33)	(3.86)	0.00	0.00	(522.81)
EQUIVALENT NUMBER OF CHARGEABLE DWELLINGS	0.00	887.12	1,205.96	1,856.93	2,258.37	1,708.42	624.89	408.75	4.25	8,954.69
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	591.41	937.98	1,650.60	2,258.37	2,088.07	902.62	681.25	8.50	9,118.80
ALLOWANCE FOR NON COLLECTION									3.00%	(273.56)
COUNCIL TAX BASE 2020/21										8,845.24
COUNCIL TAX BASE 2019/20										8,814.05
YEAR ON YEAR INCREASE IN TAX BASE										31.19
YEAR ON YEAR INCREASE IN TAX BASE %										0.35%



NATIONAL NON-DOMESTIC RATES RETURN
NNDR1 2020-21

Please e-mail to : ndr.statistics@communities.gov.uk

Please enter your details after checking that you have selected the correct authority name

Forms should be returned to the Ministry of Housing, Communities and Local Government by **Friday 31 January 2020**

All figures should be entered in whole £

Please remember that a copy of this form, signed by your Chief Financial Officer / Section 151 officer should also be sent to your relevant Precepting Authorities, and Pool Leads (if applicable).

These instructions highlight the special features of the form and should be **read in conjunction with the Guidance Notes and Validation notes.**

Completing the form

1. The form can be set up for each individual local authority by selecting the appropriate authority name from the list. The example shows the local authority ZZZZ. Once a local authority name is selected the spreadsheet will automatically complete the data for the white cells with a blue border.

2. There are three different type of input cells:



* White, Black Border - these are blank for new data - Please ensure all white cells are filled before submitting the form including entering zeroes where appropriate.



* White background, green border - These cells are information cells and have the appropriate formula in them. **Please do not overwrite the formula.**



* White background, blue border - actual data entered by the Ministry of Housing, Communities and Local Government into these cells.

The **Total column** is greened out - there is no need to enter data in any of these cells.

In addition areas of the form are **greyed out** - especially for those authorities that do not have designated areas. **Please do not enter data** in these areas as this will cause delay as we will have to ask you to complete a revised form.

Entering data

3. All values in the form should be entered in whole £. Except for part 1 of the form, **receipts** (eg sums due to the billing authority from ratepayers, or central government) should always be entered as **positive numbers**. **Payments from the authority, or amounts foregone** (eg reliefs given to ratepayers) should always be entered as **negative numbers**.

4. Where possible, you will be prevented from entering data with the wrong sign (+ve when it should be -ve or vice versa).

Updates

We will use this area to list any updates to the form in the future if required

Checking the Validation Sheet

5. Once the form has been completed go to the validation sheet and check if any of the data require any further explanation. The data are compared with the NNDR1 for 2019-20 and, if the change in number or percentage terms is higher or lower than we would normally expect, you are asked to provide an explanation for the change in the box provided.

For further details on the types of checks we do see *Validation notes for NNDR1 2020-21*.

Signing the Form

6. When the data have been checked and verified please email the complete file to ndr.statistics@communities.gov.uk

7. Print a copy of the form for signing by your Chief Financial / Section 151 Officer. The form can be printed by using the defined print area.

The signed copy must be forwarded as a pdf document by email to the Ministry of Housing, Communities and Local Government using the email address above. NB We require just one copy of a signed form.

8. A copy of the form must also be sent to your NNDR contact at all your major precepting authorities.

9. If you experience any problems using the form please email ndr.statistics@communities.gov.uk

NATIONAL NON-DOMESTIC RATES RETURN - NDR1**2020-21**

Please e-mail to: ndr.statistics@communities.gov.uk by no later than 31 January 2020.
 In addition, a certified copy of the form should be returned by no later than **31 January 2020** 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:

South Tyneside
Southampton UA
Southend-on-Sea UA
Southwark
Spelthorne
St Albans

Authority Name
 E-code
 Local authority contact name
 Local authority contact number
 Local authority e-mail address

Southend-on-Sea UA
E1501
Emma Benge
01702 215062
emmabenge@southend.gov.uk

Ver 1.1

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	43,432,752

TRANSITIONAL PROTECTION PAYMENTS

2. Sums due to the authority	0
3. Sums due from the authority	180,927

COST OF COLLECTION (See Note A)

4. Cost of collection formula	224,201
5. Legal costs	0
6. Allowance for cost of collection	224,201

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) of which:	0
10. sums retained by billing authority	0
11. sums retained by major precepting authority	0
12. Amounts retained in respect of Shale Oil and Gas Sites Schemes (see Note C)	0

NON-DOMESTIC RATING INCOME

13. Line 1 plus line 2, minus lines 3, 6 - 9 and 12	43,027,624
---	------------

NATIONAL NON-DOMESTIC RATES RETURN - NDR1

2020-21

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Local Authority : Southend-on-Sea UA

Ver 1.1

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 2020-21 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 NDR shares	£	£	£	£	£
14. % of non-domestic rating income to be allocated to each authority in 2020-21	50%	49%	0%	1%	100%
Non-Domestic Rating Income for 2020-21					
15. Non-domestic rating income from rates retention scheme	21,513,812	21,083,536	0	430,276	43,027,624
16. (less) deductions from central share	0	0	0	0	0
17. TOTAL:	21,513,812	21,083,536	0	430,276	43,027,624
Other Income for 2020-21					
18. add: cost of collection allowance		224,201			224,201
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 oil and gas sites 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 growth retained in Additional Growth Pilots		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 2019-20)	50%	49%	0%	1%	100%
26a. "In-year" surplus (positive) /deficit (negative)	-75,363	-73,856	0	-1,507	-150,726
27. % for distribution of "prior-year" surplus/deficit (ie 2018-19)	50%	49%	0%	1%	100%
27a. "Prior-year" surplus (positive) / deficit (negative)	-110,275	-108,068	0	-2,205	-220,548
28. Estimated Surplus/Deficit at end of 2019-20	-185,637	-181,924	0	-3,713	-371,274
TOTAL FOR THE YEAR	£	£	£	£	£
29. Total amount due to authorities	21,328,175	21,125,813	0	426,563	42,880,551

NATIONAL NON-DOMESTIC RATES RETURN - NDR1

2020-21

Please e-mail to: ndr.statistics@communities.gov.uk by no later than 31 January 2020.
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Local Authority : Southend-on-Sea UA

Ver 1.1

PART 1C: SECTION 31 GRANT (See Note D)

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 Autumn Statements and 2017 (March and November), 2018 (October) Budgets

	Column 2 Southend-on-Sea UA	Column 3	Column 4 Essex Police, Fire & Crime Commissioner	Column 5 Total
	£	£	£	£
Multiplier Cap				
30. Cost of cap on 2014-15, 2015-16 and post-2018-19 small business rates multipliers	845,032	0	17,246	862,278
Small Business Rate Relief				
31. Cost of doubling SBRR & threshold changes for 2020-21	2,761,486	0	56,357	2,817,843
31a. Additional compensation for loss of supplementary multiplier income	124,872	0	2,548	127,420
32. Cost to authorities of maintaining relief on "first" property	8,026	0	164	8,190
Rural Rate Relief				
33. Cost to authorities of providing 100% rural rate relief	0	0	0	0
Supporting Small Businesses Relief				
34. Cost to authorities of providing relief	12,502	0	255	12,757
Discretionary Scheme				
35. Cost to authorities of providing relief	4,694	0	96	4,790
Designated Areas qualifying relief in 100% pilot areas				
36. Cost to authorities of providing relief	0	0	0	0
Telecoms Relief				
37. Cost to authorities of providing relief	0	0	0	0
Retail discount				
38. Cost to authorities of providing relief	603,004	0	12,306	615,310
TOTAL FOR THE YEAR				
39. Amount of Section 31 grant due to authorities to compensate for reliefs	4,359,616	0	88,972	4,448,588

NB To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 39, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 39)

Certificate of Chief Financial Officer / Section 151 Officer

NDR1 2020-21

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer
or Section 151 Officer :

Signature :

Date :

NATIONAL NON-DOMESTIC RATES RETURN - NDR1

2020-21

Please e-mail to: ndr.statistics@communities.gov.uk by no later than 31 January 2020.
In addition, a certified copy of the form should be returned by no later than **31 January 2020** 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

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2020-21

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.1

Local Authority : Southend-on-Sea UA

PART 2: NET RATES PAYABLE

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas) Complete this column	Column 2 Designated areas Do not complete this column	Column 3 TOTAL (All BA Area) Do not complete this column
	£	£	£
GROSS RATES PAYABLE (All data should be entered as +ve unless specified otherwise) - see Note E			
1. Rateable Value at <input type="text" value="07/01/20"/>	<input type="text" value="121,963,733"/>	<input type="text" value="0"/>	<input type="text" value="121,963,733"/>
2. Small business rating multiplier for 2020-21 (pence) <input type="text" value="49.9"/>			
3. Gross rates 2020-21 (RV x multiplier)	<input type="text" value="60,859,903"/>	<input type="text" value="0"/>	
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	<input type="text" value="0"/>	<input type="text" value="0"/>	
5. Forecast gross rates payable in 2020-21	<input type="text" value="60,859,903"/>	<input type="text" value="0"/>	<input type="text" value="60,859,903"/>
TRANSITIONAL ARRANGEMENTS (See Note F)			
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	<input type="text" value="-317,775"/>	<input type="text" value="0"/>	<input type="text" value="-317,775"/>
7. Additional income received because reductions in rates have been deferred (Show as +ve)	<input type="text" value="498,702"/>	<input type="text" value="0"/>	<input type="text" value="498,702"/>
8. Net cost of transitional arrangements	<input type="text" value="180,927"/>	<input type="text" value="0"/>	
9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase)	<input type="text" value="0"/>	<input type="text" value="0"/>	
10. Forecast net cost of transitional arrangements	<input type="text" value="180,927"/>	<input type="text" value="0"/>	<input type="text" value="180,927"/>
TRANSITIONAL PROTECTION PAYMENTS (See Note F(a))			
11. Sum due to/(from) authority	<input type="text" value="-180,927"/>	<input type="text" value="0"/>	<input type="text" value="-180,927"/>

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2020-21

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.1

Local Authority : Southend-on-Sea UA

PART 2: NET RATES PAYABLE

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)			
Small Business Rate Relief			
12. Forecast of relief to be provided in 2020-21	-7,937,547	0	-7,937,547
13. of which: relief on existing properties where a 2nd property is occupied	-15,748	0	-15,748
14. Additional yield from the small business supplement (Show as +ve)	997,975	0	997,975
15. Net cost of small business rate relief (line 12 + line 14)	-6,939,572	0	-6,939,572
Charitable occupation			
16. Forecast of relief to be provided in 2020-21	-5,245,698	0	-5,245,698
Community Amateur Sports Clubs (CASCs)			
17. Forecast of relief to be provided in 2020-21	-55,089	0	-55,089
Rural rate relief			
18. Forecast of relief to be provided in 2020-21	0	0	0
Telecoms Relief (see Note L)			
19. Forecast of relief to be provided in 2020-21	0	0	0

20. Forecast of mandatory reliefs to be provided in 2020-21 (Sum of lines 15 to 19)

-12,240,359

0

-12,240,359

21. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)

0

0

22. Total forecast mandatory reliefs to be provided in 2020-21

-12,240,359

0

-12,240,359

UNOCCUPIED PROPERTY (See Note H) (All data should be entered as -ve unless specified otherwise)

Partially occupied hereditaments

23. Forecast of 'relief' to be provided in 2020-21

0

0

0

Empty premises

24. Forecast of 'relief' to be provided in 2020-21

-897,099

0

-897,099

25. Forecast of unoccupied property 'relief' to be provided in 2020-21 (Line 23 + line 24)

-897,099

0

26. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase)

-600,000

0

27. Total forecast unoccupied property 'relief' to

25

-1,497,099

0

-1,497,099

NATIONAL NON-DOMESTIC RATES RETURN - NDR1
2020-21

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.1

Local Authority : Southend-on-Sea UA

PART 2: NET RATES PAYABLE

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
be provided in 2020-21			

NATIONAL NON-DOMESTIC RATES RETURN - NDR1
2020-21

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.1

Local Authority : Southend-on-Sea UA

PART 2: NET RATES PAYABLE

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
DISCRETIONARY RELIEFS (See Note J) (All data should be entered as -ve unless specified otherwise)			
Charitable occupation			
28. Forecast of relief to be provided in 2020-21	-85,299	0	-85,299
Non-profit making bodies			
29. Forecast of relief to be provided in 2020-21	-37,455	0	-37,455
Community Amateur Sports Clubs (CASCs)			
30. Forecast of relief to be provided in 2020-21	-3,942	0	-3,942
Rural shops etc			
31. Forecast of relief to be provided in 2020-21	0	0	0
Small rural businesses			
32. Forecast of relief to be provided in 2020-21	0	0	0
Other ratepayers (refer to guidance for further details)			
33. Forecast of relief to be provided in 2020-21	0	0	0
	<i>of which:</i>	<i>of which:</i>	
34. Relief given to Case A hereditaments	0	0	
35. Relief given to Case B hereditaments	0		
36. Forecast of discretionary relief to be provided in 2020-21 (Sum of lines 28 to 33)	-126,696	0	-126,696
37. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)	0	0	
38. Total forecast discretionary relief to be provided in 2020-21	-126,696	0	-126,696

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1

2020-21

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.1

Local Authority : Southend-on-Sea UA

PART 2: NET RATES PAYABLE

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT (See Note K) (All data should be entered as -ve unless specified otherwise)			
Rural Rate Relief			
39. Forecast of relief to be provided in 2020-21	0	0	0
Supporting Small Businesses Relief			
40. Forecast of relief to be provided in 2020-21	-24,531	0	-24,531
Discretionary Scheme			
41. Forecast of relief to be provided in 2020-21	-9,210	0	-9,210
Retail Discount			
42. Forecast of relief to be provided in 2020-21	-1,183,198	0	-1,183,198
43. Forecast of discretionary reliefs funded through S31 grant to be provided in 2020-21 (Sum of lines 39 to 42)	-1,216,939	0	-1,216,939
44. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)	-591,776	0	-591,776
45. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2020-21	-1,808,715	0	-1,808,715
NET RATES PAYABLE			
46. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	£ 45,367,961	£ 0	£ 45,367,961

Checked by Chief Financial / Section 151 Officer :

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2020-21

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.1

Local Authority : Southend-on-Sea UA

PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas) Complete this column	Column 2 Designated Areas Do not complete this column	Column 3 TOTAL (All BA Area) Do not complete this column
	£	£	£
NET RATES PAYABLE			
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	45,367,961	0	45,367,961
(LESS) LOSSES			
2. Estimated bad debts in respect of 2020-21 rates payable	-231,377	0	-231,377
3. Estimated repayments in respect of 2020-21 rates payable	-1,703,832	0	-1,703,832
COLLECTABLE RATES			
4. Net Rates payable less losses	43,432,752	0	43,432,752
DISREGARDED AMOUNTS			
5. Renewable Energy	0	0	0
6. Shale oil and gas sites scheme (see Note C)	0	0	0
7. Transitional Protection Payment		0	
8. Baseline		0	
DISREGARDED AMOUNTS			
9. Total Disregarded Amounts		0	0
DESIGNATED AREAS IN 100% PILOT AREAS			
10. Designated Areas Qualifying Relief: Not applicable	0	0	0
DEDUCTIONS FROM CENTRAL SHARE			
11. Designated Areas Qualifying Relief	0	0	0
Additional Growth Pilot Areas			
12. Net Rates payable for Growth Baseline comparison: Not applicable	0		0
13. Growth Baseline : Not applicable	0		0
14. Additional Growth in 'Growth Pilot' Areas: Not Applicable	0		0
Port of Bristol			
15. In respect of Port of Bristol: Not applicable	0		0
DEDUCTIONS FROM CENTRAL SHARE			
16. Total Deductions	0	0	0

Checked by Chief Financial / Section 151 Officer :

NATIONAL NON-DOMESTIC RATES RETURN - NDR1
2020-21

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.1

Local Authority : Southend-on-Sea UA

PART 4: ESTIMATED COLLECTION FUND BALANCE

(Please refer to guidance notes for details about these cells.)

OPENING BALANCE

	£	£
1. Opening Balance (From Collection Fund Statement)		83,408

BUSINESS RATES CREDITS AND CHARGES

2. Business rates credited and charged to the Collection Fund in 2019-20	45,571,940	
3. Sums written off in excess of the allowance for non-collection	-118,139	
4. Changes to the allowance for non-collection	-386,681	
5. Amounts charged against the provision for alteration of lists and appeals following RV list changes	1,115,960	
6. Changes to the provision for alteration of lists and appeals	-2,533,632	
7. Total business rates credits and charges (Total lines 2 to 6)		43,649,448

OTHER RATES RETENTION SCHEME CREDITS

8. Transitional protection payments received, or to be received in 2019-20	668,698	
9. Transfers/payments to the Collection Fund for end-year reconciliations	0	
10. Transfers/payments into the Collection Fund in 2019-20 in respect of a previous year's deficit	0	
11. Total Other Credits (Total lines 8 to 10)		668,698

OTHER RATES RETENTION SCHEME CHARGES

12. Transitional protection payments made, or to be made, in 2019-20	-1,107,529	
13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2019-20	-21,566,733	
14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2019-20	-431,335	
15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2019-20	-21,135,399	
16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2019-20	-227,876	
17. Transfers/payments from the Collection Fund for end-year reconciliations	0	
18. Transfers/payments made from the Collection Fund in 2019-20 in respect of a previous year's surplus	-303,956	
19. Total Other Charges (Total lines 12 to 18)		-44,772,828

ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2019-20 - Surplus (positive), Deficit (Negative)

	£	
20. Opening balance plus total credits, less total charges (Total lines 1, 7, 11 & 19)		-371,274

Checked by Chief Financial / Section 151 Officer :

Southend-on-Sea Borough Council

Joint Report of Executive Director
(Finance and Resources)
and Deputy Chief Executive and Executive Director
(Housing & Growth)

to
Cabinet

on
16 January 2020

Report prepared by: Pete Bates
Interim Head of Corporate Finance

Draft Housing Revenue Account (HRA) Budget and Rent Setting Report 2020/21
Policy and Resources Scrutiny Committee
Cabinet Member: Councillor Ian Gilbert
A Part 1 Public Agenda Item

1 Purpose of Report

- 1.1 To highlight how investment from the Housing Revenue Account (HRA) will contribute towards meeting housing needs in Southend-on-Sea. The planned investment programme and effective management of the Council's housing stock will also contribute to our Southend 2050 ambition for everyone to feel safe and well and for everyone to have a home that meets their needs.
- 1.2 To present the outcome of Southend-on-Sea Borough Council's annual rent review and associated rent setting proposal for all council dwellings within the HRA for 2020/21. This report also sets out the HRA budget for 2020/21 – 2024/25, together with the information necessary to set a balanced budget as required by legislation.
- 1.3 To present proposals to increase service and facilities charges to recover actual costs, together with a review of rental charges for garages.

2 Recommendations

That Cabinet recommends to Council that, as part of the budget setting process, it approves the following increases with effect from 6th April 2020:-

- 2.1 An average increase on secure tenancy rents of 2.7%;**
- 2.2 An average rent increase of 2.7% on shared ownership properties;**

2.3 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.

That Cabinet recommends to Council that, as part of the budget setting process, it approves:-

2.4 South Essex Homes core management fee be agreed at £5,971,000 for 2020/21;

2.5 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 agreed;

2.6 The following appropriations be agreed;

- £60,000 to the Repairs Contract Pensions Reserve;
- £5,319,000 to the Capital Investment Reserve; and
- £8,708,000 from the Capital Investment Reserve

2.7 Subject to item 2.1 through to 2.6 above, the HRA budget for 2020/21 as set out in Appendix 1 be agreed; and

2.8 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.

3 Background

3.1 The Housing Revenue Account (HRA) is the statutory "landlord" account for the authority. For Southend-on Sea Borough Council, 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 for 2020/21.

3.4 The HRA Budget for 2020/21 is summarised at **Appendix 1**.

4 Southend 2050 Housing Ambition

4.1 South Essex Homes has a vital role to play in helping to deliver the Council's Local Housing Strategy and our ambition, developed together with our local community, to ensure that 'everyone has a home that meets their needs'. The three key aims of South Essex Homes are:-

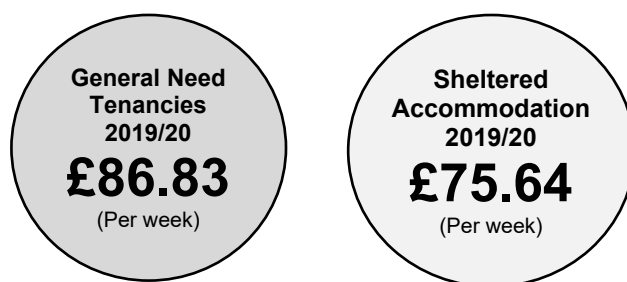
- 1) To support the delivery of quality housing, including affordable housing to meet local needs and promote a sustainable and balanced housing market.
- 2) To support improvement in the quality of the existing housing stock to achieve decent, healthy and environmentally sustainable homes across all tenures.
- 3) To support greater accessibility to different types of housing and promote independent living for our (most) vulnerable residents and continue to work to prevent homelessness.

4.2 This aspiration is being achieved through several initiatives including major investment via the HRA Capital programme of £57,261,000 over the next 5 years. This will ensure that we maintain decent homes and improve those that need it. The types of works will include electrical rewiring, bathroom installations, new roofs, new kitchens, new windows and doors replacements and installation of new more economical and energy efficient boilers.

4.3 The provision of a range of temporary accommodation services provides assistance and support to some of Southend-on-Sea's most vulnerable residents. Our Housing, Homelessness & Rough Sleeping Strategy aims to encourage good quality housing design, management and maintenance, and this directly relates and supports a lot of the day to day work that South Essex Homes undertake.

5 Rent Levels

5.1 The Council reviews and sets all council house rents in line with national policy, guidance and legislation. The average weekly rent charged for 2019/20 on HRA secure general needs tenancies was £86.83 and for sheltered accommodation £75.64.



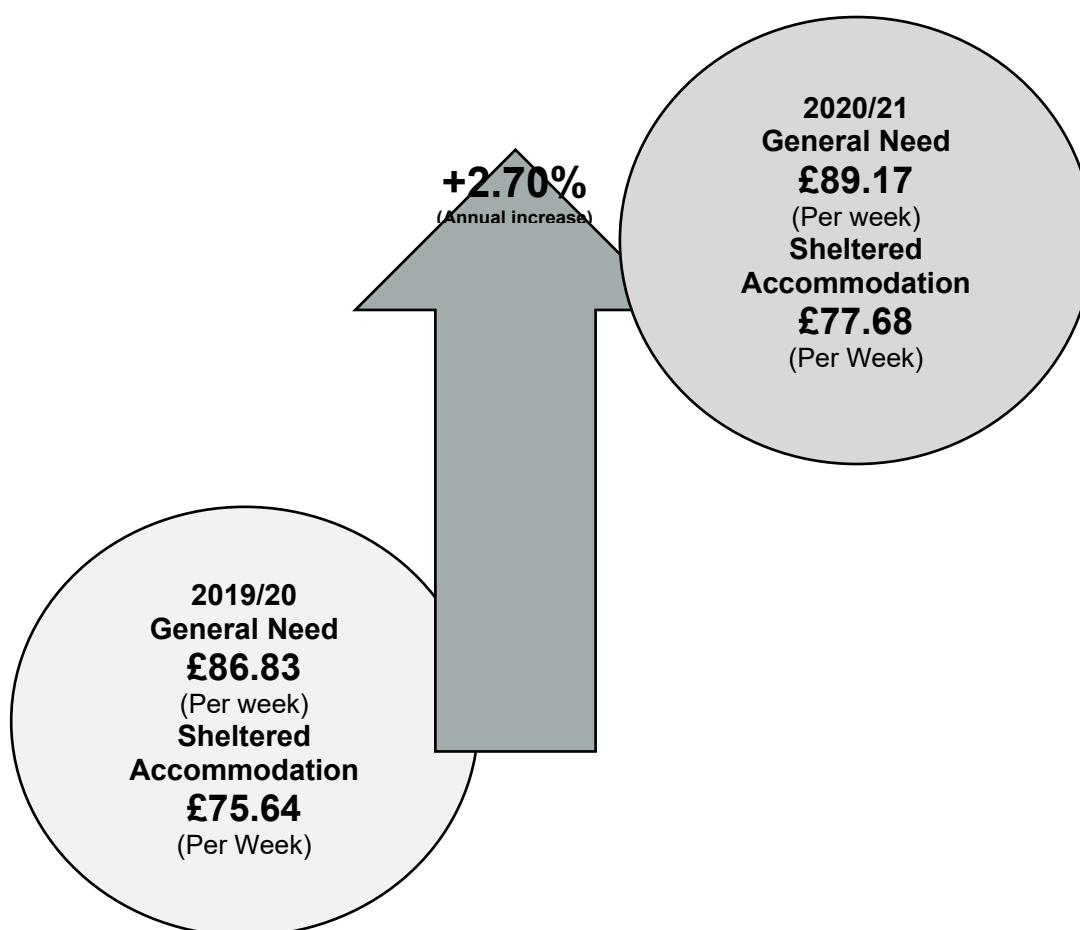
5.2 Since 2001, rents for social housing properties have been set based on a formula set by Central Government, which was calculated based on the relative value of the property, relative local income levels and the size of the property. This created a 'formula rent'. The aim of this approach was to ensure that similar rents are charged for similar type of properties. In Southend, we have about 800 properties that are yet to convert to formula rents.

- 5.3 In 2011, Central Government introduced a new regime for defining affordable rents, which permitted rents (inclusive of service charges) to be set at up to 80% of market rent for a local area. Only new properties (or new social housing) can be let at this new affordable rent level. In Southend, our affordable rent level equates to the Local Housing Allowance (LHA) rates which is lower than the 80% level of market rents. The council currently has 56 properties on the LHA rate, and all new HRA properties will be set at LHA levels and calculated on this basis.
- 5.4 In October 2017, the government announced its intention to set a long term rent deal for both local authority landlords and housing associations. This would allow annual rent increases on both social rent and affordable rent properties of up to CPI at September each year plus 1 percentage point from the financial year 2020, for a period of at least five years ('the new policy'). This equates to a 2.70% increase for 2020/21. The new policy, which comes into effect from April 2020, recognises the need for a stable financial environment to support the delivery of new homes and to enable registered providers to plan ahead and have a viable future financial investment programme.
- 5.5 The Council will be able to continue with its policy to move rents to formula level on change of tenancy. The rent increase for general needs and sheltered tenancies is summarised by number of bedrooms in the table below.

No. of bedrooms	No. of tenancies	Average Rent 2019/20 (£)	Average Rent 2020/21 (£)	Average weekly increase (£)	Average percentage increase
0	537	69.29	71.16	1.87	2.70%
1	2,456	75.92	77.97	2.05	2.70%
2	1,242	84.92	87.21	2.28	2.70%
3	1,554	101.76	104.51	2.75	2.70%
4	91	109.17	112.12	2.95	2.70%
5	1	116.28	119.42	3.14	2.70%
Total Tenancies	5,881				

- 5.6 The rents for the Council's 13 shared ownership properties have traditionally been set on the same basis as a full Council dwelling, on a pro-rata basis to the Council's ownership. It is recommended that these rents continue to increase by the prevailing September CPI rate +1%, being consistent with the proposal for the main rent increase. Across the 13 properties, the Council's ownership ranges from 10% up to 75%.

- 5.7 Rents in the Council's hostels are set with reference to the national formula. This is applied to managing Temporary Accommodation (TA) 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.
- 5.8 Councillors are reminded that a proportion of tenants will be impacted by other welfare reforms. 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. Around 55% of all tenancies also receive housing benefit support that will be funded by Central Government. The majority of these will receive 100% support.
- 5.9 The effective date of any change in rent will be 6 April 2020, being the first Monday of the new rent year. The illustration below shows the average rent increase for both general needs tenancies and for sheltered accommodation proposed for 2020/21.

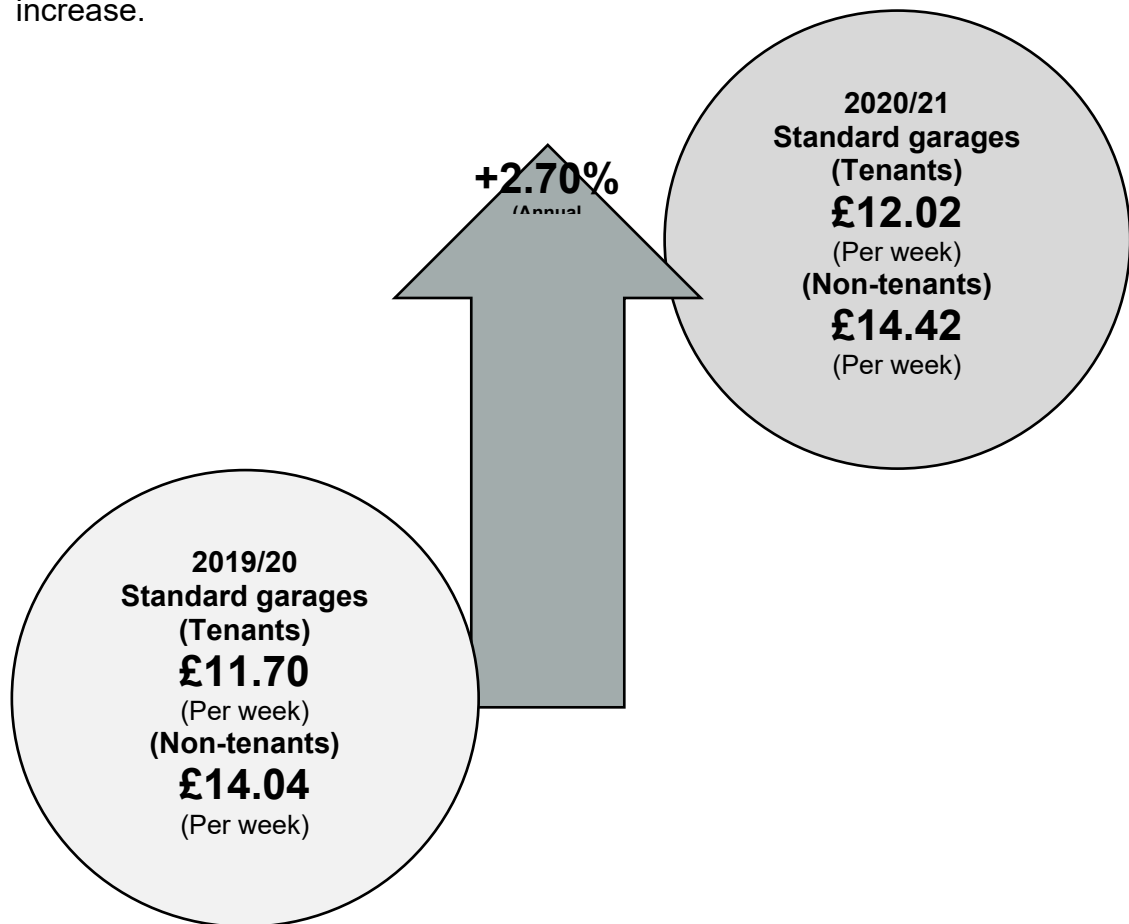


6 Other Fees and Charges

6.1 The HRA has 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 changes.

Garages

6.2 Standard garages are currently charged at £11.70 per week for tenants and £14.04 for non-tenants (being £11.70 plus VAT). It is proposed that both these charges be increased by 2.7%, to be consistent with the proposal for the main rent increase. All variants on a standard garage will receive a proportionate increase.



Water Charges

6.3 The Council (acting as an agent) 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 an appropriate void loss allowance. The Council renewed this arrangement with Northumbrian Water Company with effect from 1 April 2017, which will run until March 2022.

7 Management Fee to South Essex Homes

- 7.1 On an annual basis a management fee bid for the following financial year is sent to the Deputy Chief Executive by the Board of South Essex Homes. Following negotiations the proposed fee has been agreed and has been set mindful of the financial pressures within the HRA. The agreed bid is summarised in the following table.

	2019/20 Budget £000	2020/21 Forecast £000
Management Fee	5,738	5,738
Inflationary Pressures		176
Support for increased Hostel Provision		90*
Professional Support for Residents		23*
Less:		
Inflation Absorbed		(56)
Total Management Fee	5,738	5,971

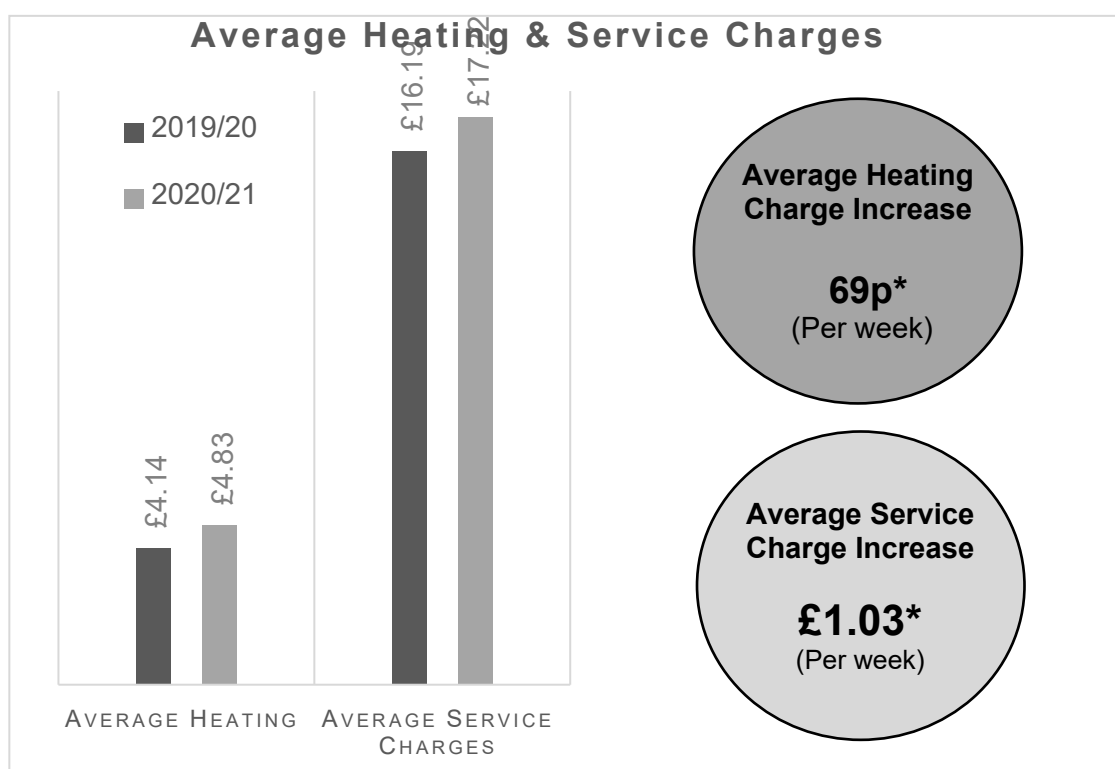
*Pilot extended into 2020/21 – evaluation to be completed by March 2021.

- 7.2 The inflationary pressures for South Essex Homes are primarily in respect of employee related increased costs.
- 7.3 South Essex Homes have also made a number of one-off requests for financial support for 2020/21. Whilst all these requests were valid it has been agreed that South Essex Homes will now review their relative priorities, and also reconsider the potential use of the £150,000 approved as ‘one-off’ for 2019/20. This amount currently remains uncommitted.
- 7.4 This agreement provides some flexibility for South Essex Homes whilst also recognising the financial pressures and challenges within the HRA. This arrangement is fully supported but any monies will only be released on the submission of a clear evidenced business case to the Council’s Housing Client Team.
- 7.5 Following decisions made as part of previous budget setting rounds, South Essex Homes also receive a significant proportion of their income from service and heating charges levied directly on tenants and leaseholders. It is beholden on South Essex Homes and the Council to ensure that service charges to tenants are reasonable, and that they are set as near as possible on an actual cost recovery basis. South Essex Homes has therefore proposed increases in these charges as set out below for Councillors endorsement.

Service Charges and Heating Charges (South Essex Homes Charge)

- 7.6 Over the past year, there has been a detailed review of the cost-recovery of all service charges, to ensure that the overall income received covers the cost of service provision. Based on this analysis South Essex Homes are proposing an average 6.36% increase in service charges.

- 7.7 As service charges are based on both the actual costs for each block and actual costs of services provided, individual charges could change by more or less than the average proposed increase. This will ensure that service charges are kept in line with the cost of providing the service. Service charges are generally covered by housing benefit where applicable.
- 7.8 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.
- 7.9 Based on costs associated with heating, South Essex Homes are proposing that there is an average 16.69% increase in heating charges in 2020/21. The increase is based on the actual costs incurred over the year ending October 2019, and is a combination of utility price increases and tenant usage over that period.
- 7.10 The actual charge for 2020/21 will be the actual costs associated with each individual scheme.



*indicates an estimate (this could go up or down)

8 Options to Balance the HRA

- 8.1 The HRA budget has been constructed using realistic and reasonable estimates based on the best information currently available. The budget, based on the proposals outlined in this report, is shown at **Appendix 1**. The budget shows an operating surplus of £5,379,000 and on that basis the HRA is clearly viable.

- 8.2 The surplus will be primarily used to fund a revenue contribution towards the completion of the current new build programme, and the commencement of the next phase. This means that £5,319,000 is proposed to be appropriated to the Capital Investment Reserve. The remaining £60,000 of the surplus is proposed to be appropriated to the Repairs Contract Pensions Reserve under the on-going arrangement put in place when the repairs contract was last let.
- 8.3 Finally to finance these ambitious plans it will also be necessary to appropriate £8,708,000 from the HRA Capital Investment Reserve. The net overall impact is an appropriation from earmarked reserves of £3,329,000 in 2020/21.
- 8.4 General HRA balances will still remain above the target of £3,000,000 at £3,502,000.

9 HRA Medium Term Financial Plan and Strategy

- 9.1 The HRA Medium Term Financial Plan is shown at **Appendix 2**. The forward forecast of the HRA is based on a general assumption of an underlying 2% CPI, consistent with the Bank of England's latest forecasts.
- 9.2 For expenditure, the variations from the 2% assumption are depreciation and interest charges which are based on the Council's underlying business plan and treasury management strategy. The plan allows for borrowings to rollover on maturity.
- 9.3 For income, it is assumed that rent will increase by CPI at September + 1% from 2020/21 as indicated by the Government. Other income increases will be limited to 2%, in line with the Council's Medium Term Financial Strategy assumptions for the General Fund. The value of the proposed Capital Investment Programme includes an agreed 8% recharge for facilitation of the capital works and will clearly vary in line with the size of the Programme.
- 9.4 Councillors will be aware of the proposed regeneration of the Queensway Estate. The HRA Medium Term Financial Strategy assumes that this development would be broadly revenue neutral at this stage. On the basis that lost rental income will be largely offset by a reduced need for management and maintenance liabilities. Some basic allowance has been made for a net loss in future years. Further work will be undertaken to understand the exact implications when the redevelopment proposal is finalised and phased, including how any decant process will work. The Medium Term Financial Strategy will be updated as soon as a better understanding of the exact timing of any impact is known.
- 9.5 The Medium Term Financial Strategy demonstrates that the HRA is currently financially robust and sustainable. From 2021/22 to 2024/25 an operational surplus is forecast, which will be appropriated to HRA earmarked reserves and be available for future investment priorities to continue to deliver improved housing outcomes for Southend-on-Sea tenants. The HRA reserves position are shown at **Appendix 3**.

- 9.6 The Major Repairs Allowance is used to support improvements to existing stock and maintain decent homes standards. The Medium Term Financial Strategy currently assumes around £6,600,000 capital expenditure on the decent homes programme per annum from 2021/22. It is proposed that some of the future HRA surplus be diverted to the Major Repairs Allowance to support and enhance the level of capital investment to maintain and improve the quality of our housing stock.

10 HRA Capital Allowance and Housing Strategy

- 10.1 South Essex Homes supports our ambition that 'everyone has a home that meets their needs'. This will be achieved through a combination of the revenue repairs investment and the HRA capital investment programme, which is included within the main 'Prioritising Resources to Deliver Better Outcomes – 2020/21 to 2024/25' budget report, elsewhere on the agenda. This proposes an indicative programme of works over the next 5 years totalling £57,261,000.

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 at risk of being paid over to Central Government. The Council is taking action to minimise the value that is paid over to Central Government, 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 going back into affordable housing, and as such is equal to the value of the HRA capital programme.

Proposed Capital Investment Programme 2020/21 to 2024/25							
Scheme	Project code	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	Total Budget (all years)
		£000	£000	£000	£000	£000	£000
Council Housing and New Build Programme							
Bathroom Refurbishment	C10161	119	59	52	96		326
Central Heating	C10162	161	197	161	771		1,290
Common Areas Improvement	C10168	927	864	864	864		3,519
Environmental - H&S works	C10163	981	1,080	1,080	1,080		4,221
Kitchen Refurbishments	C10164	1,515	1,002	875	1,107		4,499
Rewiring	C10165	53	501	739	411		1,704
Roofs	C10166	1,037	1,335	1,145	1,187		4,704
Windows and Doors	C10167	1,127	862	944	344		3,277
Future Programme (MRA & Decent Homes)	C10298	-	-	-	-	6,600	6,600
HRA Disabled Adaptations - Major Adaptations	C10015	650	650	650	650		2,600
HRA Disabled Adaptations - Minor Adaptations	C10257	50	50	50	50		200
Sheltered Housing DDA works	C10177	345					345
Housing Construction Scheme - Phase 3	C10684	3,922	654				4,576
Housing Construction Scheme - Phase 4	C10684	2,406	3,782				6,188
Housing Construction Scheme - Modern Methods of Construction (MMC)	C10684	1,112	-				1,112
HRA Affordable Housing Acquisitions Programme	C11044	5,000	3,000	1,500			9,500
Acquisition of tower block leaseholds - Queensway	C10614	800	1,800				2,600
Total Council Housing and New Build Programme		20,205	15,836	8,060	6,560	6,600	57,261

- 10.2 The HRA will also continue to play its full part in the delivery of the Housing, Homelessness and Rough Sleeping strategy through the appropriate use of its capital and revenue resources. Following the Government's decision to lift the HRA debt capital ceiling, it could be possible to use HRA borrowing to build new affordable homes. Any proposals would be subject to a full commercial business case.

- 10.3 The council is continuing with its plans for the housing development pipeline. A number of sites are currently progressing which will form the first phase of the pipeline and the project will soon undertake site feasibility, a due diligence survey and design work to provide more detailed assessments on future sites.
- 10.4 A Regeneration Framework site pipeline will also be produced which will oversee this work. This work is augmented by other approaches to housing supply being progressed, including the use of HRA capital and Right-to-Buy receipts to purchase properties on the open market and bring these into use as affordable housing in the borough. As at the end of December 2019 (Month 9), there had been 18 completed purchases, with a further 9 properties in the pipeline awaiting completion.
- 10.5 The HRA Affordable Housing Acquisitions Programme is 30% financed by retained 'Right to Buy' capital receipts. To ensure all these receipts can be used within the timeframes set by Central Government the total amount of £9,500,000 needs to be spent during the next three financial years with targets in each quarter. The profile has been programmed as £5,000,000 in 2020/21, £3,000,000 in 2021/22 and £1,500,000 in 2022/23. The balance of 70% is financed from the HRA capital investment reserve.
- 10.6 If the Council exceeds any of the quarterly targets that have been programmed then the excess will count towards the next quarter. As conveyancing timeframes cannot be guaranteed the timing of the proposed investment plan is to exceed the targets rather than to just meet them, in case any of the planned property purchases do not proceed.

11 Other Options

- 11.1 There are other options available to councillors in relation to the proposed rent and other services and facilities increases.
- 11.2 The rent standard policy statement published by Central Government in February 2019, allows the council to apply a lower increase or to freeze, or to reduce the rents if they wish to do so but also limits the increase to CPI at September +1%. Setting a rent increase lower than what is proposed in this report would eventually have a detrimental impact on the viability and sustainability of the HRA.
- 11.3 If the HRA does not recover the full costs of services and facilities provided to tenants and leaseholders, there will be a negative impact in terms of the Council's ability through South Essex Homes to continue to manage, maintain and invest in its housing stock and services. The level of income collected is all invested back into the housing stock and range of tenant services. Any reduction in income will clearly have a detrimental impact on the investment plans in 2020/21 and the future.

12 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.

13 Corporate Implications

13.1 Contribution to the Southend 2050 Road Map

The recommendations that are contained in this report, provide the resources to maintain and enhance the quality of the Council owned social housing stock. This will contribute directly to the Southend 2050 ambition, and outcome that 'we are well on our way to ensuring that everyone has a home that meets their needs'.

13.2 Financial Implications

As set out in the report

13.3 Legal Implications

The Council is under a duty to maintain a Housing Revenue Account and prevent a debit balance, in accordance with Part VI of the Local Government and Housing Act 1989. Part VI requires the council to prepare proposals relating to the income generated through the collection of rents and other charges, expenditure in respect of repairs, maintenance, supervision and management of Housing Revenue Account property and other prescribed matters. The proposals should be based on the best assumptions and estimates available and should be designed to secure that the Housing Revenue Account for the coming year does not show a debit balance.

The Council has a power to make reasonable charges (rent) for the tenancy or occupation of its dwelling-houses pursuant to section 24 of the Housing Act 1985 and is required to keep under review, the rent it charges. The Council may increase the rent it charges, in accordance with the current tenancy agreement, by giving its tenants a minimum of 28 days prior written notice as permitted by section 102(1)(b) of the Housing Act 1985.

A service charge is an amount payable (directly or indirectly) by a tenant of a dwelling as part of or in addition to the rent. Costs for service charges must be reasonable and reflect the service being provided and must be identified separately to the rent charge. Rent setting is part of good financial planning and important for the forthcoming financial year. The proposals recommended demonstrate that the Council is complying with its statutory duty and government guidance and is in line with the self-financing regime.

13.4 People Implications

None at this stage.

13.5 Property Implications

The recommendations in this report assist in the proper management of the Council's housing stock.

13.6 Consultation

Appropriate notice of proposed increases in rents and charges has been factored into the timetable for implementing the recommendations of this report.

13.7 Equalities and Diversity Implications

An equality impact assessment has been carried out in respect of the proposed changes to rent, service and heating charge levels. Notwithstanding these are applied equally and consistently across all groups as appropriate to the accommodation they occupy, there is evidence that those not in receipt of housing benefit may be negatively affected by the change in rent and service charges, and that all groups may be negatively affected by the change in heating charges.

Mitigation across all groups will be through South Essex Homes Tenancy Services working with residents to sustain their tenancies and to provide advice and signposting on money management.

13.8 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 Cabinet and Council in February 2020.

13.9 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.

13.10 Community Safety Implications

None at this stage.

13.11 Environmental Impact

None at this stage.

14 Background Papers

Equalities Assessment into the impact of the increase in rents, service and heating charges have been carried out.

15 Appendices

Appendix 1 – HRA Budget 2020/21

Appendix 2 – HRA Medium Term Financial Plan 2020/21 to 2024/25

Appendix 3 – HRA Reserves 2020/21 to 2024/25

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HRA Budget 2020/21

Appendix 1

	2019/20 Budget £000	2019/20 Revised £000	2020/21 Budget £000
Employees	206	206	206
Premises (excluding repairs)	806	795	795
Repairs	5,399	5,399	5,657
Supplies and Services	85	85	96
Management Fee	5,888	5,888	5,971
Internal Recharge to Service	1,175	1,175	1,199
Provision for Bad Debts	455	455	455
Depreciation	6,665	6,706	5,365
Interest and Debt Management Charges	3,483	3,483	3,400
Total Expenditure	24,162	24,191	23,143
Fees and Charges	(349)	(349)	(339)
Dwelling Rents	(24,720)	(25,045)	(25,848)
Other Rents	(1,497)	(1,497)	(1,461)
Other	(27)	(20)	(20)
Interest	(430)	(350)	(430)
Recharged to Capital	(467)	(542)	(424)
Total Income	(27,490)	(27,802)	(28,522)
Net Operating Expenditure/ (Surplus)	(3,328)	(3,612)	(5,379)
Revenue Contributions to Capital Outlay	2,293	2,293	8,708
Potential Impact of Queensway	0	0	0
Appropriation to/ (from) Earmarked Reserves	1,035	1,319	(3,329)
(Surplus) or Deficit in Year	0	0	0

**HRA Medium Term Financial Plan
2020/21 to 2024/25**

Appendix 2

	2020/21 Budget £000	2021/22 Forecast £000	2022/23 Forecast £000	2023/24 Forecast £000	2024/25 Forecast £000
Employees	206	206	206	206	206
Premises (excluding repairs)	795	798	801	805	805
Repairs	5,657	5,657	5,657	5,657	5,657
Supplies and Services	96	96	96	96	96
Management Fee	5,971	5,975	6,095	6,217	6,341
Internal Recharge to Service	1,199	1,222	1,247	1,272	1,297
Provision for Bad Debts	455	455	455	455	455
Depreciation	5,365	5,633	5,915	6,210	6,521
Interest and Debt Management Charges	3,400	3,448	3,413	3,417	3,417
Total Expenditure	23,143	23,490	23,885	24,334	24,795
Fees and Charges	(339)	(346)	(353)	(360)	(367)
Dwelling Rents	(25,848)	(26,592)	(27,387)	(28,209)	(29,055)
Other Rents	(1,461)	(1,467)	(1,473)	(1,480)	(1,524)
Other	(20)	(20)	(20)	(20)	(20)
Interest	(430)	(525)	(655)	(723)	(720)
Recharged to Capital	(424)	(437)	(434)	(434)	(434)
Total Income	(28,522)	(29,387)	(30,322)	(31,225)	(32,120)
Net Operating Expenditure/ (Surplus)	(5,379)	(5,897)	(6,438)	(6,891)	(7,325)
Revenue Contributions to Capital Outlay	8,708	5,205	1,050	0	0
Potential Impact of Queensway	0	200	200	200	200
Appropriation to/ (from) Earmarked Reserves	(3,329)	492	5,188	6,691	7,125
(Surplus) or Deficit in Year	0	0	0	0	0

HRA Reserves 2020/21 to 2024/25

2020/21 Budget £000	2021/22 Forecast £000	2022/23 Forecast £000	2023/24 Forecast £000	2024/25 Forecast £000
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General HRA Balance

Opening Balance	3,502	3,502	3,502	3,502	3,502
Used to meet Deficit	0	0	0	0	0
Closing Balance	3,502	3,502	3,502	3,502	3,502

Earmarked Reserves

Opening Balance	26,945	23,616	21,721	25,596	31,251
Appropriation to Earmarked Reserves	(3,329)	492	5,188	6,691	7,125
Transfer to Major Repairs Reserve	0	(2,387)	(1,313)	(1,036)	(875)
Closing Balance	23,616	21,721	25,596	31,251	37,502

Total HRA Balances at year end	27,118	25,223	29,098	34,753	41,004
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Major Repairs Allowance

Opening Balance	5,061	3,806	5,226	5,894	6,580
Depreciation Arising	5,365	5,633	5,915	6,210	6,521
Used to Fund Capital Expenditure	(6,620)	(6,600)	(6,560)	(6,560)	(6,600)
Transfer from Earmarked Reserves	0	2,387	1,313	1,036	875
Closing Balance	3,806	5,226	5,894	6,580	7,376

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Southend-on-Sea Borough Council

Report of Executive Director (Finance & Resources)

To

Cabinet

On

16 January 2020

Agenda
Item No.

7

Report prepared by:
Pete Bates, Interim Head of Corporate Finance
Caroline Fozzard, Group Manager for Financial Planning and
Control

Draft Prioritising Resources to Deliver Better Outcomes – 2020/21 to 2024/25

All Scrutiny Committees

Cabinet Members: Councillor Ian Gilbert and Councillor Ron Woodley

Part 1 (Public Agenda Item)

1 Purpose of Report

- 1.1 To illustrate over the medium term how the available revenue and capital resources are prioritised to respond to increasing demand for key local services and deliver better outcomes for local residents aligned to our Southend 2050 ambition.
- 1.2 To outline a new approach towards securing long term financial sustainability and more effective medium term business and financial planning.
- 1.3 To propose a fully funded integrated set of revenue budget initiatives and capital investment priorities for consultation, agreement and then submission to Council for approval.

2 Recommendations

The proposed overall investment package contained in this integrated revenue and capital resources report was launched for consultation with relevant stakeholders on 9 January 2020.

The following series of recommendations will ensure that a compliant, balanced and sustainable budget is agreed that invests in key priorities to deliver better outcomes for residents of Southend-on-Sea. This overall budget package is subject to confirmation of the financial settlement, certain assumptions and any consultation responses received by Cabinet prior to its next meeting scheduled for 11th February 2020.

That Cabinet recommend to Council that it:

- 2.1 Approve the draft Financial Sustainability Strategy (Appendix 1);**
- 2.2 Approve the draft Medium Term Financial Strategy (Appendix 2) and the resulting Medium Term Financial Forecast and Earmarked Reserves Balances up to 2024/25 (Annexes 1 and 2 to Appendix 2);**
- 2.3 Consider and acknowledge 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);**
- 2.4 Approve the appropriation of the sums to earmarked reserves totalling £3.37 million (Appendix 4);**
- 2.5 Approve the appropriation of the sums from earmarked reserves totalling £8.972 million (Appendix 4);**
- 2.6 Approve a General Fund net revenue budget for 2020/21 of £130.428M (Appendix 5a) and any required commencement of consultation, statutory or otherwise;**
- 2.7 Approve 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 (Paragraph 10.10);**
- 2.8 Note that the 2020/21 revenue budget has been prepared on the basis of using £2 million from the Collection Fund for the core budget to allow for a smoothing of the budget gap across the next three financial years (Paragraph 10.9);**
- 2.9 Note the position of the Council's preceptors is to be determined:**
 - Essex Police – no indication of Council Tax position;**
 - Essex Fire & Rescue Services – no indication of Council Tax position;**
 - Leigh-on-Sea Town Council – proposed precept increase ranging from 4.72% to 8.30%;**
- 2.10 Approve that no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2020/21;**
- 2.11 Approve the proposed General Fund on-going budget investment and reprioritisation of £5.355M (Appendix 6);**
- 2.12 Approve the one-off investment items, as set out in paragraph 10.8 and included within the appropriations (Appendix 7);**
- 2.13 Approve the schools budget and its relevant distribution as recommended by the Education Board (Appendix 8);**

- 2.14 **Consider and approve the Capital Investment Strategy for 2020/21 to 2024/25 (Appendix 9) and the Capital Investment Policy (Annex 1 to Appendix 9);**
- 2.15 **Consider and approve the proposed:**
- (i) **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);**
 - (ii) **schemes subject to viable business cases for the period 2020/21 to 22/23 (Appendix 10);**
- 2.16 **Consider and approve the proposed changes to the current Capital Investment Programme (Appendix 11);**
- 2.17 **Approve the proposed Capital Investment Programme for 2020/21 to 2024/25 (Appendix 12) and note 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) of which £51.3M is supported by external funding;**
- 2.18 **Approve the Minimum Revenue Provision (MRP) Policy for 2020/21 (Appendix 13) and the prudential indicators (Appendix 14);**
- 2.19 **The operational boundary and authorised limits for borrowing for 2020/21 are set at £375M and £385M respectively (Appendix 14).**

3 Background

- 3.1 The financial landscape and operating environment for public services generally and for local government in particular remains challenging and uncertain. Local Authorities have been provided with an initial indicative financial settlement for 2020/21 only. No information is currently available for future years. Part of our strategic response to this challenge is to develop a new Financial Sustainability Strategy to outline, at a high level, our ambition, approach, desire and commitment to ensure that Southend-on-Sea Borough Council remains financially stable and resilient for the future.
- 3.2 This approach is important to assess, understand and take responsibility for our financial future. It will also enable us to be proactive in the delivery of our agreed Southend 2050 ambition, key priorities and to provide the best possible value for money services to our local residents, businesses and visitors. Our financial sustainability will be enhanced by embracing the Borough's economic potential, growing our local tax bases and by increasing our income generating and commercial capabilities.
- 3.3 The updated Medium Term Financial Strategy 2020/21 – 2024/25 provides an integrated view of the whole of the Council's finances and priority investment plans over the medium term. This report outlines how scarce revenue and capital resources are prioritised and deployed to respond to increasing demand

for key local services and to deliver better outcomes for local residents aligned to our Southend 2050 ambition, phased priorities and commitments.

4 Southend 2050 Ambition

4.1 Building on the extensive engagement and consultation exercise undertaken with residents and key local stakeholders during 2018, this report highlights how this shared and jointly owned ambition for Southend-on-Sea has heavily influenced the investment priorities for 2020/21 – 2024/25. The creation of a new long term borough ambition has also resulted in the introduction of a revised approach to the Council’s business planning framework which is clearly driven by 5 Strategic themes, each theme is supported by its own individual plan containing 4-5 focussed outcomes for delivery by 2023 (23 outcomes in total). The 5 themes are summarised in the graphic below:



4.2 To reflect these longer term aspirations and to support delivery of the first phase of activities to achieve better outcomes for local residents, the Council for 2020/21 is proposing to develop a longer term view of the use of its resources and financial planning arrangements.

4.3 This approach will enhance the profiling of investment and support effective prioritisation of activities. It will also enable improved consideration of major regeneration plans that span more than one financial year from both a revenue and capital perspective. This new set of arrangements was the key driver behind integrating both revenue and capital investment plans into this single report, when historically they have always been separate with less emphasis on the medium term.

4.4 Local Government still faces huge challenges in terms of uncertainty over future funding levels and continuing increases in demand and local expectations – Southend-on-Sea is no exception but the Council is determined to do everything it can to plan effectively for the future and invest in priorities that make a real positive difference to local residents, businesses and visitors. The year 2020/21 is clearly an important transitional year in our journey towards becoming a more outcome focussed organisation where our resources are prioritised accordingly.

4.5 The overall proposed budget package contained in this report has been developed to target scarce resources to the agreed priorities under Southend

2050 and key delivery phases, whilst also responding positively to major local demand pressures in core service provision.

5 National funding situation

5.1 Spending reviews are critically important to local authorities because they determine how much money will be given to Government departments, many of whom may then provide separate funding allocations to local councils.

5.2 Spending reviews are co-ordinated and managed by HM Treasury. The dates and length of spending reviews vary. Comprehensive spending reviews (CSRs) tend to be less frequent and aim to take a longer term view and usually involve a series of zero-based reviews of public spending.

5.3 A spending review was anticipated for 2019 but due to the parliamentary time devoted to Brexit and the resulting political uncertainty a full review was not undertaken. Instead Government spending round figures were issued for 2020/21 only. The timing on any future spending review will now be determined by the new Government that was elected on 12 December 2019.

5.4 Key one off announcements relevant to Local Government are summarised below:

- Proposed 2% Council Tax referendum limit plus 2% Social Care Precept;
- Business Rates Reset and the Fair Funding Review will be deferred until 2021/22;
- 75% Business Rates Pilots will end in March 2020, with no new pilots planned for 2020/21;
- Revenue Support Grant for 2020/21 will be at 2019/20 levels plus CPI;
- New Homes Bonus – legacy payments will be paid but there is no confirmation regarding new payments going forward;
- Social Care – additional £1 billion nationally to be delivered through grant in addition to the funding currently received in 2019/20. The current funding streams of iBCF , Winter Pressures Grant and Social Care Grant will continue for 2020/21;
- The Better Care Fund (BCF) will increase by 3.4% in real terms, as part of the increase to NHS funding, stated to be a national total of £100M;
- Public Health Grant – will see a real terms increase of £100M to be in line with the increase in the Better Care Fund;
- Schools – an additional £700M High Needs for 2020/21 on top of previous levels of agreed funding;
- Homelessness – additional £54M announced but the detail of the distribution method is not yet known;

5.5 The outcome of the General Election is a Conservative Government with a majority of 80 seats. The Queen’s Speech was delivered on 19 December and proposes a total of 29 Bills and various other policies and commitments to outline the legislative programme for the Government. The areas affecting Local Government directly include:

- Social Care - the £1 billion of additional funding for this area is committed for each year of this Parliament and the 2% social care precept for 2020/21 is re-announced;
- Education – schools are to receive an extra £14 billion over three years. Further investment is promised for primary school physical education. From next year councils will be required to deliver the minimum per-pupil funding in their local area as part of the existing Government commitment to deliver this funding directly to schools through a single national formula. The free schools programme will be expanded. The Government has also announced a new National Skills Fund of £3 billion over the course of the Parliament, £1.8 billion over the same period to upgrade Further Education colleges, and announced a plan to establish 20 Institutes of Technology across England.
- Housing – a social housing whitepaper which aims to empower tenants and support the continued supply of social homes. Associated targets are for housebuilding of 1 million properties and an end to rough sleeping by the end of the Parliament;
- Business Rates – The importance of business rates to local authority funding is emphasised. The manifesto pledges of a fundamental review and an increase to the retail discount relief (from 33% to 50%) and extension of this to cinemas and music venues. In addition pub relief and an extension of the local newspaper relief are planned. It is expected that the lost business rates income from these new / higher reliefs announced will be, as per previous changes, offset by increased s31 grant payments and thereby no impact on Local Authorities. The Government restated its commitment to a review of the business rates system and to move to three-yearly revaluations, beginning in 2021. In 2017, the Government adjusted for the impact of revaluation to ensure that authorities' funding positions are unaffected by the changes (subject to the impact of appeals to the new valuations);
- Climate change - a new £640M Nature for Climate fund; £4 billion for flood defences and £9.2 billion for energy efficiency; £800M for carbon capture storage. There is also the intention to support infrastructure for electric vehicles such that there are charging points every 30 miles.

5.6 After the Queens Speech, the Ministry of Housing, Communities and Local Government issued the provisional Local Government finance settlement which was in line with the assumptions made throughout the budget planning process. All possible steps will be taken to ensure that the final settlement aligns with local authority budget setting timetables.

6 Local funding impact

6.1 The key announcements set out in section 5.4 indicate the following provisional allocations for Southend-on-Sea Borough Council:

- Social Care – additional £3.4M to be delivered through grant in addition to the funding currently received in 2019/20, so for 2020/21 the total grant will be £5.6M;

- The current funding streams of £6.744M iBCF, £0.824M Winter Pressures Grant via the BCF pool and £1.517M Disabled Facilities Grant will also continue for 2020/21;
- The Better Care Fund will increase by £0.207M, so for 2020/21 the Fund will be £6.066M
- Public Health Grant will increase by £0.313M, so for 2020/21 the Grant will be £9.525M

Dedicated School Grant Budget and Schools Revenue funding

- 6.2 The Dedicated School Grant (DSG) budget consists of delegated funding to schools, early years providers and providers of pupil's with special educational needs and alternative provision. It is the main source of revenue funding for these settings. There is also an element of this funding that is used to support Southend Borough Council's educational related services.
- 6.3 The current total DSG for 2020/21 is £158.1M (latest allocation for 2019/20 is £150.5M). In practice, although the Education Board and Local Authority remain responsible for allocating the entirety of DSG, the final actual DSG awarded to the local authority will exclude funding for Academies, High Need place funding for both colleges and further education providers, and free special schools, as this is paid directly to them from the Education and Skills Funding Agency. Therefore the final estimated allocation expected to be awarded to the local authority is £51.0M, after considering these estimated deductions of £107.1M.
- 6.4 The Department for Education (DfE) announced on 19 December 2019 the final funding details for 2020/21 which are summarised as below (and note there are 4 blocks of funding allocations within the DSG):

Block	Amount £M's	Detail
Schools Block	123.600	Allowing for 15,068 primary pupils and 11,188 secondary plus growth and premises factors
Early Years Block	10.366	This funding allows for 15 hour universal entitlement and additional 15 hour extended entitlement for 3-4 year olds and 15 hour entitlement for 2 year olds
High Needs Block	22.560	Includes special school and further education place funding, for ages 2 up to 25. Alternative provision funding, hospital education funding, and support for wider SEND services.
Central Schools Services Block	1.574	Includes Education Support Grant and Council support functions
Total DSG 2020/21	158.100	

Key 2020/21 Dedicated Schools Grant DfE Headline Announcements

- 6.5 The DfE announced in September 2019, the following key headlines in relation to Individual School Funding for 2020/21 (schools block); The minimum per pupil levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The funding floor will be set a 1.84% at a per pupil led funding basis, and all schools attracting their core National Funding Formula (NFF) allocations will benefit by an increase of 4% to those core factors.
- 6.6 In relation to Early Years funding on the 31 October 2019 the DfE announced all local authorities will receive an additional 8p per hour in 2020/21 to help fund child care places.
- 6.7 In relation to high needs block funding allocations, the funding floor (within the NFF) will be set at an 8% uplift with a maximum gains cap of 17%. As Southend's own allocation under the NFF has been below an uncapped formulae this has now meant our local High Needs block for 2020/21 will receive an additional indicative allocation of £3M applying the 17% uplift (of a national gain of £753M).
- 6.8 In relation to central block funding on the 11 October 2019, the DfE stated in 2020/21 there will be a 20% reduction to the element of funding that some authorities receive for historic commitments, which is in line with the previous DfE intentions as part of the NFF to start to unwind this funding element, although no actual amount of funding loss was confirmed until the 11 October 2019. For Southend's own allocation this is an equivalent (£181,000) funding loss (of a national funding loss of £43.5M).

DSG Education Board Decisions

- 6.9 Although the total quantum of DSG is now calculated by a national formula that indicates the amount of funding the DSG will receive, it currently remains a local decision as to how each block of funding is allocated. Education Board (covering School Forum matters) met on both the 22 October 2019 and 17 December 2019 to determine and agree the principle decisions for the allocation of the 2020/21 individual school block allocations. The Board confirmed it wishes for mainstream school allocations to continue with the implementation of the NFF locally, although for 2020/21 the Board has also helpfully agreed for 1 year in 2020/21 only, to cover the £181,000 funding loss to central block historic commitments via a transfer from the schools block.
- 6.10 The recommendations of the DSG budget to the Education Board on the 17 December 2019, **Appendix 8** show the detailed principle breakdown of the proposed 2020/21 Dedicated Schools budget. There will be a final 21 January 2020 Education Board report (for noting only) which sets the final funding allocations for 2020/21, based on the funding principle decisions made by the Education Board in both the 22 October 2019 and 17 December 2019 meetings.

Pupil Premium

- 6.11 In addition to funding from the DSG, schools will receive Pupil Premium grant, which will provide indicative amounts of £1,320 / £935 of funding per primary /

secondary pupil who have been registered for free school meals in any of the past 6 years. Based on initial estimates the total Pupil Premium will provide an additional indicative £7.5 million for schools in Southend-on-Sea (both Maintained and Academy schools).

Schools Capital Funding

- 6.12 In March 2019 the Government confirmed the Education Maintenance Capital allocations and Devolved Formula Capital (DFC) for 2019/20. They also confirmed the Basic Need Allocation for 2019/20 and 2020/21 along with a notification that 22% and 14.3% respectively of this grant would be paid in March 2019 to assist authorities with cash flow.

The grant funding was confirmed as follows:

- £3.82M of basic need funding to provide school places to be paid in 2019/20 and £10.35M for 2020/21 of which £2.32m of this was paid at the end of 2018/19.
- £0.546M of Maintenance Capital for 2019/20 to support the needs of the schools we maintain and for the Sure Start children's centres;
- £0.1M of Devolved Formula Capital for schools for 2019/20;

- 6.13 All of these allocations will be delivered as capital grant.
- 6.14 The Government is currently completing a spending review and future year grants will be confirmed in February 2020 once this is completed.
- 6.15 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.
- 6.16 Government funding is not ring fenced and Southend, like many other authorities, will be spending more on Basic Need than the awarded grant.
- 6.17 Once the 2020/21 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.
- 6.18 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.
- 6.19 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.

Highways and Transportation Capital Funding

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

6.21 The settlement is as follows:

	2020/21 £M
Integrated Transport	1.401
'Needs Based' Highways Capital Maintenance Block	1.121

6.22 The allocations for the Highways Capital Maintenance and the Integrated Transport Block (ITB) for 2020/21 are indicative (although unlikely to change), and are awaiting confirmation from the Department for Transport (DfT).

6.23 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.

6.24 To allow the full delivery of the 2020/21 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.

7 Financial Sustainability Strategy

7.1 This is a new high level long term strategy that frames the financial future and intentions for the Council. It will help set the context for the Medium Term Financial Strategy, guide our approach to maximising resources, prioritising investment and the effective targeting of resources to deliver the ambitions and outcomes contained within the Southend 2050 programme and Roadmap phases.

7.2 Its primary purpose is to outline our approach, desire and commitment to achieving financial sustainability by embracing the area's economic potential, growing our local tax base and increase sustainable income capabilities.

7.3 The new Financial Sustainability Strategy is still under development but an initial draft is attached as **Appendix 1**.

8 Medium Term Financial Strategy (MTFS) 2020/21 – 2024/25

8.1 This provides an integrated view of the whole of the Council’s finances and outlook over the medium term, i.e. over the next five years. It shows how the Council intends to align its financial resources to the Southend 2050 ambition, five year roadmap and desired outcomes.

8.2 It is the Council’s key financial planning document which informs business and resource planning and shows how spending needs to be balanced with the amount of available funding. It identifies budget gaps in the medium term to enable the Council sufficient time to address them in a considered, measured and planned way.

8.3 The draft MTFS is attached as **Appendix 2**. The key assumptions used in developing this strategy for 2020/21 to 2024/25 are set out in section 1 of the strategy.

8.4 The Medium Term Financial Forecast for the years 2020/21 to 2024/25 is shown in **Annex 1 to Appendix 2**. A summary table showing the forecast budget gap for the next for 5 years is shown below.

Year	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Budget gap	£0M	£7.9M	£4.7M	£5.7M	£5.0M	£23.3M

8.5 The cost pressures and the action being taken to mitigate those pressures where possible are set out in section 3 of the strategy.

8.6 The Section 151 Officer’s Statement on the Adequacy of Balances and the Robustness of the Budget is attached as **Appendix 3**. This includes the recommended Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment.

8.7 The proposed Earmarked Reserves balances (2019/20 – 2024/25) is shown in **Annex 2 to Appendix 2** and it illustrates not only the appropriations to and from Earmarked Reserves but also the transfers between them. There are a number of re-classifications proposed for 2020/21 including a further £3M to be set aside as a safety net in recognition of the continuing challenge of Children’s Social Care, both nationally and locally.

8.8 The level of resources available for revenue and capital investment were subject to extensive challenge and prioritisation to ensure that investment is designed to have a positive impact and is aligned to deliver the Southend 2050 outcomes and first phases of the roadmap.

8.9 For revenue prioritisation of proposed investment, careful assessment was given to current demands and pressures for existing local priority services and to a range of initiatives that are not only aligned to our 2050 priorities, but would also have a big value for money impact in providing better outcomes for local residents.

8.10 For capital prioritisation of proposed investment this is achieved through application of the Capital Investment Strategy. This is a key document which

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 includes an overview of the governance processes for consideration, prioritisation and approval of capital investment. The Capital Investment Strategy for 2020/21 to 2024/25 is attached as **Appendix 9**.

9 Prioritising Resources to Deliver Better Outcomes

- 9.1 Successful and timely delivery of the revenue budget and capital investment programme are a key part of achieving the Southend 2050 ambition and delivering the outcomes and roadmap to 2023.
- 9.2 The following table provides a summary of the range of new revenue investment proposals that form part of this overall budget package. The details of each proposal for 2020/21 is shown at **Appendix 6**. As part of our new longer term planning approach the following table also provides an assessment of each proposal over the medium term. A lot of the proposed initiatives are planned to be a permanent increase in the revenue base budget of the Council and therefore the same level of investment is shown in each of the next 5 years.
- 9.3 The table also contains proposals that do change or are only proposed for a finite length of time. This new approach is under development but will be crucial to help with more effective longer term financial planning. Over £40 Million net extra revenue investment is proposed over the next 5 years for this range of initiatives.

	Investment and reprioritisation	2020-21 (£000)	2021-22 (£000)	2022-23 (£000)	2023-24 (£000)	2024-25 (£000)	5 Year Total (£000)
PJ1	Tree & Shrub Planting/Maintenance	200	200	200	200	200	1,000
	Pride & Joy total	200	200	200	200	200	1,000
SW1	External Care Provision	2,375	2,375	2,375	2,375	2,375	11,875
SW2	In-House Foster Carers	400	400	400	400	400	2,000
SW3	Newly Qualified Social Workers	210	210	210	210	210	1,050
SW4	Field Work Services	115	115	115	115	115	575
SW5	Vulnerable Children	100	100	100	100	100	500
SW6	Children's Social Care Legal Costs	200	200	200	200	200	1,000
SW7	Living Wage for Adult Service Providers	1,095	2,200	3,300	4,400	5,500	16,495
SW8	Children to Adults Transition	350	350	350	350	350	1,750
SW9	Older People Demographics	480	480	480	480	480	2,400
SW10	Equipment Services	250	250	250	250	250	1,250
SW11	Green City Aspirations	120	120	120	120	120	600
SW12	Public Health Act Funeral Arrangements	25	25	25	25	25	125
SW13	Liquid Logic Support Team	155	155	155	155	155	775
SW14	Complex Needs Provision	35	35	35	35	35	175
SW15	Southend Care	(100)	(100)	(100)	(100)	(100)	(500)
	Safe & Well total	5,810	6,915	8,015	9,115	10,215	40,070
OP1	Library Review	100	100	100	100	100	500
OP2	Income Generation - Statutory Fee	(75)	(75)	(75)	(75)	(75)	(375)
OP3	Asset Management Income	(100)	(100)	(100)	(100)	(100)	(500)
	Opportunity & Prosperity total	(75)	(75)	(75)	(75)	(75)	(375)
CS1	Potholes	500	500	500	500	500	2,500
CS2	Town Centre Parking	50	50	50	50	50	250
CS3	Signal Maintenance	50	50	50	50	50	250
CS4	Streetworks Income	500	500	500	500	500	2,500
CS5	Rechargeable Works	100	100	100	100	100	500
	Connected & Smart total	1,200	1,200	1,200	1,200	1,200	6,000
E1	ICT Transformation	200	200	200	200	200	1,000
E2	Workforce Development	100	100	100	100	100	500
E3	Waste Disposal	(800)	(800)	(800)	-	-	(2,400)
E4	Release of Pension Fund Provision	(750)	(750)	(750)	-	-	(2,250)
E5	Productivity and Efficiency Gains	(250)	(250)	(250)	(250)	(250)	(1,250)
E6	Facilities Management	120	120	120	120	120	600
E7	Investment Income	(400)	(400)	(400)	(400)	(400)	(2,000)
	Enabling total	(1,780)	(1,780)	(1,780)	(230)	(230)	(5,800)
	Investment and reprioritisation total	5,355	6,460	7,560	10,210	11,310	40,895

9.4 In addition to these new investment proposals, the Council is also actively involved in a number of projects aimed at reducing the impact of climate change. The Council has been very successful in utilising investment to leverage external grant funding via a competitive bidding processes to be able to undertake projects on a larger scale which in turn will have a greater benefit to the local environment.

These climate change initiatives support our aspirations to achieve net-zero emissions by 2030 in line with the Climate Emergency Declaration. A number of these projects are currently underway and others are in the process of having business cases completed to highlight the benefits of the projects and the funding this will bring in to the Council to support programme delivery.

Projects are split into 5 key themes:

- Energy Management, Generation and Efficiency plus Waste
- Greening and Nature Based Solutions
- Air Quality
- Transport Solutions
- Adaptation to Climate Change

The projects are a mixture of fully funded programmes and schemes which require match funding. This match funding primarily is in the form of staff time or previously approved capital schemes which are contributing towards our Green City ambition.

Current schemes include Plasticity (over €1 million) to work on delivering a new approach to plastic waste which will help us drive up recycling rates over the next 4 years with resident and business engagement, Nature Smart Cities (over €850,000) to help local authorities understand how they can build a business case to approve urban greening projects which will reduce flood risk and provide relief from heat stress, Cool Towns (over €700,000) which will test and validate a number of measures which are designed to reduce heat stress in the Borough and 2imprezs (over €500,000) which has provided a number of energy saving measures in school buildings.

Capital investment

- 9.5 The proposed capital investment programme for 2020/21 to 2024/25 represents a significant investment of nearly £205M on the part of the Council in the Southend area with further schemes that could be added subject to viable business cases being approved. The projected investment in 2020/21 alone amounts to £109M. Key areas of continued investment across the six year period including 2019/20 are as follows:

Pride and Joy

Southend Pier

- 9.6 Capital 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.
- 9.7 Major capital investment in the pier of £16.622M is included in the current programme. New capital investment of £5.335M for the pier is to deliver a continuing planned approach to addressing the condition works and bearing refurbishment identified within the condition survey. This will reduce the requirement for urgent and/or reactive condition works.

Safe and Well

Housing

- 9.8 Capital 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. In line with the regeneration framework and development pipeline, sites for housing, wider regeneration and a range of other land uses are being analysed for their development potential and how they can most beneficially fit into a comprehensive development pipeline. The next stage including the high-level feasibility work is being undertaken on an initial batch of sites. The findings of this work will enable a more detailed assessment of the number of units which could be delivered across the pipeline and the most appropriate delivery vehicle for achieving this.

- 9.9 A number of sites within the pipeline are currently underway and a major capital investment of £14.453M is included in this programme is to deliver the agreed phases of the affordable housing development programme to provide much needed housing for those on the Homeseeker's Register. A building programme of private, locally affordable housing, for rent and sale is a roadmap goal for 2020.
- 9.10 New capital investment of £9.5M has been included over the next three years to extend the affordable housing acquisitions programme. New capital investment of £6.6M has also been included for 2024/25 to continue the programme of works to maintain the housing stock to decency levels and to invest in environmental health and safety and disabled adaptations works. Subject to designated 2019/20 works being completed the 5,900 houses, flats and bungalows will all be deemed to be at decency levels by March 2020. From 2020/21 there will be newly arising need so these levels need to be maintained to sustain an environment that keeps residents safe and well and there is a £30.1M multi-year programme to do this over the next five years.

Social Care

- 9.11 Capital 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.
- 9.12 A major investment of £13.1M included in this capital programme is the re-development of the Delaware and Priory Residential Care homes and the Viking Day Centre. The new development is due to welcome its first residents in early 2021 and 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.

Climate change

- 9.13 Capital investment in this area contributes to the desired outcome that we act as a green city with outstanding examples of energy efficient and carbon neutral buildings, green open spaces, streets, transport and recycling.
- 9.14 Capital investment of £2.2M is included in this programme for energy saving initiatives in line with the declared climate change emergency. Projects include energy efficiency, air quality measurement, solar panels and electric charging points for taxis. Air quality being further improved, particularly around key road junctions is a roadmap goal for 2022.
- 9.15 As a direct response to the effects of climate change capital investment of £6.8M is included in this programme for coastal defence, flood prevention, improving resilience to flooding from extreme weather events and tree planting. As part of the tree planting policy an additional 1,000 trees are being planting between the 2019/20 and 2021/22 planting seasons. These will have the benefit

of absorbing CO2, filtering urban pollution and fine particulates, cooling the air and increasing biodiversity by providing habitat, food and protection for plants and animals.

Opportunity and Prosperity

Enterprise and Regeneration

- 9.16 Capital investment in this area contributes to the desired outcome that key regeneration schemes, such as the Better Queensway and the Airport Business Park are underway and bring prosperity and job opportunities to the borough.
- 9.17 A major investment of £26.335M 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. Works are progressing well with the phase one utilities and the relocation of the rugby club nearing completion. Phase two works are on schedule with completion due in May 2020.
- 9.18 £15M is included in this capital investment programme for the Council's share of the initial funding of the Porter's Place Southend-on-Sea LLP to deliver the Better Queensway regeneration project.
- 9.19 New capital investment of £1.02M included in this programme is to resource the Council's ability to support, directly deliver, hold accountable and work in partnership with Porter's Place Southend-on-Sea LLP and Swan Housing Association to deliver the Better Queensway regeneration project. The start of the Better Queensway regeneration and housing scheme is a roadmap goal for 2020.

Housing

- 9.20 Capital investment in this area contributes to the desired outcome that key regeneration schemes bring prosperity and job opportunities to the borough.
- 9.21 New capital investment of £2.6M has been included to buy leasehold properties as they become available to facilitate the delivery of the Better Queensway regeneration project. All purchases will be fully reimbursed by this Joint Venture. The start of the Better Queensway regeneration and housing scheme is a roadmap goal for 2020.

Schools

- 9.22 Capital 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.
- 9.23 The schools capital investment programme for 2019/20 onwards totals £17.440M. The programme from 2020/21 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. New investment of £2.6M has been included in the proposed programme for this. Raising aspiration and educational attainment in deprived areas is a roadmap goal for 2020 and all schools will be good or outstanding is a roadmap goal for 2021.

- 9.24 Thus far expansion projects have been completed at The Eastwood Academy, Shoeburyness High School and Cecil Jones Academy. There are also ongoing projects at St Bernards High School, St Thomas More High School and Belfairs Academy to ensure sufficient accommodation for the extra pupils they started to admit from September 2018. This additional funding will allow the phase two completion of works at Chase High School so they can admit an extra 30 pupils in September 2020 followed by a second increase of 30 in September 2021. Once completed the whole expansion programme will have added 1,250 places across years seven to eleven by September 2024, giving both sufficient places and a small level of surplus as required by the Department for Education that gives parents some choice over which school they wish their children to attend.

Culture and Tourism

- 9.25 Capital investment in this area contributes to the desired outcome that key regeneration schemes are underway and bringing prosperity and job opportunities to the borough.
- 9.26 A major capital investment of £18.480M included in this programme is for Forum II, the second phase development of the Forum in partnership with South Essex College. This is due for opening in September 2021 and will deliver education, cultural and business space so as to increase the opportunity to engage with digital, cultural and creative industries.

Connected and Smart

Highways and Infrastructure

- 9.27 Capital investment in this area contributes to the desired outcome that it is easier for residents, visitors and people who work here to get in and around the borough.
- 9.28 Capital investment of £12.4M is included in this programme for the A127 growth corridor funded from the Local Growth Fund monies from Government and £6.8M included for highway maintenance and transport schemes funded Local Transport Plan monies from Government. Completion of the A127 Bell Junction improvement is a roadmap goal for 2021.
- 9.29 New capital investment of £0.5M included in this programme is to resurface and re-line car parks which have been surveyed and deemed to be areas of concern for the next two years. These include Alexandra Street, Clarence Road, Hamlet Court, Warrior Square and Fairheads Green. Investing in parking infrastructure will reduce the risk of loss of income from parking charges by ensuring that car parks are attractive and well used facilities which are fit for purpose. This is an

important component in implementing our Car Parking Strategy across the Borough.

- 9.30 New capital investment of £1M is for highways infrastructure to reduce long term structural maintenance and improve public safety. This is in addition to the budget of £2M already in the approved capital investment programme in 20/21.
- 9.31 New capital investment of £0.65M is to install junction protection for the prevention of obstructive and indiscriminate parking from road junctions to improve sightlines for drivers and pedestrians and help improve the safety of all road users, whilst also aiding accessibility for all but particularly those with mobility impairments.
- 9.32 New capital investment of £0.6M is for the removal of the existing anti-skid zebra crossing surfacing and replacement using high friction road surface which has a greater life expectancy and provides an enhanced surface for drivers to brake under emergency conditions at hazardous locations.

Enabling

Culture and Tourism

- 9.33 New capital investment of £3.75M included in this programme is to continue the property refurbishment programme. This will enable a proactive approach to ensure investment is made in the fabric and services within buildings before they get to a stage that capital works become urgent or have a detrimental impact on service users' use of the building or leads to urgent repairs and maintenance works which are usually more costs long term.

ICT

- 9.34 New capital investment of £8.165M included in this programme for ICT is to strengthen and enhance cyber security, to modernise and upgrade the hardware, applications and other infrastructure to improve efficiency, resilience and reliability. This is to ensure the ICT is fit for purpose to meet the Council's requirements as it continues its digital journal to a connected and smart borough.

10 General Fund Revenue Budgets 2020/21 – 2024/25

Forecast revenue outturn 2019/20

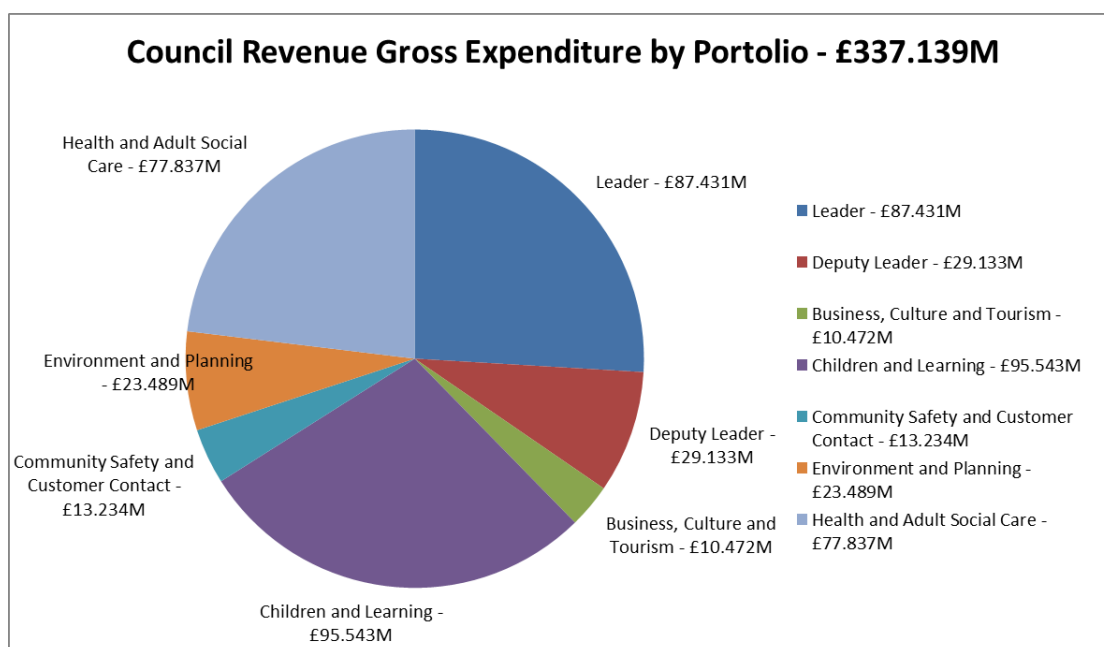
- 10.1 The original General Fund revenue budget for 2019/20 totalled £78.258M (total budget requirement of £123.150M less £44.892M government grants and business rates) and was to be met from available council tax and adult social care precept with no planned use of revenue balances or reserves.
- 10.2 Councillors have been supplied with regular financial monitoring information throughout the year. The latest forecast outturn for 2019/20 is summarised in the Corporate Budget Performance Report – Period 8, elsewhere on this agenda. In keeping with the majority of upper tier local authorities Southend-on-

Sea have been experiencing significant increases in demand and associated costs for key services in Children’s and Adults. There has also been increased pressures in highways and transport services.

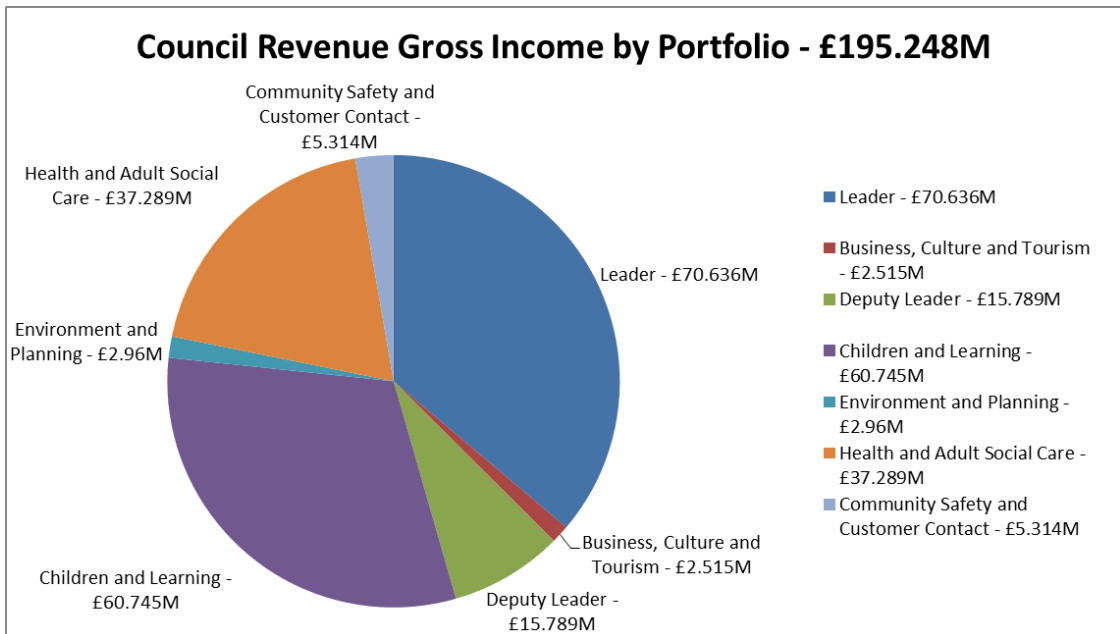
- 10.3 The latest financial forecast for 2019/20 indicates a projected £3.2M overspend. A range of mitigation plans are in place to try and improve this position by the end of the financial year. The situation will be closely monitored for the remainder of the financial year. The anticipated overspend will be met by a combination of using contingency and reserves if required. The actual year-end final position for 2019/20 will be considered as part of the outturn report, which will be presented to Cabinet in June 2020.

General Fund Revenue Budget 2020/21

- 10.4 The proposed gross revenue expenditure for 2020/21 by service and including all the proposed initiatives summarised in section 9.3 is shown in the pie chart below. The detail summarised by portfolio is attached as **Appendix 5b and 5c**.



- 10.5 The proposed gross revenue income for 2020/21 by service and income source is shown below:

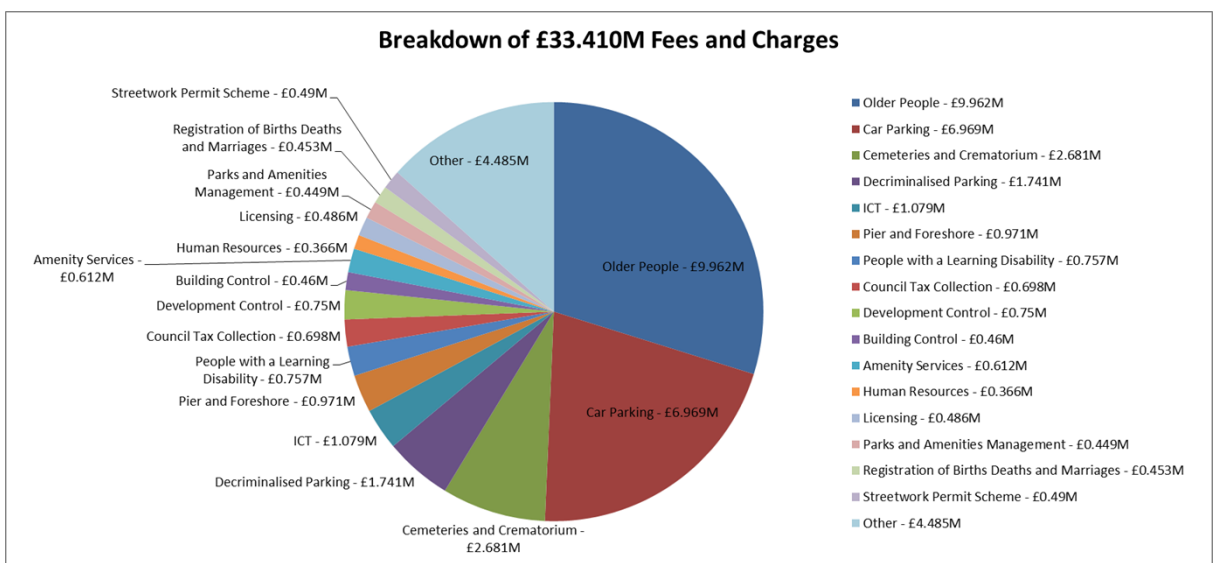


Fees and Charges

10.6 Cabinet at its meeting on 18 September 2018 approved the introduction of a fees and charges policy to cover all fees and charges reviews except car parking charges. This approved policy enabled Chief Officers to set fees and charges annually where the expected yield for a service or category is in line with the budget parameters as set out in the Medium Term Financial Strategy, For 2020/21 the guideline yield has been set at 2% and therefore charges for 2020/21 will be set by Chief Officers within this guideline.

10.7 This proposed overall balanced budget package assumes no increase in parking charges for 2020/21. A car parking scoping exercise previously reported to Cabinet is currently under development and a further update will be brought forward when the assessment has been completed.

The proposed breakdown of fees and charges for 2020/21 by service is shown below:



Overall General Fund Budget

The overall proposed balanced General Fund Revenue Budget package for 2020/21 is summarised in the following table.

	2019/20	2020/21
	£M	£M
Net Base Budget		125.073
Net Investment and Reprioritisation		5.355
Revenue Budget	125.647	130.428
Less Available Funding		
Revenue Support Grant	(5.925)	(6.049)
Business Rates	(24.130)	(25.481)
Business Rates Top-Up Grant	(12.337)	(12.551)
Council Tax Surplus	(2.500)	(2.000)
To be funded from Council and ASC Precept	80.755	84.347
General Council Tax	75.022	76.966
ASC Precept Income	5.733	7.381
Balanced Budget	0	0

- 10.8 As part of the budget proposals, there are also some one-off investment items that are proposed to be funded due to their temporary nature by the use of earmarked reserves. These items totalling £4.195M are detailed in **Appendix 7** and are summarised in the following table:

Use of Reserves	2020-21 (£000)	2021-22 (£000)	2022-23 (£000)	3 Year Total (£000)
Service Design	185	185	185	555
Community Safety / Environment Crime	150	150	-	300
Summer and Winter Planning	100	100	100	300
Community Builders / Capacity Building Fund	100	100	-	200
Economic Development	100	100	-	200
Workforce Development	100	50	-	150
Business Transformation Reserve total	735	685	285	1,705
Complex Needs Provision	150	150	-	300
Public Health Reserve total	150	150	-	300
Local Plan	410	130	-	540
Housing Implementation	150	150	-	300
New Homes Bonus Reserve total	560	280	-	840
Outcome Delivery	250	250	250	750
Outcome Delivery Reserve total	250	250	250	750
School Improvement	200	200	200	600
School Improvement Reserve total	200	200	200	600
Use of Reserves total	1,895	1,565	735	4,195

Council Tax 2020/21 and estimated collection fund balance 2019/20

- 10.9 The Council has to formally determine the Council Tax Base (the number of Band D equivalent properties) for 2020/21 and any estimated Collection Fund balance at the end of 2019/20. The Council Tax base for 2020/21 is as reported in a separate report on this agenda for approval by Cabinet as delegated by Council at **58,680.94** (equivalent Band D properties) including Leigh-on-Sea Town Council.

The tax base for Leigh-on-Sea Town Council has been calculated for 2020/21 as **8,845.24** Band D equivalents.

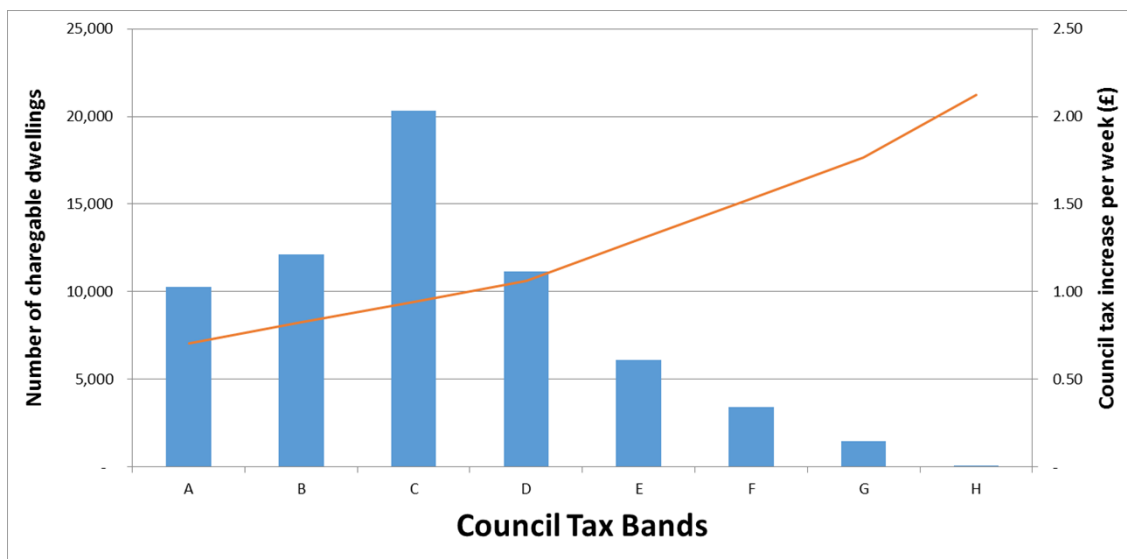
The Council Tax base for Southend-on-Sea has increased as a result of a combination of new properties on the list, coupled with the on-going impact of the agreed discounts and exemptions. The introduction of a new Care Leavers Council Tax Relief Policy and the proposed increase in the Empty Homes Premium to 200% from April 2020 has also been factored into the tax base calculation.

The estimated balance on the Collection Fund in respect of Council Tax as at the end of 2019/20 will be formally reported to Cabinet in February. It is currently assumed that £2M of the projected surplus will be used to support the budget for 2020/21.

Council Tax

- 10.10 Overall, the draft budget assumes a total increase in the Council Tax of 3.99% (that being 1.99% for general use and 2% for the Adult Social Care precept). This would result in a Band D value of £1,437.39 per annum (the Band D level for 2019/20 is £1,382.22). This equates to an annual increase of £55.17 and a weekly increase of £1.06. The following table and bar chart provide an indicative illustration of the impact of the proposed council tax increase for 2020/21 across the range of properties in Southend-on-Sea. Over 70% of properties in the Borough are in council tax bands A to C.

Council Tax Band	A	B	C	D	E	F	G	H
Number of chargeable dwellings	16,168	15,625	23,978	12,541	6,591	3,613	1,559	94
19/20 Council Tax per week (£)	17.72	20.67	23.63	26.58	32.49	38.40	44.30	53.16
Increase per week (£)	0.71	0.82	0.94	1.06	1.30	1.53	1.77	2.12
20/21 Council Tax per week (£)	18.43	21.50	24.57	27.64	33.78	39.93	46.07	55.28



This draft proposed budget assumes a Council Tax increase of 1.99% for general use on the Southend-on-Sea element of the total Council Tax. In addition, the draft budget for 2020/21 also assumes an Adult Social Care precept increase at a level of 2.0% of the main council tax. 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 total Council Tax payable by tax payers consists of Southend-on-Sea Borough Council element, the Adult Social Care element and the precepts for Essex Fire & Rescue Services Authority and Essex Police Authority. Where applicable it also includes Leigh-on-Sea Town Council precept.

Precepts

- 10.11 Leigh-on-Sea Town Council has indicated its possible range of precept for 2020/21 depending on a decision to be made at their Town Council meeting of 21 January 2020 regarding essential repairs to their community centre. The highest precept has been indicated as £456,945 (2019/20 = £421,625). Based on their council tax base of 8,845.24, the Town Council element of the total Council Tax bill would increase from £47.70 to £51.66 at Band D, equivalent to an increase of 8.30% from 2019/20. The lowest precept has been indicated as £441,820 (2019/20 = £421,625). Based on their council tax base of 8,845.24, the Town Council element of the total Council Tax bill would increase from £47.70 to £49.95 at Band D, equivalent to an increase of 4.72% from 2019/20.
- 10.12 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 2020 (after consideration by the Essex Police, Fire and Crime Panel on 22 January 2020).

Levies

- 10.13 The Council is required to pay relevant levying bodies, who have only indicated their draft levy position for 2020/21. Updated levies figures will be included in

the final report to Cabinet on 11 February. The final levies will be reported on in the Council Tax report for Council on 20 February 2020. The current position for 2020/21 is identified in the following table:-

Levying Body	2019/20 Probable Actual £000	2020/21 Estimate £000	Percentage increase %
Kent and Essex Inshore Fisheries and Conservation Authority (Provisional)	21.5	21.5	0%
Flood Defence – Environment Agency (Provisional)	200.5	206.5	3%
Coroners Court (Provisional)	417.0	417.0	0%
Total	639.0	645.0	

The Kent and Essex Inshore Fisheries and Conservation Authority levy is provisional and is proposed at the same level as 2019/20. The Flood defence levy is provisional and is based on the increase agreed at the Anglian Eastern Regional Flood and Coastal Committee. The Coroners Court levy is also provisional.

Reserves Strategy and Section 151 Officer’s Statement

- 10.14 The Reserves Strategy is set out in the Section 151 Officer’s Statement on the Adequacy of Balances attached at **Appendix 3**. Within the boundaries of this strategy the presentation of the budget reflects proposed net appropriations from earmarked reserves totalling £5.602M for which separate approval is sought. Full details are shown in **Appendix 4**.

Staffing Implications

- 10.15 The investment proposals outlined in **Appendix 6** will result in an increase to the staffing establishment of 7 full time equivalent posts. There are no reductions proposed and therefore no compulsory redundancies are required as part of the budget package for 2020/21.

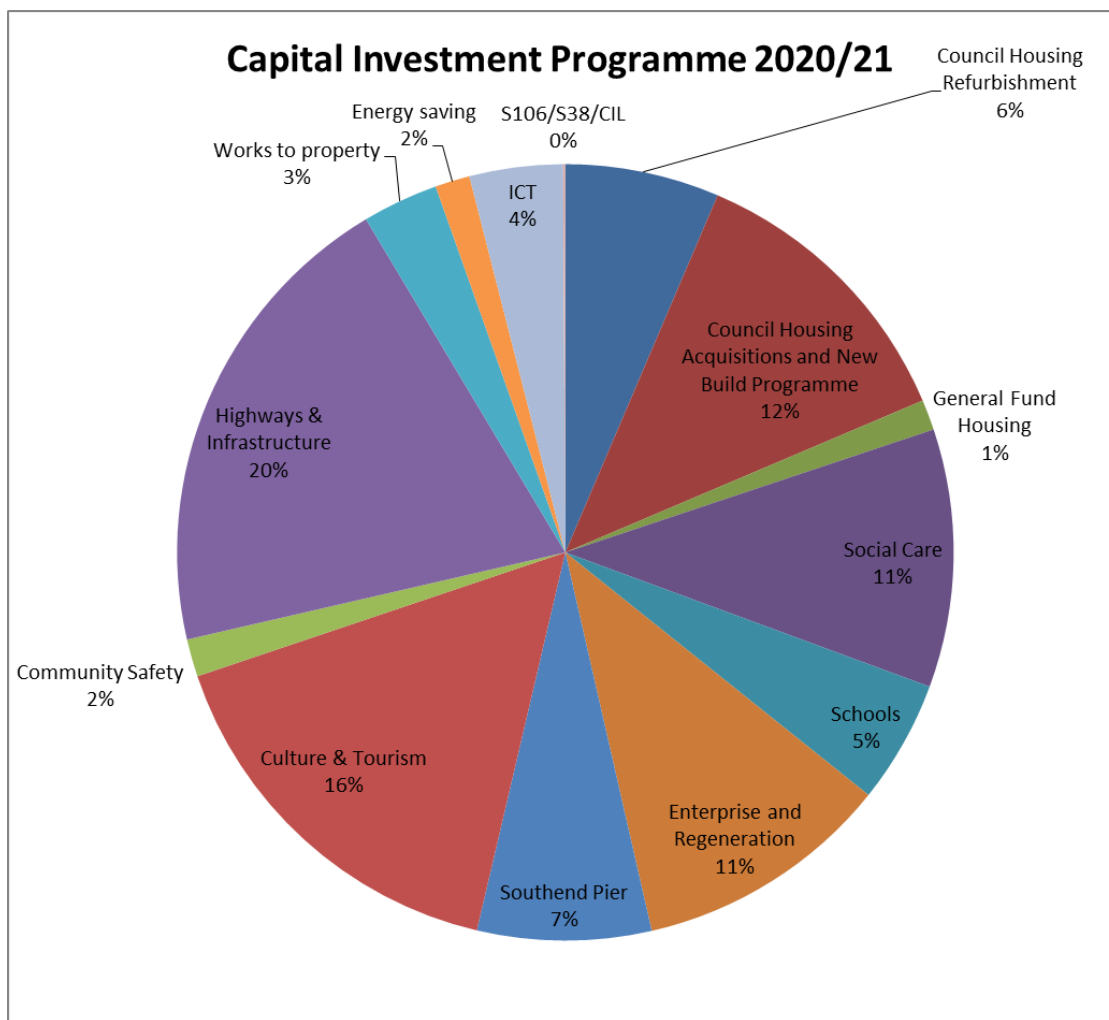
The Council’s workforce planning process will continue to provide oversight on all proposed staffing changes and will manage vacant posts (permanent and temporary) to ensure that any staff identified at risk from possible staffing restructures can be redeployed.

Consultations with staff and Trade Unions will continue throughout the budget process.

11 Capital Investment Programme

- 11.1 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.

- 11.2 The capital investment programme is prepared and developed in accordance with the Council's Capital Investment Strategy, which is attached as **Appendix 9** 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.
- 11.3 In February 2019 the Council agreed a capital investment programme budget for 2019/20 of £74.361M. This budget was revised at June Cabinet to £90.073M, further revised to £83.072M at September Cabinet and further revised to £79.826M at November Cabinet. This was a result of approved re-profiles and other amendments following robust monitoring and capital challenge meetings held with the Deputy Leader to ensure that budgets are better aligned to the predicted spend across the years of the programme and to the delivery of the desired outcomes.
- 11.4 Further capital challenge meetings have been held since November Cabinet and the changes resulting from those meetings have been included in this report. This report also includes any other budget amendments identified since November Cabinet. The proposed additions to the capital investment programme for 2020/21 to 2024/25 of £28.4M for the General Fund and £18.7M for the Housing Revenue Account are set out in **Appendix 10**, with the details of each scheme and its funding explained. These proposals have been prepared in line with the prioritisation process set out in the capital investment strategy and consideration has been given to proportionality, prudence, affordability and sustainability.
- 11.5 As a result of the strategy around prioritisation of schemes there are some new schemes and additions that are being proposed which are 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 10**.
- 11.6 **Appendix 11** summarises the requests for budget re-profiles, virements between schemes, deletions from the programme where budgets are no longer needed, additions to the programme where new external funding has been received and proposed new schemes and additions to the capital investment programme.
- 11.7 The proposed capital investment programme for 2020/21 by investment area is shown below.



11.8 The 2020/21 capital budget is part of the wider capital investment programme spanning several years. The following table shows the revised programme if all the requests in **Appendix 11** are approved:

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
At November Cabinet	79,826	97,336	34,452	8,847	7,605	0	228,066
Amendments	(9,649)	11,260	14,515	9,151	4,600	17,050	46,927
Revised programme	70,177	108,596	48,967	17,998	12,205	17,050	274,993

11.9 The proposed amended Capital Investment Programme for 2019/20 to 2024/25 is detailed in **Appendix 12**.

Funding of the capital investment programme

11.10 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.

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

Type of funding:	2020/21	2021/22	2022/23	2023/24	2024/25 and future years	Total
	£M	£M	£M	£M	£M	£M
External funding – capital grant	26.7	12.9	0.7	0	0	40.3
External funding – third party contributions	7.7	3.3	0	0	0	11.0
Capital Receipts	7.0	2.2	0.4	0	0	9.6
Major Repairs Reserve (Housing Revenue Account)	6.6	6.6	6.6	6.6	6.6	33.0
Earmarked reserves/ Revenue Contributions	9.1	5.2	1.2	0	0	15.5
Borrowing – Main Schemes ⁽¹⁾	39.0	14.3	7.1	3.6	3.4	67.4
Borrowing – Invest to Save ⁽¹⁾	12.5	4.4	2.0	2.0	7.1	28.0
Total	108.6	48.9	18.0	12.2	17.1	204.8

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	2020/21	2021/22	2022/23	2023/24	2024/25 and future years	Total
	£M	£M	£M	£M	£M	£M
Internal borrowing	6.5	3.7	6.1	4.6	10.5	31.4
External borrowing	45.0	15.0	3.0	1.0	0	64.0
Total borrowing	51.5	18.7	9.1	5.6	10.5	95.4

11.12 The Corporate Asset Management Strategy 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.

11.13 Individual authorities are responsible for deciding the level of their affordable borrowing. The Government does have powers to limit the aggregate for authorities for national economic reasons, or for an individual authority. Funding schemes by borrowing has a revenue consequence of approximately £70k for every £1M borrowed or if £10M is borrowed this would equate to an increase in Council Tax of approximately 0.8%. 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 2020/21 to 2024/25.

- 11.14 The Minimum Revenue Provision (MRP) is an amount to be set aside for the repayment of debt. Each Local Authority has a general duty to charge an amount of MRP to revenue which it considers to be prudent, with responsibility being placed upon the full Council to approve an annual MRP policy statement. The MRP policy statement for 2020/21 is attached as **Appendix 13**.
- 11.15 The Treasury Management Strategy covers the management of the council's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.
- 11.16 The budget includes provision for the financing costs of the Council's Capital Investment Programme, including interest on external borrowings. Offsetting this, the Council will earn interest by temporarily investing its surplus cash, which includes unapplied and set-aside capital receipts. These budgets depend on many factors, not least the Council's level of revenue and capital budgets, use of reserves, methods of funding the budget requirement, interest rates, cash flow and the Council's view of risk.
- 11.17 Audit Committee have responsibility for the scrutiny of the Treasury Management Strategy and it is the subject of a separate report to February Cabinet proceeding to Council for approval in advance of the forthcoming year.
- 11.18 The CIPFA Prudential Code for Capital Finance in Local Authorities has been developed to support Local Authorities in taking capital investment decisions and to ensure that these decisions are supported by a framework which ensures prudence, affordability and sustainability. To demonstrate compliance with these objectives each authority is required to produce a set of prudential indicators. These prudential indicators for capital and treasury management are attached as **Appendix 14**.
- 11.19 It is the Chief Finance Officer's view that this capital investment programme is prudent, affordable and sustainable and the risks associated with it are manageable.

12 Other Options

- 12.1 The Local Government Act requires billing authorities to complete and approve their budgets and set a council tax before 11 March immediately prior to the start of the financial year on 1 April.

13 Reasons for Recommendations

- 13.1 The recommendations in this report are to comply with statutory requirements and relevant Local Authority codes of practice and to ensure the budgets align to and enable the delivery of the Councils ambition and desired outcomes or to enhance the Councils infrastructure.

14 Corporate Implications

14.1 Contribution to the Southend 2050 Road Map

The delivery of a revenue budget and the capital investment programme 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.

14.2 Financial Implications

As set out in this report.

14.3 Legal Implications

As set out in this report.

14.4 People Implications

None.

14.5 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.

14.6 Consultation

Consultation has taken place with the Chief Executive, Executive Directors and their 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 Executive Director (Finance & Resources).

Staff have been kept abreast of progress and opportunities for contributions through communications by the Chief Executive and Executive Director (Finance & Resources) and through media briefings.

A number of the investment proposals included within this budget proposal have been included as a result of feedback from our partners and stakeholders as a result of collaborative working to deliver our Southend 2050 outcomes.

14.7 Equalities and Diversity Implications

Assessments have been carried out for all proposed revenue investment and reprioritisation proposals in the 2020/21 budget and for all capital investment proposals where appropriate. This is summarised in **Appendix 15**.

14.8 Risk Assessment

The budget proposals will be subject to the Executive Directors and Directors review of risk and robustness. These have informed the Chief Finance Officer's Section 25 statement on the robustness of estimates and adequacy of reserves as part of this report.

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.

14.9 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.

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.

14.10 Community Safety Implications

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

14.11 Environmental Impact

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

15 Background Papers

The Local Government Finance Settlement 2020/21, MHCLG
Budget working papers held by the Finance and Resources section
Southend 2050 Ambition / Five Year Roadmap
Southend 2050 – Strategic Delivery Plans

16 Appendices

- Appendix 1 Financial Sustainability Strategy
- Appendix 2 Medium Term Financial Strategy
 - Annex 1 to Appendix 2 – Medium Term Financial Forecast to 2024/25
 - Annex 2 to Appendix 2 – Earmarked Reserves to 2024/25
- Appendix 3 Section 151 Officer’s Statement on the Adequacy of Balances and the Robustness of the Budget
- Appendix 4 Appropriations to and from General Fund Earmarked Reserves
- Appendix 5 General Fund revenue budgets for 2020/21 by portfolio
- Appendix 6 Proposed Revenue Investment and Reprioritisation 2020/21 to 2024/25
- Appendix 7 Planned use of One-Off Investment from Reserves 2020/21 to 2022/23
- Appendix 8 Dedicated Schools Grant Budget 2020/21 Budget planning report
- Appendix 9 Capital Investment Strategy – 2020/21 to 2024/25
 - Annex 1 to Appendix 9 – Capital Investment Policy
- Appendix 10 Proposed Investment – Capital
- Appendix 11 Requested Changes to Approved Capital Investment Programme
- Appendix 12 Amended Capital Investment Programme 2020/21 to 2024/25 (2019/20 shown for information)
- Appendix 13 Minimum Revenue Provision Policy 2020/21
- Appendix 14 Prudential Indicators 2020/21 to 2024/25
- Appendix 15 Equality Analyses supporting budget proposals

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Financial Sustainability Strategy

Southend-on-Sea 2020 – 2030

A Strategy to ensure financial resilience for the future

Southend 2050: 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.

Our shared ambition for Southend 2050 is grounded in the values of Southenders. It is bold, challenging but achievable. It will, however need all elements of our community to work together to make it a reality. We will also need our neighbouring boroughs, and central Government to play their part.

Introduction

This Strategy focusses on the sustainability for the future of Southend-on-Sea Borough Council, and the things we need to do to ensure we are financially resilient:

- Setting out our strategic priorities for financing which in turn will allow us to achieve our desired outcomes.
- Framing the financial future, commitment and intentions for the Council.
- Setting the overall context for the rolling **Medium Term Financial Plan** and the effective targeting of resources to deliver the ambitions and outcomes contained within the Southend 2050 programme and roadmap phases.
- Clearly outlining our approach, desire and commitment to achieving financial sustainability by embracing Southend's economic potential, growing our local tax base and increasing our income generating capabilities.
- Designed to enable all staff and councillors within the Organisation, together with our stakeholders to understand the story of where we are now, where we would like to be and how will we get there. The aim is for this approach to help maximise understanding, ownership and engagement within the local area.

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The financial sustainability strategy is aligned with the Council's other key plans and strategies, notably Local Plan, Economic Development Strategy, Housing Strategy and the Medium Term Financial Strategy. The Council will only achieve financial sustainability through funding and supporting economic and housing growth and maintaining a clear focus on our key outcomes and activities whilst simultaneously ensuring efficient and effective delivery.

This Strategy takes into account a range of factors including the current financial position and performance of the Council, a review of the local economy, proposed local government reform and external analysis relating to wider national economic and political developments.

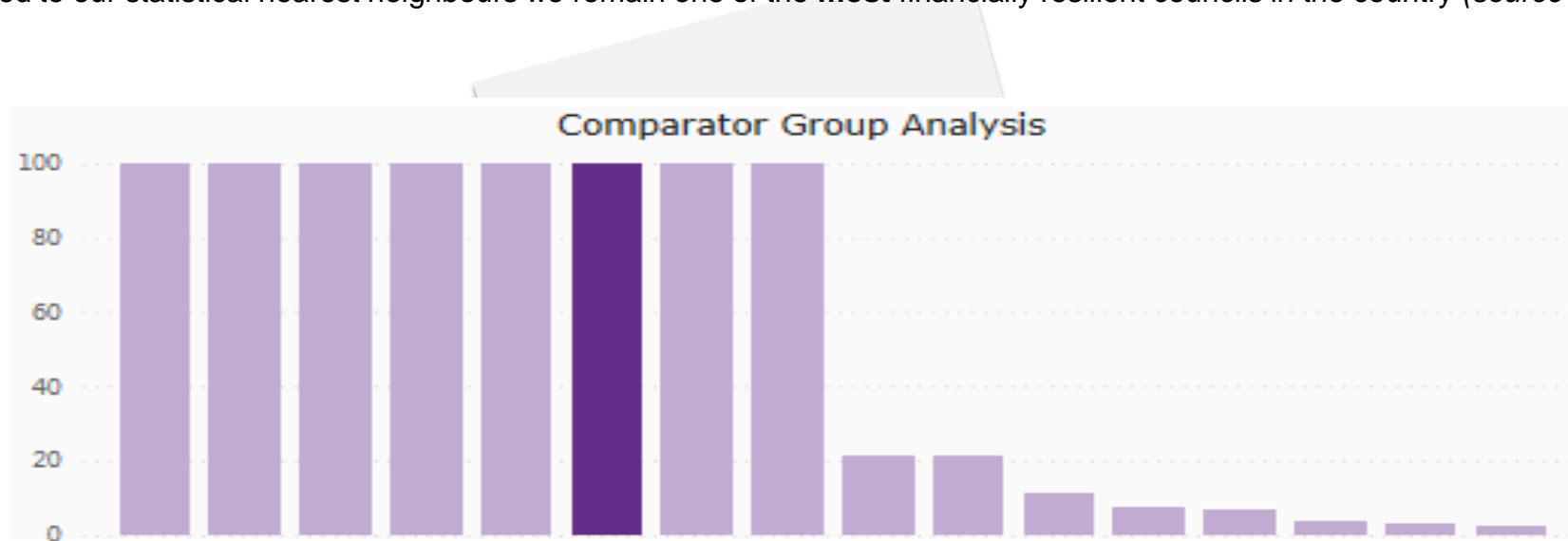
Despite financial uncertainties within the Local Government Sector, the Council is committed to the achievement of long term financial sustainability by embracing the area's economic potential, sustaining our local tax base and being commercial and business-like in the way we operate. This will enable us to become self-sufficient and generate the resources necessary to maintain and reinvest in quality public services.

For our longer term planning, we will need a clear understanding of service delivery objectives and priorities, requiring the right balance of skills and sufficient capacity within the organisation to focus on prioritising resources for the benefit of all stakeholders. This will enable us to direct our investment, resources and business planning to activity to achieving the outcomes, changing the conversation to “what to keep” rather than “what to cut”.

As an organisation we are investing in transformative and innovative service re-design so that we can deliver our 2050 outcome pledges effectively and efficiently.

We recognise that it is essential to work in collaboration with our residents, businesses and our partners to create the right conditions for investment and expansion to ensure that our Ambition is achieved.

Like all Local Authorities, Southend-on-Sea Borough Council has seen a decline in the amount of funding it receives from Government grant. Despite these reductions when compared to our statistical nearest neighbours we remain one of the **most** financially resilient councils in the country (source CIPFA *Financial Resilience Index 2019*).



Southend 2050



Southend 2050 is the borough's ambition for the future. It was developed following extensive conversations with those that live, work, visit, study and conduct business in Southend-on-Sea. These conversations examined what people thought Southend-on-Sea should be like in 2050 and what steps are needed now, and in the coming years, to help achieve this. The ambition is grounded in the values of Southenders. It is bold and challenging and will need all elements of our community to work together to make it a reality.

The Southend 2050 ambition includes twenty three outcomes which fit into five themes. The five year roadmap timeline identifies key projects that will help make the ambition a reality.

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Pride & Joy:

By 2050 Southenders are fiercely proud of, and go out of their way, to champion what our city has to offer

- 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:

By 2050 people in Southend-on-Sea feel safe in all aspects of their lives and are well enough to live fulfilling lives

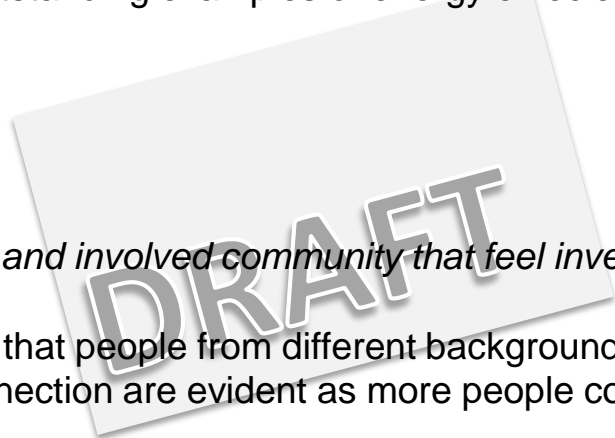
- People in all parts of the borough feel safe and secure at all times
- Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives
- We are on our way to ensuring that everyone has a home that meets their needs
- We are all effective at protecting and improving the quality 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 & Involved:

By 2050 we have a thriving, active and involved community that feel invested in our city

- 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 & Prosperity:

By 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all of our people

- 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

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Connected & Smart:

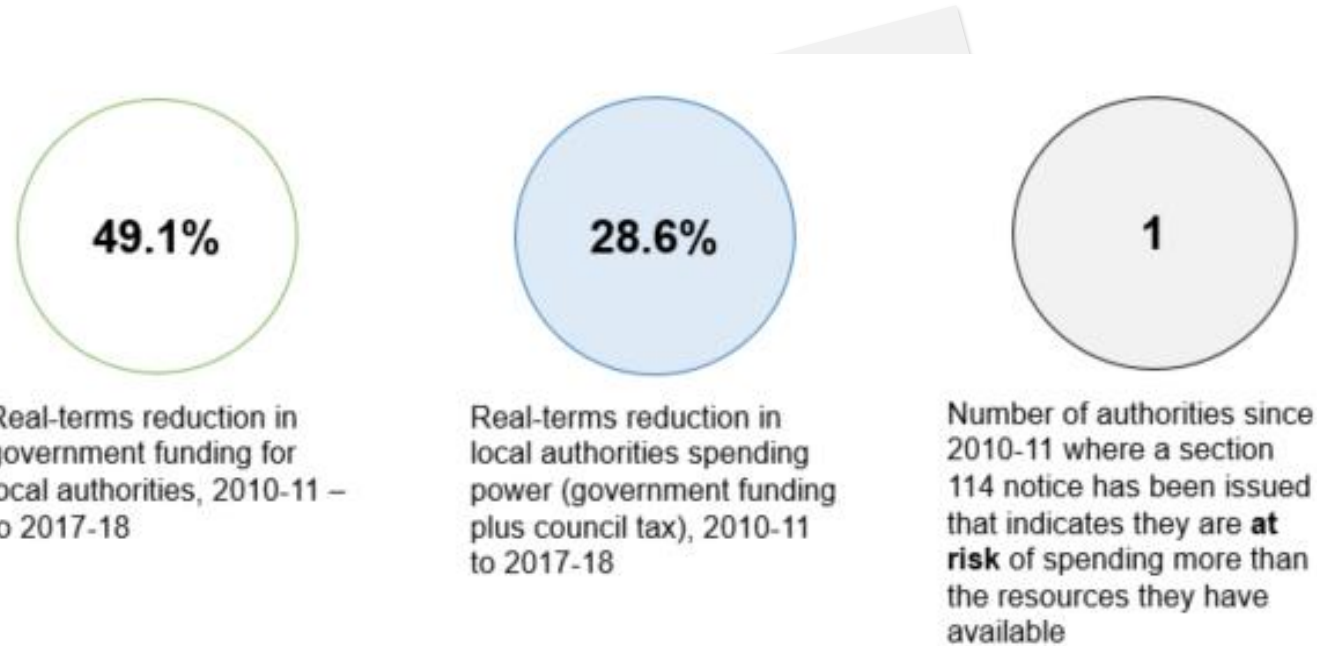
By 2050 people can easily get in, out and around our borough and we have a world class digital infrastructure

- 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

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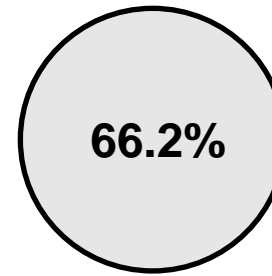
In order to accomplish our aim to achieve financial sustainability, it is important to recognise the challenges that face local government. More financial independence will give us the ability to shape our own future and meet local needs. The Council will be required to move towards enabling others to do more for themselves, rather than being a universal and direct provider of services.

Locally, the Council has seen sustained reductions in its external funding and increased demand across a range of services which is likely to continue for the foreseeable future. According to the 2018 National Audit Office report on sustainability of Local Authorities, between 2010/11 and 2017/18 local government has seen:

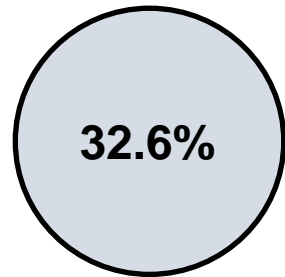




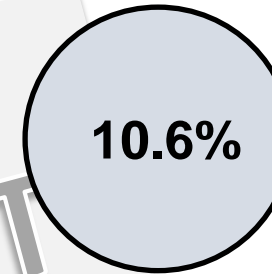
Real-terms reduction in local authority spending on social care services, 2010-11 to 2016-17



Of local authorities with social care responsibilities that drew down their financial reserves in 2016-17



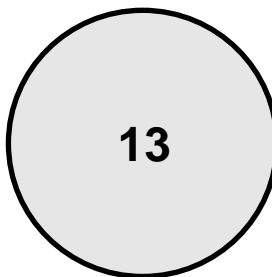
Real-terms reduction in local authority spending on non-social-care services, 2010-11 to 2016-17



Of local authorities with social care responsibilities that would have the equivalent of **less than three years**, worth of reserves left if they continued to use their reserves at the rate they did in 2016-17



Overspend on service budgets by local authorities in 2016-17



The number of departments asked by the Ministry of Housing, Communities & Local Government to provide information as part of the 2015 Spending Review

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UK Economic Growth

UK economic growth at a macro level remains sluggish just as it has since the 2008 financial crisis and subsequent recession. This sluggishness is projected to continue. Latest forecasts estimate that UK GDP growth of 1.3% in 2018 will decrease to 1.2% in 2019 and remain subdued over the next 3–5 years. Economists see this slow growth as being driven by three key factors: weaker private consumption, only modest growth in real wages and households looking to maintain savings. The downward pressure is compounded by constrained business investment and uncertainty around future trade contributions. Ongoing negotiations and uncertainty around the UK's withdrawal from the European Union make future growth even more difficult to predict than usual.

How this macro picture plays out at the local level will have profound implications for the financial resilience and sustainability of local authority finances. For some places – where businesses and employment are in sectors experiencing stronger growth – the local economy will be protected somewhat from changes at the macro level. For others, however, the strength of the local economy will be directly tied to the events playing out nationally. So, if growth continues to slow, businesses may fail or leave the UK and employment opportunities will decrease, increasing pressure on local services. This scenario will also result in reduced income (particularly in terms of business rates) and increased expenditure on demand-led services and on wider economic development services.

Local context

We have succeeded in developing a shared vision for Southend. We undertook extensive engagement within and outside the Council, instilling boldness, creativity and strong, place-based leadership. We have an invaluable framework against which to set shorter-term priorities and make investment decisions. The vision also establishes a set of short- and longer-term outcomes against which to measure and communicate progress, as well as providing a roadmap for the place, bringing partners and budgets together. Culturally, it also provides energy and excitement in Southend, enabling the Council, community and partners to feel more positive about the important role they have to play. It helps shift the mind-set from one of managing decline to one of place shaping. Given the challenges ahead, the importance of culture and behaviours within our authority is going to be critical.

The headline challenges for Southend include:

- Financial sustainability - end of Revenue Support Grant
- Increasing demand for services
- Aging population & rising birth rate
- Future of social care – resourcing and location?
- Delivering sustainable, inclusive place-based growth and housing
- Developing our skills pipeline
- Involving community
- Political uncertainty, nationally and locally
- Harnessing digital/new technologies
- Community Safety - County lines and knife crime

Southend's location has a significant effect on our economy and communities. To the south and east, the town is bordered by a sea that has brought commerce, sustenance, opportunity and tourists to the area for centuries. With Rochford and greenbelt land to the north and Castle Point to the west, Southend has developed as one of the densest urban areas outside of London, creating a metropolitan feel that is quite distinct from the more rural landscape that characterises the rest of Essex. Southend has an ageing population with the number of people entering the labour market steadily decreasing. During the last decade, however, international and domestic migration has supported an increase in the local labour market. The migration has delivered new business formation, growth in the labour market pool and increased local spend. Continuing to promote and improve Southend's image as a place to live is key to attracting new businesses and investment to the area. It's vital that Southend's principal transport connections to London are maintained and enhanced as these links play an important part in maintaining high average resident wage levels and supporting local economic growth.

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182,500

Mid-Year Population Estimate
for Southend
(Nomis July 2018)

7 miles of
coastline32 parks,
36 play areas9 railway
stations

£290,592.00

Average House Price Southend-on-Sea

£314,754.00

Average House Price in Essex

£248,939.00

Average House Price in England



Average house price

11x annual salary of
Southend residents2nd lowest
housing stock
growth of all
cities* in UKNew housing
mostly 1 and 2
bedroom flats

Employment

Southend is a vibrant town, employing approximately 66,200 employees working in over 6,600 businesses. There is a recognised strong entrepreneurial culture in the area and most businesses within Southend are small, with 85.5% of companies employing 10 people or fewer.

Tourism

With over 7 million day visitors each year and over 250,000 longer stay visitors, Southend has significant potential to secure further growth as a major tourism destination. Tourism gives the town its identity centred on its iconic Pier. Tourism and the visitor economy is an important economic driver in the town supporting some 9,500 tourism related jobs. It is also an important economic driver for the adjoining town centre offering complementary leisure facilities including hotel accommodation, bars and restaurants.

Planning Policy

National policy is clear that planning has a key role to play in minimising vulnerability and providing resilience to the impacts of climate change, including coastal change, flood risk, drought, water supply and changes to biodiversity and landscape. It will be essential that appropriate planning policies are put in place in the new local plan to meet these challenges.



12% of Southend's males and **28%** females are economically inactive

Average weekly earnings

£312 for women

£546 for men

Unemployment

Out of Work Benefit Claimants

4,140 - 3.7%
(November 2019)



1,035

New businesses (2017/18)

1,115

Businesses closed (2017/18)

Employment Growth Sectors – digital, cultural and creative; healthcare technology; advanced manufacturing and engineering; and tourism

Strong entrepreneurial culture.

86% of companies employ 10 staff or fewer



Expanding Airport and business park



Growing visitor economy.

7m visitors per year



Low wage economy (those working in Southend)



6

Of our wards are amongst the **worse** 20% in the country



Kursaal ward ranks **136th***



* of 32,844 areas.

10 years difference in life expectancy between residents of most and least affluent areas of Southend

1/3 Southend residents classed as physically inactive and at risk of ill health



Election turnout



25%
Kursaal



Compared to

42.5%
West Leigh

An average overall turnout of **31.74%** highlighting lower civic participation in deprived areas

Average house price
11x annual salary of Southend residents

2nd lowest housing stock growth of all cities* in UK

New housing mostly 1 and 2 bedroom flats

Poor connectivity for ultra-fast broadband compared with other cities*

Traffic congestion on major routes in the AM/PM peak

Low wage economy (those working in Southend)

Need to improve the skills base of residents

Overreliance of retail in the High Street

10 years difference in life expectancy between residents of most and least affluent areas of Southend

1/3 Southend residents classed as physically inactive and at risk of ill health

Renewal and replacement of sea defences

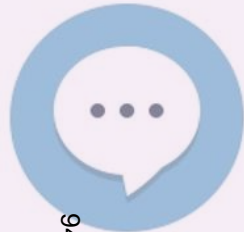
Enhance the built and natural environment



The mid-year population figure for Southend-on-Sea in 2018 was **182,500**



12% of Southend's males and **28%** females are economically inactive



23% of residents agree that they can influence decisions that affect their local area, and **59%** of residents disagree

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11 / 17

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Wards have a **higher** proportion of children living in poverty than the England average



Average weekly earnings

£312 for women

£546 for men

11.1 years lower (for men)

Life expectancy in the most deprived areas of Southend compared to the least deprived areas

9.7 years lower (for women)

6

Of our wards are amongst the **worse 20%** in the country

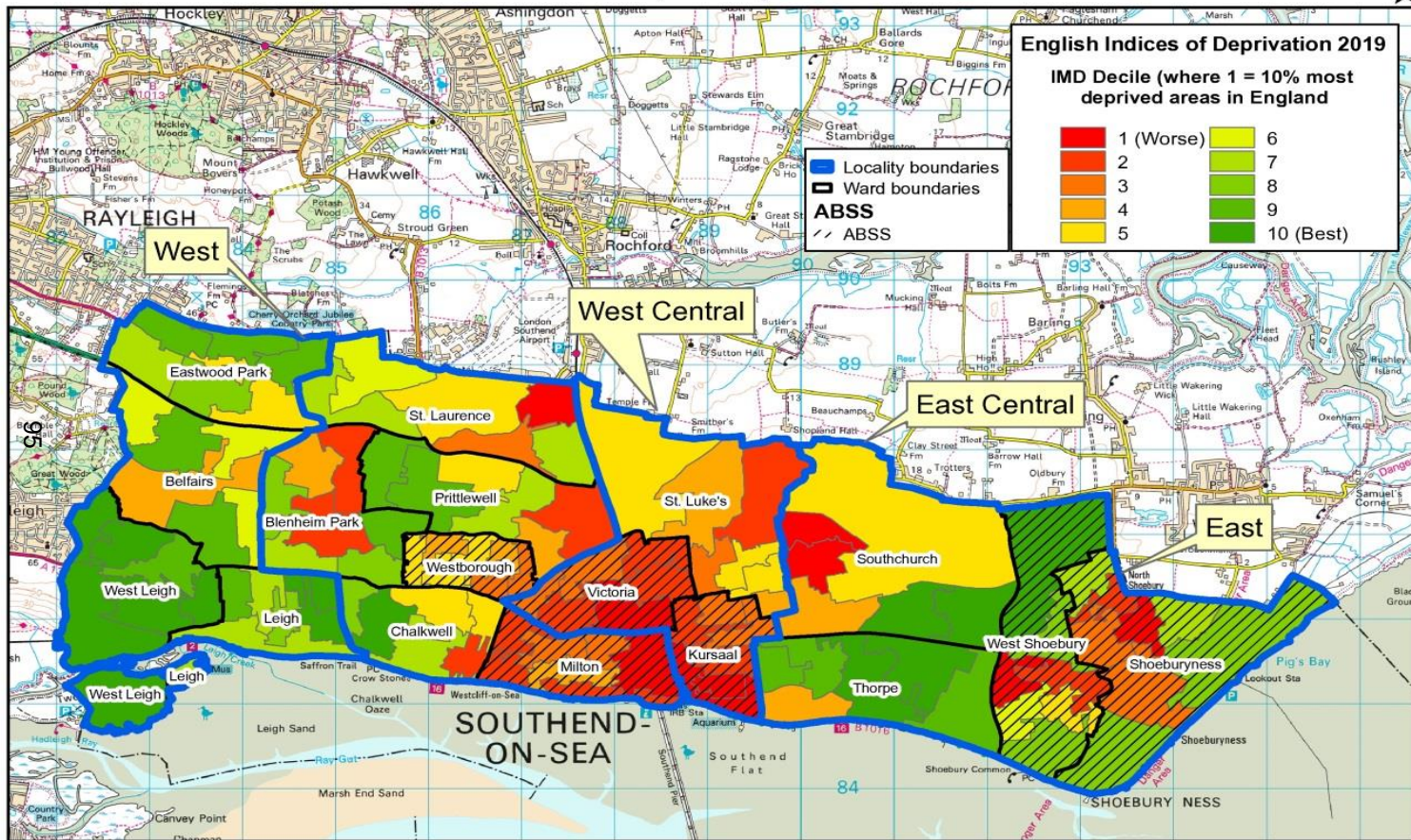


Kursaal ward ranks **136th***



* of 32,844 areas.

Southend-on-Sea Index of Multiple Deprivation 2019



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Contains National Statistics data © Crown copyright and database rights 2019

Operational Performance & Intelligence Team – Southend-on-Sea Borough Council

Scale 1:55,194

Whilst the picture appears to be improving more generally across the borough, two domain areas have experienced worsening conditions:

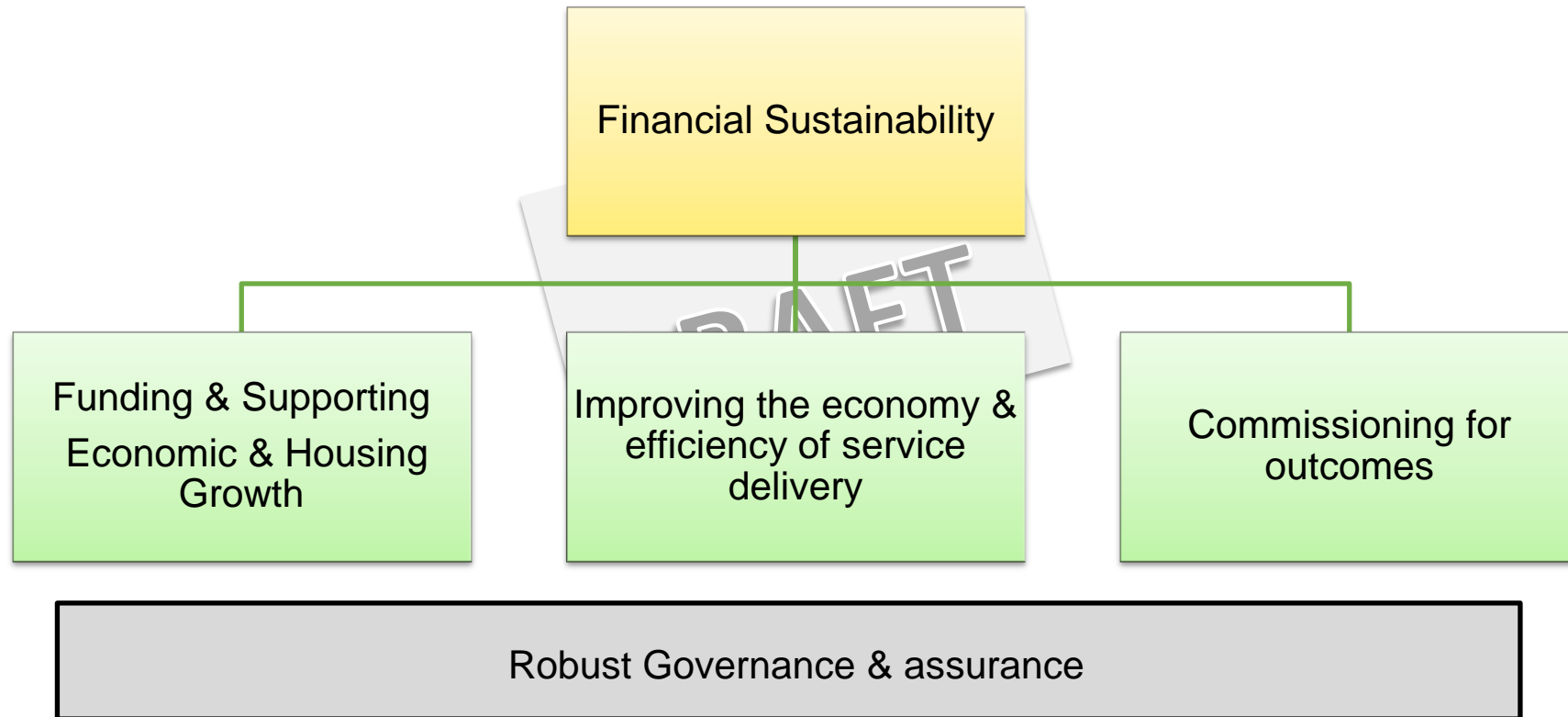
Income Deprivation Affecting Children Index - more wards have fallen into the 50% most deprived decile in 2019 compared to 2015 including an additional 3 wards falling into the 10% most deprived decile.

Barriers to Housing and Services – 8 more wards have fallen into the 50% most deprived decile in 2019 compare to 2015.

Income Deprivation now includes a measure of adults and children in Universal Credit families where the adults are not working or looking for work.

Framing our Future

The Strategy will drive the long term emphasis of delivering financial sustainability in order to achieve the Southend 2050 Ambition, with a focus on:

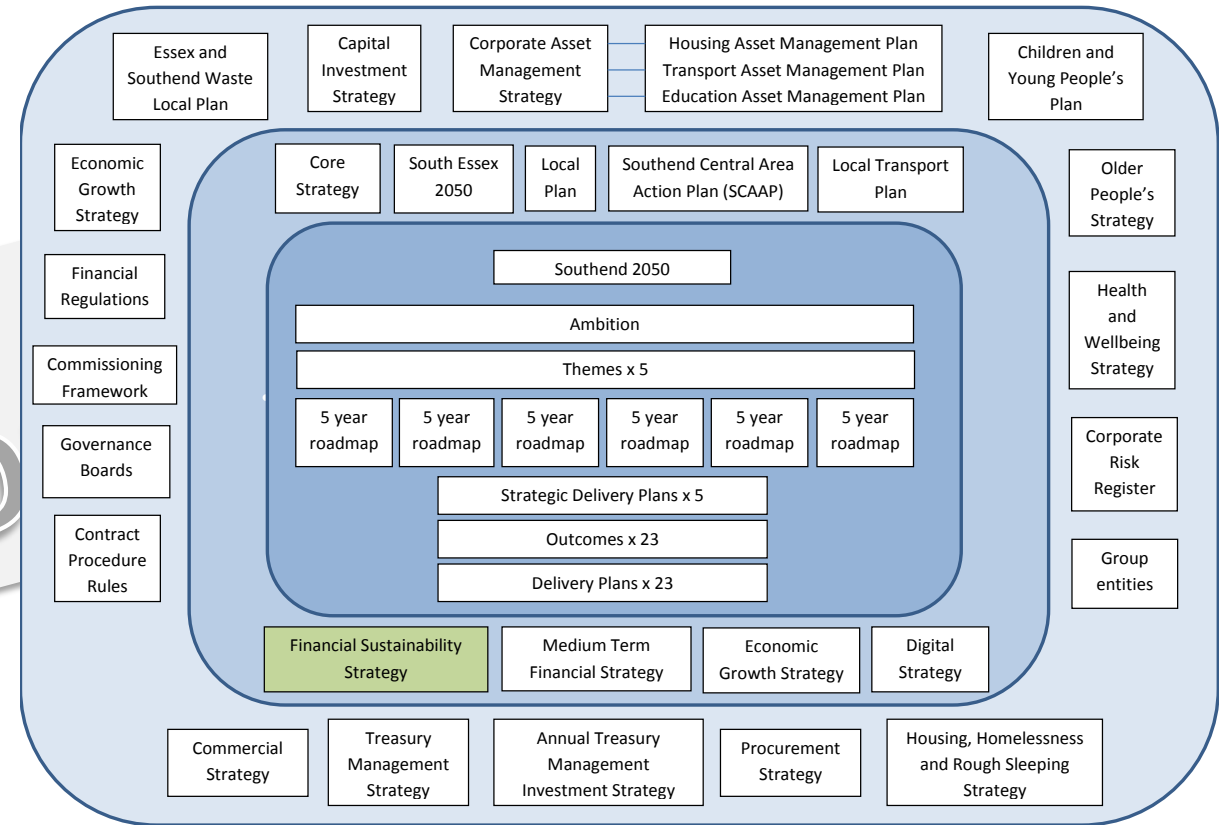


- Embracing Southend's economic potential by creating great conditions for businesses
- Enabling others to do more for themselves through asset based community development – people taking responsibility and enable them to live fulfilling lives.
- Proactively using reserves to better effect whilst maintaining adequate levels to deal with risks and fund opportunities.
- Being more commercial and business focussed
- Taking an outcome based investment approach
- Making the most of opportunities for improvement through capital projects and grant funding
- Being clear about our appetite for risk
- Taking a long term financial strategic approach
- Applying customer-led 'Design Thinking' approach to our services
- Being an organisation that is financially aware and has a business mind set
- Creating the right conditions for the private sector to invest

A clear and robust strategy is required to ensure we are financially resilient. This will

- Set out our **strategic priorities** for financing which in turn will allow us to achieve our outcomes.
- Frame the financial future, commitment and intentions for the Council.
- Set the overall context for the rolling Medium Term Financial Plan and the effective targeting of resources to deliver the ambitions and outcomes contained within the Southend 2050 programme and roadmap phases.
- Clearly outline our approach, desire and commitment to achieving financial sustainability by embracing Southend’s economic potential, growing our local tax base and maximising our income generating capabilities.
- Enable all staff and councillors to understand the story of “where we are now”, “where we would like to be” and “how can we get there”.
- Extend understanding, ownership and engagement within the local area amongst our citizens and partners.
- Use reserves to smooth funding over time and provide capacity to respond to one-off events.

FINANCIAL SUSTAINABILITY STRATEGY – LINKS TO OTHER STRATEGIES AND PLANS



Economic & demographic developments

Digitalisation, automation and artificial intelligence (AI) are likely to impact on a number of jobs in sectors like transportation, hotels and restaurants, manufacturing, trade and construction. Digital technology is anticipated to change traditional employment structures changing the nature of demand on office space. The Council will encourage and embrace digital change within its own activities.

Demographic change and an aging population will create demand for products, services and technologies and a shift in public expenditure to meet rising health and social care costs. The declining workforce will have implications on the labour market with recruitment difficulties causing a potential rise in investment in technologies which reduce the dependence on labour. Where demographic change is impacting on Council activities it will seek to mitigate through prevention and early intervention stages.

This financial sustainability strategy spans what will be a major economic transition period both on a macro and micro scale, with new technologies and changing population profiles, investing in the right things is at the heart of this strategy and our ability to meet the increasing local service pressures will be influenced by the success in taking the opportunities.

Accessing external funding is a key enabler for increasing the amount of funding that can be invested in services. It can be both revenue and capital. The principal objective is to optimise the amount of external resources that support the shared ambition for the borough. The Government has made announcements in relation to post Brexit capital investment programmes including the Shared Prosperity Fund and Stronger Towns Fund.

Southend Council works across borders on strategic issues such as infrastructure, planning and growth, skills, housing and transport connectivity through the Association of South Essex Local Authorities (ASELA). This consists of Basildon, Brentwood, Castle Point, Essex County, Rochford and Thurrock Councils.

Medium Term Financial Strategy

Our Medium Term Financial Strategy (MTFS) gives a five year view of how the council will deliver the outcomes identified in the Southend 2050 ambition, in an affordable and sustainable way.

It also shows how the Council intends to match finances to the 2050 ambition, five year roadmap and desired outcomes.

It aids robust and methodical planning as it forecasts the Council's financial position, taking into account known pressures, major issues affecting the Council's finances, including international, national, sub regional and local economic influences as well as local priorities and factors.

The MTFS includes revenue and capital net expenditure for the General Fund and the Housing Revenue Account, reserves, financing of capital, treasury management and partnerships. This is to ensure that the Council sets a comprehensive but affordable budget.

The MTFS allows the council to take a longer term view to budget planning, ensuring that annual budgets are not set in isolation to future years and so that an outcome based approach can be taken, and is aligned with the Financial Sustainability Strategy.

Outcome Based Investment

Being an outcome focussed organisation will enable us to direct our investment, resource and business planning to activity that will achieve our outcomes, change the conversation to what to keep rather than what to cut. As a borough we have clearly articulated desired outcomes which describe the impact and the 'so what' of what we want to achieve.

Being commercial and business focussed

Being commercial is a mind-set about being more business-like, whilst retaining a strong public service ethos: delivering the best fit to ensure both a financial and social return. This means achieving both a financial and social return. Seeking to grow our income base and make efficiency savings in a variety of ways in order to be able to both commission universal delivery for all and also offer optional traded services for residents and businesses that are ready to buy.

The introduction of a commercial vision will identify and present opportunities for the Council, with due consideration of the risks. The key test around risk appetite – security of investment is paramount, yield/return a secondary key consideration. We need to consider commercial drivers that have a direct revenue benefit but also wider economic/social benefit felt locally. Examples include business rate generation, jobs (higher paid?), spending power, social value, holistic cost/investment understanding etc.

We are looking beyond the traditional sources of income generation for opportunities to boost revenue income through fees and charges and selling services where appropriate. Considering 'make or buy' service models to get hybrid best-fit mechanisms for delivery is a possibility. Importantly we will always look to secure social as well as financial returns where appropriate.

Knowing our Business

As an organisation we are more effective, understand key drivers and are investing to make a difference. This insight and challenge is driven by service and outcome leads, looking at how and where we spend our money currently, how this drives (or not) our outcomes; and what investment/disinvestment options this might give the Council as we move to longer term outcome based financial planning.

Smarter Commissioning & Maximise Social Value

The Council's social value policy will maximise the wider community benefits of the Council's procurement activity. It also sets the direction for engagement with businesses in Southend to increase the level of local spend, build in skills and employment opportunities and support small / medium enterprises and voluntary / community organisations.

Maximise wider community benefits (Social Value Policy) from the Council's procurement activity and proactively manage contracts. Increasing levels of local spend, build in skills and local employment clauses and opportunities, and support/enable SMEs and voluntary/community organisations.

By utilising the Community Infrastructure Levy, (a charge that can be levied by local authorities on new development in their areas), the Authority will be able to deliver the infrastructure needed to support development in the area. This levy only applies in areas where a local authority has consulted on, and approved, a charging schedule which sets out its levy rates and it has published the schedule on its website.

Most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy. Some developments may be eligible for relief or exemption from the levy. This includes residential annexes and extensions, and houses and flats which are built by 'self-builders'. There are strict criteria that must be met, and procedures that must be followed, to obtain the relief or exemption.

Financial sustainability will be achieved by developing a stronger commercial approach and delivering public services at maximum efficiency.

For longer term planning we will need a clear understanding of service delivery objectives and priorities, requiring the right balance of skills and sufficient capacity within the organisation to focus on prioritising resources for the benefit of all stakeholders. This will enable us to direct our investment, resources and business planning to activity that will achieve the outcomes, changing the conversation to “what to keep” rather than “what to cut”.

As an organisation we are investing in transformative and innovative service re-design so that we can deliver our 2050 outcome pledges effectively and efficiently. We recognise that it is essential to work in collaboration with citizens, businesses and partners to create the right conditions for investment and expansion to ensure that our Ambition is achieved.

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**MEDIUM TERM
FINANCIAL STRATEGY
2020/21 to 2024/25**

January 2020

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 - 1.6 Opportunity and Prosperity
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 - 1.8 Implementing the Ambition (partnership/community engagement)
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1 Introduction

1.1 Background

The Medium Term Financial Strategy (MTFS) provides an integrated view of the whole of the Council's finances and outlook over the medium term, i.e. over the next five years. It shows how the Council intends to align its financial resources to the Southend 2050 ambition, five year roadmap and desired outcomes. However, it should be noted that the further the MTFS looks to the future, the more uncertainties there are.

The MTFS is the Council's key financial planning document which informs service and resource planning, and shows how spending is balanced with the available funding. It identifies budget gaps in the medium term and allows the Council time to address them in a considered and planned way.



1.2 Southend 2050 Ambition and Road Map

Southend 2050 is the Borough's ambition for the future. It was developed following extensive conversations with those that live, work, visit, do business and study in Southend-on-Sea. These conversations asked people what they thought Southend-on-Sea should be like in 2050 and what steps are needed now, and in the coming years, to help achieve this. The ambition is grounded in the values of Southenders. It is bold and challenging and will need all elements of our community to work together to make it a reality.

The Southend 2050 ambition includes twenty three outcomes which fit into five themes. The five year roadmap timeline identifies key projects that will help make the ambition a reality.

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 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.

As it 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 focus on achieving the desired outcomes in five years' time. . All revenue and capital resources will be allcated with the aim of contributing to the delivery of the ambition and the desired outcomes. This Medium Term Financial Strategy has been written accordingly.



1.3

Pride and Joy

By 2050 Southenders are fiercely proud of, and go out of their way, to champion what our city has to offer;

- 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.



1.4

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;

- 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.



1.5

Active and Involved

By 2050 we have a thriving, active and involved community that feel invested in our city;

- 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.



1.6

Opportunity and Prosperity

By 2050 Southend-on-Sea is a successful city and we share our prosperity amongst all of our people;

- 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.



1.7 Connected and Smart

By 2050 people can easily get in, out and around our borough and we have a world class digital infrastructure

- 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.

1.8 Implementing the Ambition (Partnership/Community engagement)

The Council is continuing to develop shared ownership of the Southend 2023 outcomes with the aim that, where possible, measures to achieve the outcomes are co-designed and co-delivered with residents and partners. This means developing more innovative partnership arrangements with stakeholders and shifting our culture so that all council staff have an engaging role in their day to day job.

Asset Based Community Development (ABCD) methodology will support this approach with a view to promoting the sustainable development of our communities. As well as a step change in how the council works with residents and stakeholders, an asset based approach will revise the Council's approach to leadership, management of assets, funding streams, commissioning and workforce development.

This approach will include more shared posts, shared commissioning and the co-location of services and staff, along with the development of our locality approach. It will promote a more fluid and creative way for citizens to share their ideas on priorities and solutions, while still valuing the more formal consultative process.

1.9 Aims and Purpose of the Medium Term Financial Strategy

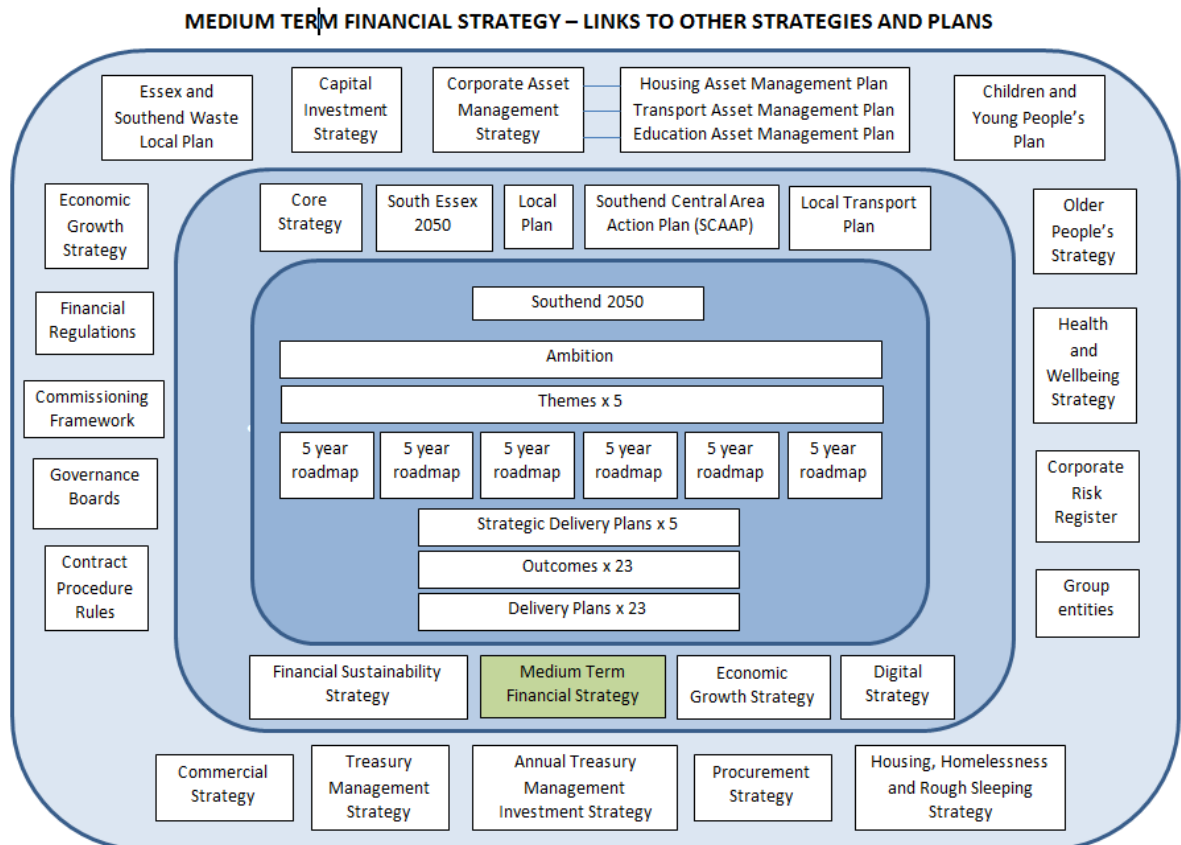
The MTFs takes into account national, regional and local priorities so that it is realistic and reduces the risk of a significant budget gap occurring late in the budget setting process. It includes revenue and capital net expenditure for the General Fund and the Housing Revenue Account, reserves, financing of capital, treasury management and partnerships. This is to ensure that the Council sets a comprehensive but affordable budget.

The parameters set by the five year planning period of the MTFS are used to inform the development of the budgets for the General Fund, Housing Revenue Account and the capital investment programme for the first year of that planning period. This is to make sure that, in setting the budget, decisions are not taken that could create problems in future years and that the financial consequences of these decisions are sustainable.

The MTFS assists with the setting of a robust budget by taking into account the likely effect of identified budget pressures and risks materialising. It allows the modelling of the effect of different planning assumptions on the budget gap which facilitates decision-making that is affordable and realistic.

1.10 Strategic context

The MTFS is closely aligned to a number of other strategies and plans which impact on the direction of the Council and must reflect and be informed by the drivers and priorities within them. The diagram below shows the links to these other strategies and plans.



1.11 Key Assumptions

The following assumptions have been made in producing the Medium Term Financial Plan for the Revenue Account.

Funding

Council Tax - the increase is assumed to be 1.99% for each year from 2020/21. In addition it is assumed that the social care precept will increase by 2% in 2020/21 but no increases have been included for future years.

Revenue Support Grant (RSG) –The MTFS uses the assumption that the 2020/21 RSG will be the 2019/20 figure plus CPI as indicated in the 2019/20 Government spending round. Although it is likely that all RSG will be subsumed into 75% business rates retention from 2021/22, in the absence of any other information, it has been presumed this will be on a revenue neutral basis. The amounts for 2021/22 to 2024/25 are extremely likely to change.

Business Rates – the figure for 2020/21 is a combination of the fixed top-up payment the Council receives from Government and a local assessment of the net amount likely to be raised locally that the Council will retain. This local element is assumed to grow by 2.0% from 2020/21. Although it is likely that business rates will move to 75% rates retention from 2021/22, in the absence of any other information, it has been presumed that this will be on a revenue neutral basis. The amounts for 2021/22 to 2024/25 are highly likely to change.

Support from Collection Fund – a surplus has been declared for 2020/21, based on the accumulated balance. This is a prudent view based on Council Tax increases and forecasts of housing completions, increases in discounts and exempt properties, and taking into account the effect of the current economic climate on collection rates. An assumption has been made as to amounts available for release in future years.

Inflation and Fees & Charges

Pay award – there is assumed to be an increase of 2.0% in 2020/21 and future years.

Inflation on goods and services – inflation is only being provided for major contractual commitments, utilities and business rates. Services are expected to absorb any other price inflation within existing resources.

Fees and charges – it is assumed that the income generated will largely increase by 2% each year but this assumption may need to be

reviewed depending on local economic circumstances.

Corporate Cost Pressures

Employers' pension contributions – the financial impact of the latest draft triennial actuarial valuation, as at 31 March 2020, has been built into the MTFS. Provision has been made for the potential financial impact in 2020/21.

Interest – the capital investment programme, although partly funded by grants and HRA funds, implies an increase in borrowing as set out in the Treasury Management and Capital Investment Strategies. The MTFS allows for the increased net costs of interest payments required to support this borrowing.

Costs of Transformation – with the on-going uncertainty over the future level of resources available, increasing local demand and expectations for priority services, it is inevitable that there will be upfront costs associated with service redesign and the introduction of new service delivery models. The MTFS has been updated to take account of this.

Revenue Investment and Reprioritisation - it is assumed that these changes will be achieved in full in each of the years in which they have been identified. With the unpredictability of demands on services and potential new legislation resulting from the change of Government, services could experience differing challenges. The MTFS has been developed based upon the most up to date information available and will be kept under regular review.

Better Care Fund (BCF) / improved Better Care Fund (iBCF)

The BCF is assumed to increase by 3.4% as indicated in the 2019/20 Government spending round. There is no certainty of the amounts available through the BCF arrangements with Southend CCG beyond 2020/21. The MTFS assumes the continuation of funding at the same level as announced in the 2019/20 financial settlement for iBCF for 2020/21 and future years.

Public Health Funding

The MTFS assumes an increase in the Public Health Grant in 2020/21 in line with the increase in the BCF as indicated in the 2019/20 Government spending round, matched by a consequential increase in spend. It is currently assumed that all Public Health Grant will be subsumed into 75% business rates retention from 2021/22. In the absence of any other information, it is also assumed that the same level of funding will be embedded into the new system. The MFTS will be updated as soon as any more information becomes available.

Housing Revenue Account

From 2012/13 the HRA became self-financing, and is no longer subject to the HRA subsidy regime.

Under self-financing, the HRA funds its expenditure, including its capital expenditure, from its income streams (primarily tenant's rents). Some grant funding may be available to support capital expenditure within the HRA going forward, but there is no assumption of external financing built into forward projections.

Dedicated Schools Grant

The Dedicated Schools Grant (DSG) for 2020/21 is now in its third year of total funding allocations set under a revised National Funding Formula (NFF). This includes proposed funding levels for individual school allocations. It remains, a government ambition that all individual school allocations will be fixed as per the NFF, however in 2020/21 it remains a local decision as to whether a Local Authority (in consultation with its School Forum/Education Board) choose to adopt.

With this in mind, our Local Authority and Education Board have made the strategic decision to align individual school allocations to the principle decisions of the NFF, so should the government impose a hard national funding formulae for individual school allocations in future years, our local schools are already aligned to this funding trajectory. The Department of Education (DfE) have reported that this is in line with the majority of other local authorities.

Our high needs block funding (also recognised as a national issue), has been under considerable financial pressure which had impacted the DSG reserves balances. Despite this, and as a result of robust recovery planning by the Local Authority and Education Board and further national funding awarded, our local high needs block funding and opening DSG reserves are now in a sustainable funding position moving forward into 2020/21.

In 2020/21, the DfE also announced (under NFF) a 20% funding (an equivalent £180,000 loss) reduction to the DSG Central Block element, which is funding that has historically been used to support Council expenditure, providing it serves the benefit of an educational purpose. To cover this funding loss in 2020/21, the Education Board helpfully agreed a transfer of £180,000 from the Schools Block allocation (for 1 year only), recognising for 2021/22 and future years a plan now needs to be determined as to how the Local Authority will manage this funding loss moving forward, and it could well be likely, although not yet formally announced, that a further 20% funding loss will be applied in 2021/22 until the full funding allocation of £900,000 has been removed from the DSG by 2024/25

1.12 Corporate Assurance and Risk Management

The Council has identified key risks that may impede the delivery of Southend 2050 ambition, and the desired outcomes for 2023.

The Council's governance framework supports the delivery of the ambition, to ensure that these are:

- Effective, but as simple as possible and easy to understand;
- Joined up and complementary, not conflicting with each other;
- Designed around customers;
- Making best use of technology and digitally enabled where this makes sense;
- Compliant with legislative requirements and ensuring that resources are used efficiently and effectively;
- Driving the desired outcomes.

The Council has identified core principles at the heart of its Risk Management Framework, these include that:

- Risk management is a positive value added activity, focused on achievement and successes, not a negative bureaucracy – by changing the perception and raising awareness officers will have increased confidence when managing operational risks;
- All staff are responsible for risk management and resources that support the framework are there to 'support and challenge' not 'own and do';
- Wider Member involvement in identifying and monitoring the most strategic risks the organisation faces would add value, whilst the roles of the Audit Committee, Scrutiny and Cabinet are critical to the robustness of the overall framework;
- The Southend 2050 ambition and outcomes need to drive the Council's budget and financial management arrangements, performance management of the outcome delivery plans and risk management framework;
- By getting the conversations happening with the right people, at the right time and in the right place, the required thinking can be applied and the processes to capture, document and report risk will be simple and become business as usual;
- The framework ensures joined up Strategic, Operational, Programme and Project Risk Management whilst recognising the differences between them.

The Council's Corporate Risk Register identifies the key risks as:

- Risk that failure to address the financial challenge by effectively managing the growing demand for services and enhancing local income streams will threaten the medium to long term financial sustainability of the Council, leading to a significant adverse impact on Council services;
- Risk that the Council will not have the appropriate staffing resources, with the right skills working in the right places within collaborative teams, resulting, in part, from a failure to effectively embed the arrangements with the new recruitment partner, leading to a lack of workforce capacity resulting in a failure to achieve the Council's ambitions;
- 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;
- Risk that a failure to implement plans to address rising homelessness and failure to implement the Housing, Homelessness and Rough Sleeping 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;
- Risk that failure to maintain levels of access to regeneration funding opportunities will significantly restrict future infrastructure improvements in the borough;
- 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 resulting in increased health inequalities, worsening health outcomes and significant cost increases;
- 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 a data breach or cyber-attack, leading to significant financial and reputational damage to the Council;
- 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 deliver the outcomes anticipated by the Council's roadmap for the children in need of support;
- Risk of contractor failing to meet contractual requirements to effectively manage waste arrangements results in a loss of service quality and additional financial liability for the Council;
- 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;

- 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;
- 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;
- Risk that failing to implement changes needed to reduce the Borough's carbon footprint will cause an inadequate contribution to the reduction in carbon emissions required. This will result in significant adverse impact on the Borough, and if the climate adaptation measures being implemented are also inadequate, there will be further implications for the Council in needing to respond to climate events in the Borough.

2 Horizon Scanning

2.1 Demographics

For Southend Borough residents/service users:

- 12% of Southend's males and 28% females are economically inactive, with average weekly earnings for males £546 and £312 for females;
- 39% of Southend's residents live in areas considered to be in the most deprived 30% in the country, this is 9% higher than the English average;
- 11 of Southend's 17 wards have a higher proportion of children living in poverty than the England average; six of these are amongst the worse 20% of wards in the country;
- Kursaal, the most deprived ward, ranks 136th most deprived area in England (of 32,844 areas);
- Life expectancy is 11.1 years lower for men and 9.7 years lower for women in the most deprived areas of Southend compared to the least deprived areas;
- 0.7% of West Leigh residents indicated they were in very bad health, compared to 1.6% in Kursaal and 1.3% for Southend as a whole;
- Kursaal ward had a borough election turnout of 25%, compared to 42.5% in West Leigh (average overall turnout 31.74%), highlighting lower civic participation in deprived areas;
- Residents living in the East Central locality are significantly less satisfied with their local area (66%) (89% in West and 75% for the borough), feel significantly less safe and cite crime/ASB as

something they dislike more, than residents elsewhere in the borough;

- Only a minority of residents (23%) agree that they can influence decisions that affect their local area. More than twice this number (59%) disagree.

2.2 National, Regional and Local Policy Drivers

National Factors

National factors which are likely to impact on the Council's financial position:

- The impact of the world economic climate on the national economy. Levels of economic growth are impacted by the prospect of higher trade barriers and the slowdown of growth in key economies such as the Eurozone and China;
- The impact of uncertainties related to Brexit, with investment decisions delayed or mitigated pending future trade arrangements.
- The level of uncertainty in Government funding for future years, with the overall level of government resources for councils dependent on a range of political outcomes, which are very difficult to predict. While the 'end of austerity' has been proclaimed by many politicians, according to the Institute of Fiscal Studies the government forecast (as of November 2019) that councils' core spending could increase by 4.3% in real terms in 2020-21 compared to 2019-20, would still leave spend per person 20% lower in 2020-21 than in 2009-10.
- The move from councils retaining 50% to 75% of business rates, from which the Council could potentially gain or lose, depending on final details on how the expansion will be administered.
- With the vast majority of councils funding set to come from council tax and business rates, there may be a need for large increases in council tax to keep pace with the level of demand on services, notably from children's and adult services.
- Unmanaged service pressures and increases in demand. Forecasts of future demand for services may be under-estimated
- Levels of future pay awards: Enhanced funding for local authorities could be subsumed by pay awards after a long period of minimal increases.
- General inflation assumptions: Driven by monetary policy and cost factors, such as energy prices, supplier prices with increased demands on councils to deliver government priorities, wages, new trade arrangements.

Regional position

In Summer 2017 the Leaders and Chief Executives of South Essex – Basildon, Brentwood, Castle Point, Rochford, Southend-on-Sea, Thurrock and Essex County Council – embarked on a process to develop a long-term growth ambition that would underpin strategic spatial, infrastructure and economic priorities across the sub-region. The ‘South Essex 2050 Ambition’ is now being taken forward through a number of workstreams to develop:

- the spatial strategy, through a Joint Strategic Plan;
- a Local Industrial Strategy;
- a strategic Infrastructure Framework;
- a Place Narrative.

The context for the SE2050 Ambition is to ensure that the local authorities remain in control of South Essex as a place, putting them in a strong position to shape and influence wider plans and strategies, for example, the Thames Estuary 2050 Commission and the London Plan, and Government and other investment priorities.

The local authorities recognised that long term healthy and sustainable growth in South Essex could only be delivered through a strategic solution and that would require some politically and technically challenging decisions as the Ambition is implemented. In January 2018, therefore, the local authorities formed the Association of South Essex Local Authorities (ASELA) to ensure the implementation of the Ambition has strong leadership and is managed on a truly collaborative basis.

The spatial strategy to implement the SE2050 Ambition is being implemented through a new planning ‘portfolio’ with a Joint Strategic Plan (JSP) currently being prepared to provide the overarching framework. Local plans and other place-shaping tools will be used to deliver this on the ground, using the range of planning tools available in a more flexible and responsive way.

Work on the JSP is underway with a Project Delivery Board in place, reporting through a Member structure to ASELA, and a timetable and scope agreed. A Statement of Common Ground was published in June and is has been formally agreed by all partners, alongside an update to each authority’s Local development Scheme.

The current timetable is ambitious, with the full process through to adoption expected to take 2-3 years at the most. The local policies and place-shaping plans will be developed alongside the JSP but will have to fully reflect its overarching strategy. Timing of the planning portfolio will therefore be carefully managed through the Statement of Common

Ground and under the steerage of ASELA. (The Association of South Essex Local Authorities)

Local drivers

2050 priorities and political administration priorities to support the ambition, roadmap and desired outcomes, while placing greater emphasis or prioritisation on particular areas. Among these are:

- new housing opportunities, including new social and key worker housing;
- measures to improve the private rented sector;
- prioritisation of the green agenda;
- a more integrated approach to transport, including reviewing the current approach to parking;
- enhancing local people's skills and making the council a living wage employer.

Other local drivers include:

- Increasing demand for services with a population projected to increase from 182,000 to 192,200 by 2025, an increasingly aging population due to grow from 19% to 23% by 2030 and a higher birth rate;
- The need for an anticipated 22,000 homes by 2030 and the increasing demand for new school places.
- Commitment to meeting 2050 priorities, including: tackling climate change, community safety, rough sleeping, housing and skills pipelines, public and integrated transport, health inequalities, key regeneration projects (Seaways, Airport Business Park), digital borough, tackling inequalities – notably on education, health and income;
- New priorities of incoming Council administrations, with local elections due in 2020, 2022, 2023 and 2024;
- Non achievement of anticipated efficiencies from new ways of working, service re-organisations or poor budget management in places;
- The impact of becoming a National Living Wage employer and seeking to achieve real living wage accreditation;
- The need to achieve more income from fees and charges is not always attainable, with anticipated levels of income subject to a range of factors that vary between services.

2.3 Physical-Environmental Factors

The council owns over 6,000 socially rented properties, which are managed by our arm's-length management organisation, South Essex Homes. Over 1,500 local households are on our housing waiting list. The council's housing, homelessness and rough sleeping strategy (2018-2028) sets out a long-term plan to prioritise the supply of safe, locally affordable homes, support people to live independently in their own homes and avoid homelessness and ensure any instance of homelessness is brief and doesn't re-occur.

This plan includes meeting the government's target of delivering 11,140 new homes between 2016 and 2026. With the current average annual delivery of all homes (including affordable) standing at 340 homes a year, this is clearly a challenge.

To ensure we are able to prevent increased levels of homelessness, housing induced poverty and poor or unsuitable housing conditions, we are working with housing associations to ensure a focus on good quality affordable housing and also developing our own social housing. This has already seen the delivery of thirty-three new homes, with a number more in the pipeline. This is complemented by the council's acquisitions programme, with fifteen homes bought from the private market.

3 The Financial Challenge

3.1 Forecast Financial Position 2020/21 to 2024/25

The Council is dealing with many of the same financial challenges as most other upper tier Authorities across the country. Most Local Authorities are experiencing increasing demand in key services which is placing a strain on available resources. A recent survey has identified that 90% of Councils are experiencing increasing demand and are also overspending in meeting the needs of children and families.

Overall the Council remains in a strong and resilient financial position, despite the potential impact of the current range of demand and spending pressures.

3.2 Financial Sustainability

The MTFs is aligned with the council's financial sustainability strategy (2020-2030) which sets out our aim to achieve long-term financial sustainability.

3.3 Pressures

There are a number of financial pressures faced by the council and these are reported as part of the budget monitoring reports on a regular basis. A number of these are demand led pressures which are due to a wider national position and it is important that these pressures are identified and mitigated to ensure sound financial resilience in changing times.

3.4 New Investments

In order to focus our available resources and align them to the Southend 2050 vision it is important to have a longer term view of the financial requirements necessary to deliver on the 5 year roadmap and the 2050 outcomes. Both revenue and capital investments are assessed against these outcomes to ensure that all resources are focussed in the correct areas to achieve the greatest positive impact.

3.5 Income Generation

The Council needs to ensure that although it is responsible for delivering public services, there must be a commercial mindset in areas where the services are in competition with other businesses. Therefore it is increasingly important at a time when central grant funds are reducing that income is generated where possible and within reason. Service areas will be expected to take ownership for the fees and charges within their service areas and these shall be benchmarked to provide assurance that the charges are appropriate, proportionate and are applied correctly.

3.6 Council Tax

There is a 3.99% increase in Council Tax for 2020/21 (including 2% for adult social care). For planning purposes an increase of 1.99% has been assumed for future years. Changes in the number of households affect the tax base for Council Tax purposes, as does the number of Council Tax Support claimants. The Council Tax base for 2020/21 is 58,680.94 (equivalent Band D properties).

The Medium Term Forecast assumes an increase in the Council Tax base of 0.5% in 20/21 with further increases of 1% per year over the following 4 year period.

The Council plans to release accumulated Council Tax surpluses over the five year period.

3.7 Housing Revenue Account

The Housing Revenue Account is a ring-fenced account which stands apart from the General Fund, although there are charges between the two funds to reflect Service Level Agreements and corporate support services.

Under the provisions of the Localism Act 2011, the Housing Revenue Account (HRA) became “self-financing” on 1 April 2012: That is in return for the payment of a lump sum, funded by borrowing, to HM Treasury; the HRA no longer has to pay negative subsidy each year to the Government. The HRA is the statutory “landlord” account for the authority. The Council is obliged by law to set rents and other charges at a level to avoid a deficit on the HRA balance. Changes to regulations over recent years, notably the introduction of rent restructuring in 2002, mean that the dwelling rent income streams had become largely fixed. The approach in recent years has been to work within the guidelines set by the government. Despite the introduction of “self-financing” for the HRA no longer requiring strict adherence to rent restructuring, the same approach has been continued given that the settlement underpinning self-financing assumed full convergence would be achieved.

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

Subsequent to the introduction of self-financing, the Government introduced legislation that fundamentally changed the economics of the HRA. The Welfare Reform and Work Act 2016 forced the Council to reduce rents by 1% each year from 2016/17 to 2019/20. In October 2017, the government announced its intention to set a long term rent deal for both Local authorities and housing associations. This allows rent increases of up to CPI at September each year plus 1 percentage point from 2020/21.

The Medium Term Financial Strategy demonstrates that the HRA is currently financially robust.

The Council has concluded a procurement exercise to choose a partner organisation with which to regenerate the Queensway estate. Swan Housing Association has been approved as the preferred bidder. The regeneration ambition will see the existing 441 predominately council owned homes redeveloped into a vibrant, mixed tenure community with enhanced public realm and facilities. This will mean that over time the estate will no longer form part of the HRA. The timing of the regeneration and asset transfer to the proposed partnership is not yet confirmed.

In addition South Essex Homes Ltd has been commissioned to produce an up to date stock condition survey, which will enable a fuller understanding of the investment necessary to maintain the existing housing stock to decent homes standards.

The HRA MTFs does not currently take either of these developments into account in a detailed manner, although some provision is made. It will be necessary to update the HRA MTFs once more detail is available.

3.8 Asset Management Plan

The Corporate Asset Management Strategy (CAMS) sets out the way in which the Council makes decisions on asset related matters and identifies procedures and governance arrangements to monitor and improve the use of its assets to increase efficiency and maximise returns. The plan is reviewed annually alongside the MTFS and updated as appropriate.

The Plan divides all the Council's assets into five investment blocks. These are:

- Operational assets – The Council's operational buildings;
- Non-operational assets – The Council's investment portfolio;
- Regeneration assets – Assets acquired or held to support regeneration;
- Surplus Assets – Assets which have no sound case for retention;
- Infrastructure required to deliver the Plan, notably ICT.

Some assets sit within specific policy and legislative frameworks, or are important by virtue of specific features of Southend. These are housing, highways and transport assets, schools and children centres, car parks, listed buildings and designated areas, and the sea defences and cliffs.

The CAMS brings asset-related decision making (on acquisition and disposal) together with the procedures guiding investment through the Capital Investment Programme.

The CAMS was comprehensively reviewed and updated for the period 2015 – 2025 and was approved at the Cabinet meeting in September 2015 to provide high-level strategic focus to enable flexibility over the plan period and to reinforce the current Vision and Strategic Aims of the CAMS that all the Council's assets are corporately held and managed strategically to:

- Support efficient and effective service delivery;
- Support regeneration and development and enable the Council to achieve its objectives;
- Rationalise, develop and improve the portfolio to underpin the capital investment programme and revenue budget through development, income generation, property acquisition and disposals;
- Actively support co-location and integration with other public-sector partners.

The CAMS also includes a property investment strategy with its own set of governance arrangements to enable investment opportunity decisions

to be taken quickly against a pre-agreed set of investment performance criteria such as and including lot size, yield, property type, lease terms and covenant strength. The first acquisition under this was made during 2017/18.

The CAMS also supports the Council's high priority major projects such as Better Queensway, Airport Business Park, Care and Learning Disability re-provision.

Some further updates will be made during 2020/21 as follows:

- Corporate structure and governance changes to reflect the current structure of the Council;
- Updates to reflect the latest 2050 position and direction of travel;
- Methodology for the prioritisation and decision making process around Council assets (particularly the development pipeline) with associated governance;
- To update the schedule of charges relating to property transactions;
- To monitor the Government's position on Commercial Property Investment;
- To update the Property Metrics section;
- To ensure that the framework is in place to move forward with benefits derived from WorkLife and improved agility to improve collaboration, share costs and generate income;
- To clearly and more appropriately distribute responsibility for particular assets (e.g. footpaths, non-adopted roads, water-courses) to ensure these are managed efficiently in the most appropriate section of the business.

3.9 Capital Investment Programme

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 which is needed to provide services such as housing, schools and highways. 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. 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.

The Capital Investment Strategy covers 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.

It is a key document 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 includes an overview of the governance processes for approval and monitoring of capital expenditure and how investment decisions take account of stewardship, value for money, prudence, sustainability and affordability. It also provides an overview of how associated risk is managed and the implications for future financial sustainability.

The capital investment programme is prepared and developed in accordance with the Capital Investment Strategy. 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.

3.10 Treasury Management Strategy

The Treasury Management Strategy is an area of activity which covers the management of the council's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks.

In compliance with the CIPFA Treasury Management Code of Practice the Council's treasury management strategy comprises:

- the Treasury Management Policy Statement;
- the Treasury Management Strategy;
- the Annual Treasury Management Investment Strategy.

The purpose of the Treasury Management Policy Statement is to set out the scope of the Treasury Management function, the policy on borrowing, debt restructure, investments, delegation and management of risk.

The budget includes provision for the financing costs of the Council's Capital Investment Programme, including interest on external borrowings. Offsetting this, the Council will earn interest by temporarily investing its surplus cash, which includes unapplied and set-aside capital receipts. These budgets depend on many factors, not least the Council's level of revenue and capital budgets, use of reserves, methods

of funding the budget requirement, interest rates, cash flow and the Council's view of risk. The purpose of the Treasury Management Strategy is to set out how the budgeted financing costs can be achieved. It covers the prospects for interest rates and the strategy on borrowing and debt restructuring.

The purpose of the Annual Treasury Management Investment Strategy is to set out the investment objectives and the policies on the use of external fund managers, on the investment of in-house managed funds and on the use of approved counterparties.

The Audit Committee have responsibility for the scrutiny of the Treasury Management Strategy. The policy is approved by Council in advance of the year to which it relates. It is then monitored regularly and updated, as appropriate, to reflect changing circumstances and guidance with updates approved by Council as and when required.

3.11 Minimum Revenue Provision Policy

The Minimum Revenue Provision (MRP) is an amount to be set aside for the repayment of debt. Each Local Authority has a general duty to charge an amount of MRP to revenue which it considers to be prudent, with responsibility being placed upon the full Council to approve an annual MRP policy statement.

3.12 Prudential Indicators

The Prudential Code is the key element in the system of capital finance that was introduced from 1 April 2004 as set out in the Local Government Act 2003.

Individual authorities are responsible for deciding the level of their affordable borrowing, having regard to the CIPFA code, (which has legislative backing). Prudential limits apply to all borrowing, qualifying credit arrangements (e.g. some forms of lease) and other long term liabilities. The system is designed to encourage authorities that need, and can afford, to borrow for capital investment to do so.

Under the Local Government Act 2003 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. The majority of capital expenditure will continue to be directly supported by Government through capital grant or by Council unsupported borrowing.

The CIPFA Prudential Code for Capital Finance in Local Authorities has been developed to support Local Authorities in taking capital investment decisions and to ensure that these decisions are supported by a framework which ensures prudence, affordability and sustainability.

Another objective of the Code is that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

To demonstrate compliance with these objectives each authority is required to produce a set of prudential indicators. These indicators are designed to support and record local decision making and are not for comparison with other authorities. The setting and revising of these indicators must be approved by Cabinet and Council.

In setting or revising its prudential indicators, the local authority is required to have regard to the following matters:

- service objectives (e.g. strategic planning);
- stewardship of assets (e.g. asset management planning);
- value for money (e.g. options appraisal);
- prudence and sustainability (e.g. risks, whole life costing and implications for external debt);
- affordability (e.g. implications for long-term resources including the council tax);
- practicality (e.g. achievability of the forward plan).

3.13 General Fund Balance

In relation to the adequacy of reserves, the Council's Section 151 Officer recommends the following Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and updated in light of any changes to the assumptions within it.

- An absolute minimum level of General Fund reserves of £8M that is maintained throughout the period between 2020/21 to 2024/25
- An optimal level of reserves of £10M over the period to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances
- A maximum recommended level of reserves to £12M over the period to provide additional resilience to implement the Medium Term Financial Strategy

3.14 Reserves Strategy

General Fund Reserve

In relation to the adequacy of reserves, the Council's Section 151 Officer (Director of Finance and Resources) recommends the following Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances.

- a) An absolute minimum level of General Fund reserves of £8 million that is maintained throughout the period between 2020/21 to 2024/25;
- b) An optimal level of reserves of £10 million over the period 2020/21 to 2024/25 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
- c) A maximum recommended level of reserves of £12 million for the period 2020/21 to 2024/25 to provide additional resilience to implement the Medium Term Financial Strategy;
- d) A Reserves Strategy to remain within the recommended range for reserves over the relevant period of 2020/21 to 2024/25.

These recommendations were conditional upon not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions.

Housing Revenue Account

In relation to the Housing Revenue Account (HRA) in 2020/21 and the medium to long term:

- a) Given the current status of housing management provision the recommendation is that reserves be maintained at £3.0m.

This recommendation is based on and conditional upon

- a) A 2020/21 budget has been agreed with South Essex Homes Ltd. to maintain a balanced HRA, together with the HRA's own Medium Term Financial Strategy for the period 2020/21 to 2024/25.
- b) Forward projections for the HRA beyond 2020/21 are being remodelled to take into account the impact of the Better Queensway regeneration and the updated stock condition survey.

Earmarked Reserves

A table of the earmarked reserves and their balances at 31 March 2019 to 31 March 2025 is shown in Annex 2. The balances at 31 March 2020 to 2025 are indicative, based on the assumptions in this report, and do not represent the probable figures that will be disclosed in future years Statement of Accounts.

3.15 Outcomes Based Planning and Budgeting

The Council will target its resources to deliver the Southend 2050 programme and roadmap phases. Being an outcome focussed organisation will enable us to direct our investment, resource and business planning to activity that will achieve our outcomes and change the conversation to what to keep rather than what to cut.

3.16 Addressing the Budget Gap

The forecast budget gap in the Medium Term Financial Forecast over the next 5 years is summarised in the table below.

Year	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Budget gap	£0M	£7.9M	£4.7M	£5.7M	£5.0M	£23.3M

In order to address and close the budget gap over this time period we must continue our drive towards full financial sustainability for the future. As we work collaboratively with our partners we may need to increase our focus on the delivery or commissioning of services in a targeted way to ensure that those in most need and who will receive the greatest benefit are the recipients of our services.

Longer term and focussed outcome based budgeting will be key to ensuring that all resources at the council's disposal are targeted to have the greatest impact in delivering all the Southend 2050 outcomes.

3.17 Budget Monitoring and Forecasting

The corporate budget performance report is a key tool in scrutinising the Council's overall financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the Authority actively monitors its budgets throughout the year in order to ensure that the overall financial position is robust and sustainable and that strategic objectives are being achieved.

These reports will be prepared for Cabinet at regular intervals throughout the financial year and will provide an opportunity to highlight major variations from the approved spending plans enabling corrective action to be taken where necessary.

4 Conclusion

The Council has seen a sustained reduction in grant funding over the past few years whilst experiencing increasing demand for the services that it provides. The Fair Funding Review and a move towards 75% Business Rates retention may well present additional future challenges but with the Council's 2050 Ambition, the move to outcome focussed budgets and its robust financial resilience as evidenced by the CIPFA Financial Resilience Index, Southend-on-Sea Borough Council is in a strong position to shape and redesign services both locally and regionally.

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SOUTHEND-on-SEA BOROUGH COUNCIL

Annex 1 to Appendix 2

Medium Term Financial Forecast
2020/21 to 2024/25

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Base Budget					
From prior year (which assumes the gap is closed from the prior year)	125,647	130,428	141,988	145,180	148,964
LESS					
Appropriations to/from Reserves in prior year	(1,538)	5,902	(23)	(138)	1,484
Revenue Contributions to Capital	(5,376)	(363)	(10)	(117)	0
Less other one-off expenditure/savings	1,604	(4,545)	60	1,215	0
Adjusted Base Budget	120,337	131,422	142,015	146,140	150,448
Appropriations to / (from) reserves	(5,902)	23	138	(1,484)	(1,483)
Revenue Contributions to Capital (funded from Earmarked Reserves)	363	10	117	0	0
Other one-off/time limited expenditure bids	4,545	(60)	(1,215)	0	0
Inflation and other increases	4,271	3,750	3,750	3,750	3,750
Corporate Cost Pressures	5,468	2,104	1,313	2,002	1,395
Directorate Savings/Pressures					
On-going Corporate and Directorate investment allowance	6,160	3,050	3,050	3,850	3,050
Budget reductions identified and agreed	(2,075)	0	0	0	0
Better Care Fund					
NHS funding to Support Social Care and benefit Health	(13,634)	(12,603)	(12,603)	(12,603)	(12,603)
Expenditure relating to the NHS funding	13,634	12,603	12,603	12,603	12,603
Public Health					
Projected Grant Income	(9,525)	ringfence removed	0	0	0
Projected Expenditure	9,525	0	0	0	0
Housing Revenue Account					
Projected Expenditure	31,851	27,439	24,658	25,036	25,423
Projected Income	(28,522)	(29,440)	(30,397)	(31,311)	(32,211)
Contributions to/(from) HRA Earmarked Reserves	(3,329)	2,001	5,739	6,275	6,788
Dedicated Schools Grant					
Projected Grant Income	(50,967)	(50,967)	(50,967)	(50,967)	(50,967)
Projected Expenditure	50,967	50,967	50,967	50,967	50,967
Pupil Premium received from Government (indicative)	(1,892)	(1,892)	(1,892)	(1,892)	(1,892)
Pupil Premium expenditure	1,892	1,892	1,892	1,892	1,892
Projected General Fund Net Expenditure	133,167	140,299	149,168	154,258	157,160
Changes in General Grants	(2,739)	9,555	712	409	0
Budget Requirement	130,428	149,854	149,880	154,667	157,160
Funded by:					
Council tax increase (1.99% in 20/21, 1.99% onwards) (taxbase +0.5% 2021/22 and +1.0% p.a future years)	(76,966)	(79,427)	(81,972)	(84,587)	(87,285)
Social Care Precept (2.0% in 20/21, 0% onwards)	(7,381)	(7,455)	(7,530)	(7,605)	(7,681)
Business Rates	(38,032)	(53,606)	(54,678)	(55,772)	(56,192)
Revenue Support Grant	(6,049)	0	0	0	0
Collection Fund Surplus	(2,000)	(1,500)	(1,000)	(1,000)	(1,000)
Total funding	(130,428)	(141,988)	(145,180)	(148,964)	(152,158)
Funding Gap	0	7,866	4,700	5,703	5,002
Funding Gap (Cumulative)	0	7,866	12,566	18,269	23,271
Core Precept	76,966	79,427	81,972	84,587	87,285
Social Care Precept	7,381	7,455	7,530	7,605	7,681
Band D Council Tax					
Council Tax for a Band D Property	1,437.39	1,465.93	1,495.17	1,524.87	1,555.20
% Increase in Council Tax	3.99%	1.99%	1.99%	1.99%	1.99%
Council Tax Base					
Council Tax Base	58,681	59,268	59,860	60,459	61,064
Increase in Taxbase on prior year	0.44%	1.00%	1.00%	1.00%	1.00%

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Use of Earmarked Reserves

Earmarked Reserves	Probable Outturn 2019/20			Budget 2020/21			Forecast 2021/22			Forecast 2022/23			Forecast 2023/24			Forecast 2024/25							
	To Reserves £000	From Reserves £000	Transfers £000	To Reserves £000	From Reserves £000	Transfers £000	To Reserves £000	From Reserves £000	Transfers £000	To Reserves £000	From Reserves £000	Transfers £000	To Reserves £000	From Reserves £000	Transfers £000	To Reserves £000	From Reserves £000	Transfers £000					
Capital Reserves																							
Capital Reserve	7,957		(5,574)	2,383		1,500	3,520		(10)		3,510		(117)		3,393		3,393		3,393				
New Homes Bonus Reserve	4,130	2,031	(835)	5,326	1,370	(560)	6,136	1,340	(280)		7,196	628			7,824		7,824		7,824				
Business World ERP Reserve	316			316		385	701				701				701		701		701				
Queensway Reserve	235			235		(235)	-				-				-		-		-				
Corporate Reserves																							
Business Transformation Reserve	5,133		(3,014)	2,119		3,750	5,054		(685)		4,369		(285)		4,084		4,084		4,084				
Outcome Delivery Reserve	0			-		750	500		(250)		250		(250)		-		-		-				
Business Rates Retention reserve	4,283			4,283		(2,283)	2,000				2,000				2,000		2,000		2,000				
Interest Equalisation Reserve	4,211		(500)	3,711		(945)	2,766				2,766				2,766		2,766		2,766				
MRP Equalisation Reserve	12,625	3,665		16,290		(918)	15,372		(1,364)		14,008		(1,493)		12,515	(1,448)	11,067	(1,448)	9,619				
Pensions Reserve	5,831	3,733		9,564	2,000	(4,350)	2,000	2,000		4,000	2,000				6,000		6,000		6,000				
Rents Equalisation	850			850			850				850				850		850		850				
Insurance																							
Insurance Reserve	6,800			6,800			6,800				6,800				6,800		6,800		6,800				
Service Reserves																							
Building Control Reserve	116			116		(116)	-				-				-		-		-				
Cemeteries Reserve	39			39		(39)	-				-				-		-		-				
Elections Reserve	304		(36)	268		(36)	232	107		339		(35)		304		268		233					
Local Land Charges Reserve	64			64			64			64				64		64		64					
Schools Improvement	225		(200)	25		(200)	400		(200)	200		(200)		-		-		-					
Adult Social Care Reserve	2,428			2,428		(928)	1,500			1,500				1,500		1,500		1,500					
Childrens Social Care Reserve	2,000		(2,000)	-		3,000	3,000			3,000				3,000		3,000		3,000					
Social Fund	817		(350)	467		(350)	117		(117)	-				-		-		-					
Specific Corporate Projects	730			730		(730)	-			-				-		-		-					
Supporting People Reserve	552		(100)	452			452			452				452		452		452					
Voluntary Organisations Reserve	125			125		(125)	-			-				-		-		-					
Waste Management Reserve	4,923		(1)	4,922			4,922			4,922				4,922		4,922		4,922					
Welfare Reform Reserve	1,590		(300)	1,290		(290)	1,000			1,000				1,000		1,000		1,000					
Street Lighting Reserve	105			105			105			105				105		105		105					
Grants																							
Dedicated Schools Grant	215	800		1,015			1,015			1,015				1,015		1,015		1,015					
Area Child Protection	26			26			26			26				26		26		26					
General Grants Carried Forward	2,485		(753)	1,732			1,732			1,732				1,732		1,732		1,732					
Public Health Grant - Public Health	1,368		(133)	1,235		(150)	1,085		(150)	935				935		935		935					
Public Health Grant - DAAT	130			130		(35)	95			95				95		95		95					
Monies held in Trust																							
Comp- 3 Children When Reach 18	3			3			3			3				3		3		3					
Emily Briggs Trust	17			17			17			17				17		17		17					
S. Thorpe Smith Bequest	33			33			33			33				33		33		33					
Total General Fund Ear Marked Reserves	70,666	10,229	(13,796)	67,099	3,370	(8,972)	61,497	3,447	(3,056)	61,888	2,628	(2,380)	62,136	(1,484)	60,652	(1,483)	59,169						
HRA Capital Investment Reserve	25,106	3,552	(5,508)	23,150	5,319	(8,708)	19,761	5,837	(5,405)	(2,387)	17,806	6,378	(1,250)	(1,313)	21,621	6,831	(200)	(1,036)	27,216	7,266	(200)	(875)	33,407
HRA Major Repairs Reserve	6,763	6,706	(8,408)	5,061	5,365	(6,620)	3,806	5,633	(6,600)	2,387	5,226	5,915	(6,560)	1,313	5,894	6,210	(6,560)	1,036	6,580	6,521	(6,600)	875	7,376
HRA Repairs Contract Pension Reserve	520	60		580	60		640	60		700	60				760	60			820	60			880
Total HRA Reserves	32,389	10,318	(13,916)	28,791	10,744	(15,328)	24,207	11,530	(12,005)	23,732	12,353	(7,810)	28,275	13,101	(6,760)	34,616	13,847	(6,800)	41,663				
TOTAL EARMARKED RESERVES	103,055	20,547	(27,712)	95,890	14,114	(24,300)	85,704	14,977	(15,061)	85,620	14,981	(10,190)	90,411	13,101	(8,244)	95,268	13,847	(8,283)	100,832				

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COUNCIL BUDGET 2020/21 TO 2024/25**DRAFT SECTION 151 OFFICER'S STATEMENT ON ADEQUACY OF BALANCES AND THE ROBUSTNESS OF THE BUDGET****1. Introduction**

1.1. The Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- a) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Great London Authority) applies is making calculations in accordance with that section, the Chief Finance Officer of the authority must report to it on the following matters:
- The robustness of the estimates made for the purposes of the calculations, and
 - The adequacy of the proposed financial reserves.
- b) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
 - The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.
- 1.2. This paper has to be considered and approved by full Council as part of the budget approval and Council Tax setting process.
- 1.3. This document concentrates on the General Fund budget, the Housing Revenue Account and Capital Investment Programme, but in addition it also considers key medium term issues faced by the Council.

**2. Assurance Statement of the Council's Section 151 Officer
(Executive Director of Finance and Resources)**

2.1. The following are the summary assurances and recommendations of the Council's Section 151 Officer (currently the Executive Director of Finance and Resources). They must be read in conjunction with the supporting statement in this Appendix, which together make up the Section 151 Officer's statutory duty to report under Section 25 of the Local Government Act 2003.

2.1.1. In relation to the 2020/21 General Fund Revenue budget I have examined the budget proposals and I believe that, whilst the spending and service delivery proposals are challenging, they are nevertheless achievable given the political and management will to implement the changes, good management, and the sound monitoring of performance and budgets. I am satisfied that sufficient management processes exist within the Council to deliver this budget and to identify and deal with any problems which may arise unexpectedly during the year.

2.1.2. The key process risks in making the above statement are the level of resources within the Council dedicated to providing financial support services and advice to managers, which will need the finance teams to be focused on key risk budgets.

2.1.3. My recommendations are also conditional upon:

- a) The Council approving the new Financial Sustainability Strategy for 2020 – 2030;
- b) The Council approving the updated Medium Term Financial Strategy for 2020/21 to 2024/25
- c) A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic, and shows a clear commitment to prudent contingency planning. It must be noted, however, that the recommended levels of reserves could still leave the Council exposed to the very exceptional risks identified in this review and, if all those risks crystallised, then the total level of reserves could be inadequate;
- d) Cabinet Members, Chief Executive, Executive Directors and managers not exceeding their cash limits for 2020/21 (and future years covered by the Medium Term Financial Strategy);

- e) Taking every opportunity to meet the Reserves Strategy as a first call on windfall underspends;
- f) Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Reserves Strategy (reviewed annually) is met. Even in those circumstances, it is not prudent to finance ongoing spending from one-off reserves. Any excess reserves should be targeted towards business transformation (including redundancies and invest to save initiatives), key services particularly Childrens and Adults, contributions to support capital outlay, Local Government funding changes and the impacts of significant changes in national policy.
- g) Where there is a draw-down on reserves, which causes the approved Reserves Strategy to be off target, that this is replenished as part of a revised Medium Term Financial Strategy;
- h) That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.

2.1.4. In relation to the adequacy of reserves, I recommend the following Reserves Strategy based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances.

- a) An absolute minimum level of unallocated General Fund reserves of £8 million is maintained throughout the period between 2020/21 to 2024/25;
- b) An optimal level of unallocated General Fund reserves of £10 million over the period 2020/21 to 2024/25 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
- c) A maximum recommended level of unallocated General Fund reserves of £12 million for the period 2020/21 to 2024/25 to provide additional resilience to implement the Medium Term Financial Strategy;
- d) A Reserves Strategy to remain within the recommended level of reserves over the relevant period of 2020/21 to 2024/25.

2.1.5. The estimated level of unallocated General Fund reserves at 31 March 2020, based on current projections is £11 million depending on the final outturn position. Therefore:

- a) The absolute minimum level of reserves of £8 million is currently being achieved;
- b) The optimal level of reserves of £10 million criteria is being achieved for 2019/20, if departments spend against budget as currently projected;
- c) The maximum level of reserves of £12 million is not being exceeded;
- d) Reserves should remain within the recommended range of reserves during 2019/20. This is subject to resources set aside for redundancy costs proving adequate and the cash limited budget for 2019/20 being met.

2.1.6. These recommendations are made on the basis of:

- a) The risks identified by the Chief Executive and Executive Directors reviews of their budgets;
- b) My own enquiries during the development of the current budget proposals;
- c) The resilience and sustainability required to deliver the Medium Term Financial Strategy;
- d) One-off unallocated reserves not being used to fund new on-going commitments;
- e) That the reserves in 2020/21 and the foreseeable future are used only if risks materialise and cannot be contained by management or policy actions.
- f) That where reserves are drawn down, the level of reserves is maintained in line with the latest Medium Term Financial Strategy.

2.1.7. There are also serious exceptional risks which, if they crystallise, could significantly impact the Council's reserves and leave its financial standing seriously in question. These include :

- a) The potential for cliff slips, pier remediation works and any other unforeseen Council owned infrastructure issues;
- b) Waste Management (Disposal) – This is to be kept under review pending a new contract in 2023;
- c) The current Waste Collection and Street Cleansing contract, which has been renegotiated now includes a requirement for an earlier re-tendering of this service in 2023;

- d) The financial implications from the Care Act, other welfare reform changes and other associated Housing legislation;
- e) The increasing cost and demand pressures for adult and children social care;
- f) The risk surrounding the non-delivery of savings and exceeding investment proposals within the budget package for 2020/21;
- g) The extreme financial issues for the public sector arising from the prevailing and continuing national and local conditions;
- h) The risk of even further significant reductions in income and Government grant funding, particularly in relation to:
 - Growth and decline in the Council's Tax base and Business Rates base;
 - Business Rates appeals from the 2017 revaluation;
 - Academies funding;
 - The Local Council Tax Support Scheme with reduction in subsidy funding and no protection for caseload increases;
 - Further changes to the way in which Local Government is financed by Government particularly with any changes to the Business Rates Retention Scheme;
 - Future Government changes in policy and funding for Local Government, particularly the unknown impact of the next Spending Round and fair funding review;
 - The need to address the Country's ongoing Public Sector Borrowing Requirement (PSBR) and the structural financial deficit.
 - The economic impact of the withdrawal of the UK from the European Union;
- i) Insurance Claims;
- j) Any impact on Council services and Budget in 2020/21 and later years arising from the intended withdrawal from the European Union on 31/1/20.

2.1.8. In relation to the Housing Revenue Account (HRA) in 2020/21 and the medium to long term:

- a) Given the current status of housing management provision the recommendation is that general reserves be maintained at the target figure of £3m;
- b) A 2020/21 budget has been agreed with South Essex Homes Ltd. to maintain a balanced HRA;

- c) Forward projections for the HRA beyond 2020/21 are being remodelled. In addition, this is linked to the HRA's own Medium Term Financial Strategy for the period 2020/21 to 2024/25.

The current position demonstrates that it is possible to:

- Maintain a balanced HRA throughout that period;
- Meet current level of capital investment; and
- Repayment of required debt

2.1.9. In relation to the General Fund and HRA Capital Investment Programme 2019/20 to 2024/25 (including commitments from previous years and new starts):

- a) The HRA Capital Programme will need to be contained within the total programme cost;
- b) The General Fund Capital Budget is substantial but is based on the best information available in terms of project costs. What is less certain is the actual phasing of expenditure;
- c) The key strategic schemes identified in the Capital Investment Programme will be closely monitored in-year;
- d) That the funding identified for the approved Capital Investment Programme is delivered and is prudent, affordable and sustainable.

2.1.10. In relation to the medium to long term Capital Investment Programme:

- a) The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities.

2.2. Assurance

Given all these factors, I, as the Council's Section 151 Officer, consider the estimates for 2020/21 to be sufficiently robust but challenging for approval by the Council. I am also able to advise the Council that the level of General Fund Reserves is adequate and to recommend a Reserves Strategy which is achievable by 2020/21.

3. Supporting Statement

3.1. Processes

3.1.1. Budget estimates are exactly that – estimates of spending and income made at a point in time and which will change as circumstances change. This statement about the robustness of estimates cannot give a 100% guarantee about the budget but gives Members reasonable assurance that the budget has been based on the best information and assumptions available at the time.

3.1.2. In order to meet the requirement on the robustness of estimates a number of key processes have been put in place, including:

- a) The issuing of clear guidance to Services on preparing budgets;
- b) The development of a Council wide risk assessment;
- c) The use of extensive budget monitoring and its escalation process to identify risks;
- d) The Council's S151 Officer providing advice throughout the process of budget preparation and budget monitoring;
- e) The Chief Executive and Executive Directors review of their budgets and appropriate sensitivity analysis;
- f) A review of all budget proposals and implications by CMT from April 2019 to February 2020;
- g) A review of budget proposals and implications by Cabinet Members from June 2019 to February 2020;
- h) Enquiries made directly by the Section 151 Officer and Finance Officers

3.1.3. Notwithstanding these arrangements, which are designed to rigorously test the budget throughout its various stages of development, considerable reliance is placed on the Chief Executive, Executive Directors and Directors having proper arrangements in place to identify issues, project costs, service demands, to consider value for money and efficiency, and to implement changes in their service plans. These arrangements are supported by appropriately qualified financial staff.

3.1.4. A summary of the key budget assumptions considered by Services and financial staff in terms of assessing the robustness of their budgets are shown below;

- a) The treatment of inflation and interest rates.
- b) The treatment of demand led pressures.
- c) The treatment of efficiency savings/productivity gains.

- d) The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments.
- e) The availability of other funds to deal with major contingencies.
- f) The Service's track record in budget and financial management.
- g) The Service's capacity to manage in-year budget pressures.

3.1.5. The full key budget assumptions and comments by the Chief Executive and Executive Directors have been used in constructing all budget proposals.

3.1.6. Corporate and service processes are under continuous review and improvement. Over the last few years there has been a sustained emphasis on a robust scheme of budget monitoring with an improved reporting format to Cabinet and Members in 2019/20. Additionally, the regular review and monitoring of the annual budget savings that was introduced by the current Executive Director of Finance & Resources will continue in 2020/21.

3.1.7. There is also clear plans in place for the continuous improvement and development of the ERP system (Business World) covering both Financial and HR systems. This will strengthen the authority's capacity and ability to monitor more effectively the overall budget. Continual improvement in these processes will also assist in the prevention or at least the earlier identification of issues to be dealt with in the budget and Medium Term Financial Strategy and allow for any in-year rebalancing to be undertaken as soon as possible if required. Nevertheless in preparing a comprehensive budget for such a complex Organisation, unforeseen issues will undoubtedly still arise throughout the year and in the future.

3.2. Robustness of Estimates - General Fund Revenue Budget

3.2.1. The 2020/21 budget and Southend 2050 ambition, themes and 5 year roadmap continues the need and our commitment to target our financial resources to delivering better outcomes and effectively managing risks. In addition to improving efficiency, there are clearly choices for the Council in this respect:

- a) To increase financial resources to meet demand and reduce risk;
or
- b) To reduce (where possible) service levels and standards, frequency of service delivery, and eligibility for services.

3.2.2. As part of developing the budget, Members of the administration have considered these options and the outcome of these deliberations are reflected in the proposed budget.

3.2.3. Most notably the Council has had to address major cost increases and pressures as well as corporate priorities including:

- a) Employee costs;
- b) Demographic and cost pressures for Adult and Children Social Care;
- c) The cost of prudential borrowing within the capital programme;
- d) Shortfalls in income and grant income;
- e) Inflation;

3.2.4. The factors and risks taken into account in developing the proposed budget and recommendations on reserves are contained in each of the Executive Directors proposals surrounding their Service budget.

3.2.5. These assumptions will require the forecasts for future years to be reviewed early in each financial year leading to more detailed budgets during the autumn of each financial year.

3.3. **New Financial Sustainability Strategy**

3.3.1. The Council has developed a new high level long term strategy that is designed to frame its financial future and intentions. This strategy will help set the context for the Medium Term Financial Strategy, guide the Council's approach to maximising resources, prioritising investment and the effective targeting of resources to deliver the ambitions and outcomes contained within the Southend 2050 programme and Roadmap phases.

3.3.2. Its primary purpose is to outline the Council's approach, desire and commitment to achieving financial sustainability by embracing the area's economic potential, growing our local tax base and increase sustainable income capabilities.

3.4. **Medium Term Financial Strategy**

3.4.1. The Council needs to deliver its Medium Term Financial Strategy reflecting the continuing impact of the proposed budget and only planned growth in relation to issues that are unavoidable. Within the current uncertain financial climate it is very likely that service improvement and reasonable Council Tax increases, without key service reductions, will only be achieved through improving efficiency, clear prioritisation and adopting a new more commercial approach to income generation.

3.5. Adequacy of Reserves – General Fund Revenue Budget

- 3.5.1. Under the Local Government 2003 Act the Secretary of State has powers to set a minimum level of reserves. The most likely use of this power is where an authority is running down its reserves against the advice of their S151 Officer.
- 3.5.2. Determining the appropriate levels of reserves is not a precise science or a formula e.g. a percentage of the Council's budget. It is the Council's safety net for risks, unforeseen or other circumstances. The reserves must last the lifetime of the Council unless contributions are made from future years' revenue budgets. The minimum level of balances cannot be judged merely against the current risks facing the council as these can and will change over time.
- 3.5.3. Determining the appropriate levels of reserves is a professional judgement based on local circumstances including the overall budget size, risks, robustness of budget preparation, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions, and the Council's track record in budget management. It is also a professional judgement on the external factors that influence the Council's funding position.
- 3.5.4. The consequences of not keeping a minimum prudent level of reserves can be serious. In the event of a major problem or a series of events, the Council would run the serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.
- 3.5.5. The recommendation on the prudent level of reserves has been based on the robustness of estimate information and the Corporate Risk Register. In addition, the other strategic operational and financial risks taken into account when recommending the minimum level of unallocated General Fund reserves include:
- a) There is always some degree of uncertainty over whether the full effects of any economy measures and/or service reductions will be achieved. The Executive Directors have been requested to be prudent in their assumptions and that those assumptions, particularly about demand led budgets, will hold true in changing circumstances.
 - b) The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The Local Authority is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by the Government.
 - c) The risk of major litigation, both current and in the future.
 - d) Risks in the inter-relation between the NHS and Social Service authorities coupled with the responsibilities of Public Health.

- e) The Local Council Tax Support Scheme with less Government funding and increases in caseload at the Council's own risk
- f) Issues arising from the final Housing Benefit Subsidy Claim.
- g) The localisation of Business Rates including the impact of businesses declining in the borough boundaries.
- h) New and impending legislation.
- i) Unplanned volume increases in major demand led budgets, particularly in adult and children's services, learning disabilities, physical and sensory impairment, and housing benefits.
- j) The need to retain a general contingency to provide for some measure of unforeseen circumstances which may arise. This part of the reserves is not provided for directly but indirectly on the assumption that the financial risks identified will not all crystallise.
- k) The need to retain reserves for general day-to-day cash flow needs. This is minimal given the level of cash the Council holds at any given time.

3.5.6. Further exceptional risks identified may have a potential and serious call on reserves. The Council is advised to be cautious about these risks and commit to restoring any drawn down reserves in line with the Medium Term Financial Strategy.

3.5.7. In these circumstances, I will require the Council, Cabinet, Chief Executive, Executive Directors and Directors:

- a) To remain within their service budget for 2020/21 and within agreed medium term financial strategy parameters for future years (2021/22 to 2024/25) with a strict adherence to recovering overspends within future years' financial plan targets;
- b) Repayment to reserves in line with the Medium Term Financial Strategy should these risks materialise;
- c) Direct any windfall revenue savings/underspends to reserves should the General Fund Revenue Reserves Strategy require it.

3.6. **Estimated Earmarked General Fund Revenue Reserves**

3.6.1. I have reviewed the Council's General Fund earmarked revenue reserves which are estimated to amount to circa. £67.1 million at 1 April 2020. This is compiled of key specific reserves of Insurance at £6.8 million, Welfare Reform and Social Fund at £1.7 million, Adult and Children's Social Care at £2.4 million, Interest Equalisation at £3.7 million, Rents Equalisation at £0.9 million, MRP Equalisation at £16.3 million, Waste Management at £4.9 million, Business Transformation at £2.1 million, New Homes Bonus at £5.3 million, Business Rates Retention at £4.3 million, Capital at £2.4 million, Pensions at £9.6 million and Grants at £4.1 million. The remainder is made up of other smaller funds held for specific purposes.

3.7. **Estimated Earmarked Housing Revenue Account Revenue Reserves**

3.7.1. I have reviewed the Council's Housing Revenue Account earmarked revenue reserves which are estimated to amount to £28.8 million at 1 April 2020. This is compiled mainly of a Capital Investment reserve of £23.2 million and Major Repairs reserve of £5.1 million.

3.8. **Schools' Balances**

3.8.1. Schools' balances, while consolidated into the Council's overall accounts, are a matter for Governing Bodies. Nevertheless, under the Council's Scheme for Financing Schools the Council has a duty to scrutinise whether any school holds surplus balances. Section 4.1 "The right to carry forward surplus balances" identifies that Schools may carry forward from one financial year to the next any surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

3.8.2. Any revisions to the Council's Scheme for Financing Schools in respect of balances will be amended in line with the requirements of the Secretary of State for Education with minor amendments agreed by the Schools' Forum.

3.8.3. I am satisfied that the arrangements in place are adequate.

3.9. **Capital Investment Programme – 2020/21 to 2024/25**

The Capital Budget

3.9.1. Projects, included in the capital investment programme, were prepared by Directors and managers in line with financial regulations and guidance. All projects were agreed by the relevant member of CMT and Cabinet Member and are fully funded for their estimated cost.

3.9.2. Projects have been costed at outturn prices with many subject to tender after inclusion in the programme. This may lead to variance in the final costs.

3.9.3. Services are required to work within the given cash envelope so any under or over provision must be found within these limits.

Capital Investment Programme Risks

3.9.4. The risk of the Council being unable to fund variations in the programme is minimal mainly due to phasing of projects. The Council is able to freeze parts of the programme throughout the year to ensure spend is within the agreed financial envelope, although this will have service implications.

3.9.5. A further key risk to the capital investment programme is the ability of the Council to fully deliver it within the agreed timescales.

3.9.6. In relation to the General Fund and HRA Capital Investment Programme specifically for 2020/21 (including commitments from previous years and new starts):

- a) The HRA Capital Investment Programme will need to be contained within total programme cost by delaying or stopping specified schemes.
- b) The General Fund Capital Budget is substantial but is based on the best information available in terms of project costs. What is less certain is the phasing of expenditure.
- c) The strategic schemes identified in the Capital Investment Programme will be closely monitored in-year.
- d) That the funding identified for the approved Capital Investment Programme is delivered and is prudent, affordable and sustainable.

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Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2019/20

Within the forecast outturn figure, there are a number of proposals for appropriations to and from earmarked reserves. The final value of these appropriations will be assessed at year-end and reported as part of the closedown reporting programme.

Appropriations to Reserves

1. £2,031,000 to the New Homes Bonus Reserve

The Council currently continues to receive New Homes Bonus Grant. Given the uncertainty over the level of this grant in the future, it is proposed that any monies are continued to be used to support one-off projects.

2. £3,665,000 to the MRP Equalisation Reserve

Following the review of the Council's MRP policy, the amount of MRP that the Council needs to set aside in 2019/20 has dropped significantly below budget. Rather than take this saving to general reserves, it is proposed that it be transferred to the MRP equalisation reserve to fund future increases in MRP without impacting base line services.

3. £3,733,000 to the Pensions Reserve

The Pensions Reserve was used in 2017/18 and 2018/19 to fund the pension deficit payment. This appropriation completes the final (3rd year) instalment of replenishing the Reserve as part of the last triennial Pensions review in 2017.

4. £800,000 to the Dedicated Schools Grant Reserve

Planned contribution to this Reserve which is primarily attributable to High Needs underspend in 2019/20. Other contributory elements include the Department of Education Early Years funding adjustment for 2018/19 (received in 2019/20) and the approved underspend on the centrally retained growth fund.

Total Appropriations to Reserves

£10,229,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

5. £3,014,000 from the Business Transformation Reserve

To fund a number of one-off investments identified as part of the approved 2019/20 budget.

6. £5,574,000 from the Capital Reserve

This is to fund a number of approved capital projects in 2019/20.

7. £36,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £36,000 will be released in 2019/20 in support of the costs of the Borough elections in May 2019.

8. £500,000 from the Interest Equalisation Reserve

To compensate for an in year change to regulation regarding income recognition.

9. £200,000 from the Schools Improvement Reserve

To fund approved and planned investment into Schools Improvement

10. £835,000 from the New Homes Bonus Reserve

To fund the work required to progress the development of an approved Local Plan.

11. £100,000 from the Supporting People Reserve

To fund additional demand created within approved supported housing contracts in 2019/20.

12. £300,000 from the Welfare Reform Reserve

To fund on-going approved work around welfare reform and housing benefit subsidy arrangements for 2019/20.

13. £2,000,000 from the Children's Social Care Reserve

To fund additional investment into Children's Social Care and support in-year service demand pressures for 2019/20.

14. £350,000 from the Social Fund Reserve

To continue to fund the approved on-going work of the Essential Living Fund Team in 2019/20.

Appropriations to and from General Fund Earmarked Reserves**15. £1,000 from the Waste Reserve**

This is to equalise the impact of the saving being delivered over the life of the new waste collection contract.

16. £753,000 from the General Grants Reserve

In accordance with proper accounting practice, grants received in 2018/19, but not used, were carried forward into 2019/20 via the use of earmarked reserves. This appropriation represents the release of some of those funds to support the approved and eligible grant related expenditure.

17. £133,000 from the Public Health Reserve

In accordance with proper accounting practice, public health grant received in 2018/19, but not used, was carried forward into 2019/20 via the use of earmarked reserves. This appropriation represents the release of some of those funds to support the approved and eligible public health expenditure.

Total Appropriations from Reserves**£13,796,000**

Appropriations to and from General Fund Earmarked Reserves

Appropriations for 2020/21

The proposed appropriations to and from earmarked reserves included within the 2020/21 budget are:

Appropriations to Reserves

1. £1,370,000 to the New Homes Bonus Reserve

The Council currently continues to receive New Homes Bonus Grant. Given the uncertainty over the level of this grant in the future, it is proposed that any monies are continued to be used to support one-off projects.

2. £2,000,000 to the Pensions Reserve

This appropriation provides some flexibility by beginning to rebuild the Pensions Reserve in order to ensure that the Council has sufficient provision to cope with future pension fund evaluations.

Total Appropriations to Reserves

£3,370,000

Appropriations to and from General Fund Earmarked Reserves

Appropriations from Reserves

1. £815,000 from the Business Transformation Reserve

To fund a number of one-off investments proposed as part of 2020/21 budget package.

2. £363,000 from the Capital Reserve

To fund a number of capital projects proposed as part of the 2020/21 budget package.

3. £200,000 from the Schools Improvement Reserve

To fund proposed investment into Schools Improvement for 2020/21.

4. £560,000 from the New Homes Bonus Reserve

To fund a number of proposed one-off investments during 2020/21.

5. £350,000 from the Social Fund Reserve

To fund the proposed on-going work of the Essential Living Fund Team in 2020/21.

6. £36,000 from the Elections Reserve

In line with the purpose that this reserve was set up, £36,000 will be released in 2020/21 in support of the costs of staging the Borough elections in May 2020.

7. £250,000 from the Outcome Delivery Reserve

This is to fund proposed interventions in 2020/21 which will provide better improve outcomes in line with our 2050 ambitions.

8. £945,000 from the Interest Equalisation Reserve

This is to smooth the impact in 2020/21 of the increases in the interest budgets as a result of the financing of the capital investment programme.

9. £918,000 from the MRP Equalisation Reserve

This is to smooth the impact in 2020/21 of the increases in MRP that the Council needs to set aside as a result of the proposed capital investment programme.

10. £4,350,000 from the Pensions Reserve

This is to fund the prepayment of pension deficit contributions and thereby securing savings over the three year actuarial review period.

Appropriations to and from General Fund Earmarked Reserves

11. £150,000 from the Public Health Grant – Public Health Reserve

This is to fund proposed additional investment for the operation of a new complex needs facility. This investment will be drawn down once the purchase of a suitable property is secured to expand the service and provision in 2020/21.

12. £35,000 from the Public Health Grant – DAAT Reserve

This is to fund proposed additional hours and capacity to enhance the current operating model at the local complex needs facility in 2020/21.

Total Appropriations from Reserves

£8,972,000

GENERAL FUND YEAR ENDING 31 MARCH 2021

	Original Estimate 2019/20	Original Estimate 2020/21
	£000	£000
Portfolios		
Leader	15,021	16,494
Deputy Leader	11,519	13,344
Business, Culture and Tourism	7,370	7,957
Children and Learning	34,630	34,798
Community Safety and Customer Contact	7,078	7,921
Environment and Planning	20,785	20,529
Health and Adult Social Care	36,798	40,548
Sub Total	133,201	141,591
Capital Financing Removed	(24,303)	(21,008)
Portfolio Net Expenditure	108,898	120,583
Levies	643	645
Contingency	5,110	3,297
- Pensions & Apprenticeship Levy	0	0
Pensions Upfront Funding	(3,733)	
Financing costs	11,799	17,874
Total net expenditure	122,717	142,399
Contribution to /(from) general reserves	0	0
Contribution to /(from) earmarked reserves	1,413	(5,727)
Revenue Contribution to Capital	5,376	363
Non Service Specific Grants	(3,859)	(6,607)
Total Budget Requirement	125,647	130,428
Met from:		
Revenue Support Grant	(5,925)	(6,049)
Retained Business Rates	(24,130)	(25,481)
Business Rates Top up Grant	(12,337)	(12,551)
Collection Fund Surplus	(2,500)	(2,000)
Council Tax Requirement	80,755	84,347
Council Tax	(75,022)	
Adult Social Care Precept	(5,733)	
	(80,755)	

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Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Objective Summary	2019/20						2020/21		
	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)
Leader									
Housing									
Housing Needs and Homelessness	1,521	(1,313)	208	1,670	(1,466)	204	1,710	(1,483)	227
Private Sector Housing	605	(120)	485	535	(226)	309	718	(178)	540
Strategy and Planning for Housing	409	(125)	284	509	(125)	384	537	(128)	409
Supporting People	2,245	0	2,245	2,245	0	2,245	2,245	0	2,245
Legal and Democratic Services									
Democratic Services Support	385	0	385	385	0	385	389	0	389
Elections and Electoral Registration	358	0	358	358	0	358	359	0	359
Legal Services	1,409	(251)	1,158	1,644	(251)	1,393	1,435	(256)	1,179
Local Land Charges	202	(297)	(95)	202	(297)	(95)	201	(297)	(96)
Mayoralty	175	0	175	176	0	176	183	0	183
Member Support	715	0	715	715	0	715	715	0	715
Other Services									
Corporate Subscriptions	250	0	250	250	0	250	100	0	100
Emergency Planning	206	0	206	233	0	233	227	0	227
Human Resources	1,978	(517)	1,461	2,138	(517)	1,621	2,177	(555)	1,622
Strategic Service Support	599	0	599	652	(3)	649	670	(19)	651
Strategy and Performance	1,817	(115)	1,702	1,852	(41)	1,811	1,900	(41)	1,859
Revenues and Benefits									
Council Tax Collection	984	(684)	300	1,094	(794)	300	992	(698)	294
Housing Benefit Administration	1,664	(925)	739	1,681	(925)	756	1,675	(925)	750
Non Domestic Rates Collection	207	(308)	(101)	202	(278)	(76)	209	(309)	(100)
Rent Benefit Payments	73,902	(74,005)	(103)	73,902	(74,005)	(103)	64,546	(64,649)	(103)
Strategic Planning and Policy									
Corporate and Non-Distributable Costs	1,886	(196)	1,690	1,952	(196)	1,756	2,356	(200)	2,156
Leader Total	91,516	(78,857)	12,659	92,393	(79,124)	13,269	83,343	(69,736)	13,607

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Objective Summary	2019/20						2020/21		
	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)
Deputy Leader									
Asset and Facilities Management									
Asset Management	459	(17)	442	459	(17)	442	496	(17)	479
Buildings Management	1,868	(113)	1,755	2,033	(113)	1,920	2,039	(113)	1,926
Community Centres and Club 60	17	(1)	16	17	(1)	16	17	(1)	16
Corporate and Industrial Estates	93	(3,567)	(3,474)	93	(3,567)	(3,474)	97	(3,667)	(3,570)
Property Management and Maintenance	460	(114)	346	460	(114)	346	482	(116)	366
Tickfield Training Centre	362	(160)	202	362	(160)	202	400	(164)	236
Financial Services									
Accountancy	2,261	(308)	1,953	2,204	(273)	1,931	2,345	(271)	2,074
Accounts Payable	129	(4)	125	129	(4)	125	135	(4)	131
Accounts Receivable	200	(82)	118	200	(82)	118	211	(84)	127
Corporate Fraud	229	(52)	177	229	(52)	177	237	(53)	184
Corporate Procurement	700	0	700	774	0	774	964	0	964
Insurance	173	(249)	(76)	173	(249)	(76)	178	(249)	(71)
Internal Audit	739	(207)	532	556	(189)	367	700	(192)	508
Highways and Transport									
Bridges and Structural Engineering	51	0	51	26	0	26	51	0	51
Car Parking Management	1,261	(6,993)	(5,732)	1,729	(6,868)	(5,139)	1,413	(6,970)	(5,557)
Concessionary Fares	3,390	0	3,390	3,037	0	3,037	3,390	0	3,390
Decriminalised Parking	1,178	(1,707)	(529)	1,442	(1,597)	(155)	1,141	(1,741)	(600)
Dial A Ride Service	97	(20)	77	102	(20)	82	72	(20)	52
Highways Maintenance	2,712	(283)	2,429	3,857	(173)	3,684	3,536	(189)	3,347
Passenger Transport	142	(67)	75	257	(82)	175	142	(68)	74
Road Safety and School Crossing	214	0	214	128	0	128	165	0	165
Traffic and Parking Management	155	(6)	149	360	(16)	344	171	(6)	165
Transport Management	168	0	168	168	0	168	224	0	224
Transport Planning	1,828	(2,287)	(459)	2,086	(1,777)	309	727	(612)	115
Vehicle Fleet	549	(344)	205	549	(344)	205	534	(351)	183
Deputy Leader Total	19,433	(16,581)	2,852	21,428	(15,698)	5,730	19,867	(14,888)	4,979

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Objective Summary	2019/20						2020/21		
	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)
Business, Culture and Tourism									
Culture									
Arts Development	500	(264)	236	538	(264)	274	613	(264)	349
Culture Management	156	(37)	119	156	(37)	119	11	(7)	4
Library Service	2,968	(410)	2,558	2,939	(358)	2,581	2,989	(392)	2,597
Museums and Art Gallery	871	(93)	778	871	(93)	778	889	(95)	794
Southend Theatres	52	(25)	27	52	(25)	27	52	(25)	27
Sport and Leisure Facilities	96	(304)	(208)	96	(304)	(208)	124	(308)	(184)
Sports Development	55	0	55	55	0	55	55	0	55
Economic Development and Regeneration									
Economic Development	3,730	(3,291)	439	3,673	(2,949)	724	651	(335)	316
Town Centre	182	(60)	122	166	(60)	106	193	(61)	132
Tourism									
Resorts Services Pier and Foreshore	1,458	(991)	467	1,468	(1,149)	319	1,426	(1,011)	415
Tourism	64	(17)	47	254	(17)	237	354	(17)	337
Business, Culture and Tourism Total	10,131	(5,492)	4,639	10,268	(5,256)	5,012	7,356	(2,515)	4,841

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Objective Summary	2019/20						2020/21		
	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)
Children and Learning									
Childrens Social Care									
Children Fieldwork Services	5,480	(5)	5,475	6,871	(5)	6,866	6,087	(5)	6,082
Children with Disabilities	1,179	(178)	1,001	1,354	(173)	1,181	1,250	(178)	1,072
Childrens Specialist Support and Commissioning	2,784	(171)	2,613	2,832	(201)	2,631	2,832	(184)	2,648
Inhouse Fostering and Adoption	5,089	(166)	4,923	5,305	(395)	4,910	5,618	(211)	5,407
Leaving Care Placements and Resources	1,903	(656)	1,247	2,932	(1,189)	1,743	2,291	(1,023)	1,268
Private Voluntary Independent Provider Placements	4,175	(120)	4,055	8,978	(165)	8,813	6,550	(120)	6,430
Education and Schools									
Early Years Development and Child Care Partnership	11,494	(10,057)	1,437	11,763	(10,280)	1,483	11,833	(10,471)	1,362
High Needs Educational Funding	12,402	(11,344)	1,058	13,419	(12,277)	1,142	13,446	(12,259)	1,187
School Support and Education Transport	6,918	(4,526)	2,392	6,101	(3,341)	2,760	8,652	(6,288)	2,364
Southend Adult Community College	3,263	(3,186)	77	2,277	(2,200)	77	2,277	(2,200)	77
Maintained Schools Delegated									
Maintained Schools Delegated Budgets	21,656	(21,656)	0	21,656	(21,656)	0	22,569	(22,569)	0
Pupil Premium	2,500	(2,500)	0	2,500	(2,500)	0	2,500	(2,500)	0
Youth and Family Support									
Early Help and Family Support	2,080	(1,203)	877	2,184	(1,118)	1,066	2,018	(1,258)	760
Youth Offending Service	1,993	(574)	1,419	1,887	(465)	1,422	2,035	(532)	1,503
Youth Service	520	(46)	474	473	(23)	450	538	(46)	492
Children and Learning Total	83,436	(56,388)	27,048	90,532	(55,988)	34,544	90,495	(59,843)	30,652

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Objective Summary	2019/20						2020/21		
	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)
Community Safety and Customer Contact									
Cemeteries and Crematorium									
Cemeteries and Crematorium	1,027	(2,640)	(1,613)	1,125	(2,515)	(1,390)	1,078	(2,692)	(1,614)
Community Safety									
Closed Circuit Television	509	(34)	475	494	(34)	460	534	(35)	499
Community Safety	607	(32)	575	622	(32)	590	800	(32)	768
Customer Services									
Customer Services Centre	2,192	(303)	1,889	2,038	(303)	1,735	2,313	(309)	2,004
Registration of Births Deaths and Marriages	351	(387)	(36)	339	(437)	(98)	366	(470)	(104)
ICT									
Information Communications and Technology	4,340	(1,238)	3,102	4,038	(1,310)	2,728	4,532	(1,261)	3,271
Regulatory Services									
Regulatory Business	29	(14)	15	47	(14)	33	29	(15)	14
Regulatory Licensing	118	(478)	(360)	124	(314)	(190)	118	(488)	(370)
Regulatory Management	1,165	0	1,165	1,102	0	1,102	1,228	0	1,228
Regulatory Protection	63	(13)	50	103	(13)	90	72	(14)	58
Community Safety and Customer Contact Total	10,399	(5,138)	5,261	10,031	(4,971)	5,060	11,069	(5,314)	5,755

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Objective Summary	2019/20						2020/21		
	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)
Environment and Planning									
Energy									
Climate Change	55	(163)	(108)	67	(141)	(74)	476	(394)	82
Flooding									
Flood and Sea Defence	414	(13)	401	315	(13)	302	414	(13)	401
Parks and Open Spaces									
Amenity Services Organisation	3,931	(600)	3,331	3,986	(600)	3,386	4,058	(612)	3,446
Parks and Amenities Management	1,492	(446)	1,046	1,493	(516)	977	1,517	(455)	1,062
Planning									
Building Control	457	(451)	6	499	(483)	16	449	(460)	(11)
Development Control	923	(656)	267	1,113	(806)	307	1,038	(750)	288
Regional and Local Town Plan	735	0	735	726	0	726	830	0	830
Waste and Street Scene									
Enterprise Tourism and Environment Central Pool	1,505	0	1,505	1,470	0	1,470	1,519	0	1,519
Environmental Care	228	(4)	224	225	(4)	221	228	(4)	224
Household Recycling	489	(7)	482	498	(7)	491	498	(7)	491
Public Conveniences	498	0	498	504	0	504	504	0	504
Street Cleansing	1,392	0	1,392	1,518	0	1,518	1,418	0	1,418
Waste Collection	4,993	0	4,993	5,039	0	5,039	5,088	0	5,088
Waste Disposal	5,037	0	5,037	4,527	0	4,527	5,039	0	5,039
Waste Management	281	0	281	382	(230)	152	(281)	(230)	(511)
Environment and Planning Total	22,429	(2,339)	20,090	22,361	(2,799)	19,562	22,796	(2,925)	19,871

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Objective Summary	2019/20						2020/21		
	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)
Health and Adult Social Care									
Adult Social Care									
Adult Support Services and Management	498	0	498	464	0	464	509	0	509
Business Support Team	1,744	(180)	1,564	1,820	(164)	1,656	1,881	(154)	1,727
Healthwatch Regulation	123	(69)	54	119	(69)	50	123	(69)	54
Older People	28,768	(18,182)	10,586	28,988	(19,913)	9,075	30,009	(20,745)	9,264
Other Community Services	5,720	(5,017)	703	4,604	(2,233)	2,371	4,577	(2,708)	1,869
People with a Learning Disability	14,499	(1,874)	12,625	15,499	(2,465)	13,034	15,550	(1,890)	13,660
People with a Physical or Sensory Impairment	5,192	(1,254)	3,938	5,262	(1,254)	4,008	5,588	(1,306)	4,282
People with Mental Health Needs	4,456	(396)	4,060	4,698	(420)	4,278	4,629	(395)	4,234
Strategy, Development and Commissioning	2,785	(786)	1,999	3,329	(1,098)	2,231	3,459	(958)	2,501
Health									
Drug and Alcohol Action Team	2,282	(2,187)	95	2,282	(2,187)	95	2,469	(2,187)	282
Public Health	6,145	(6,369)	(224)	6,158	(6,249)	(91)	6,426	(6,612)	(186)
Young Persons Drug and Alcohol Team	272	(265)	7	272	(265)	7	277	(265)	12
Voluntary and Community Services									
Support to Voluntary Sector	701	0	701	703	0	703	701	0	701
Health and Adult Social Care Total	73,183	(36,580)	36,603	74,198	(36,317)	37,881	76,197	(37,289)	38,908

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Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Subjective Summary	2019/20		2020/21
	Original £000s	Probable Outturn	Budget £000s
Leader			
Expenditure			
Employees	10,972	11,245	11,854
Premises	143	126	125
Transport	50	55	48
Supplies & Services	6,247	6,879	6,413
Third Party Payments	716	691	701
Transfer Payments	73,189	73,189	64,002
Special Items	200	208	200
Expenditure Total	91,516	92,393	83,343
Income			
Government Grants	(71,259)	(71,518)	(63,399)
Other Grants & Reimbursements	(4,752)	(4,758)	(3,679)
Fees & Charges	(1,900)	(1,983)	(1,779)
Rents	(75)	(75)	(75)
Recharges to Housing Revenue Account	(790)	(790)	(804)
Other Internal Charges	(80)	0	0
Income Total	(78,857)	(79,124)	(69,736)
Leader Total	12,659	13,269	13,607

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Subjective Summary	2019/20		2020/21
	Original £000s	Probable Outturn	Budget £000s
Deputy Leader			
Expenditure			
Employees	8,110	8,194	7,901
Premises	2,918	3,619	3,366
Transport	407	434	390
Supplies & Services	1,443	1,790	1,487
Third Party Payments	6,555	7,392	6,724
Expenditure Total	19,433	21,428	19,867
Income			
Government Grants	(1,227)	(1,227)	(2)
Other Grants & Reimbursements	(40)	(40)	(69)
Fees & Charges	(11,019)	(10,136)	(10,410)
Rents	(3,568)	(3,568)	(3,668)
Recharges to Housing Revenue Account	(259)	(259)	(264)
Other Internal Charges	(469)	(469)	(475)
Income Total	(16,581)	(15,698)	(14,888)
Deputy Leader Total	2,852	5,730	4,979

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Subjective Summary	2019/20		2020/21
	Original £000s	Probable Outturn	Budget £000s
Business, Culture and Tourism			
Expenditure			
Employees	4,757	4,836	4,471
Premises	1,225	1,242	1,302
Transport	71	71	70
Supplies & Services	3,605	3,710	1,084
Third Party Payments	473	408	428
Expenditure Total	10,131	10,268	7,356
Income			
Government Grants	(60)	(60)	(60)
Other Grants & Reimbursements	(3,712)	(3,369)	(756)
Sales	(165)	(195)	(140)
Fees & Charges	(1,503)	(1,561)	(1,506)
Rents	(52)	(70)	(52)
Income Total	(5,492)	(5,256)	(2,515)
Business, Culture and Tourism Total	4,639	5,012	4,841

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Subjective Summary	2019/20		2020/21
	Original £000s	Probable Outturn	Budget £000s
Children and Learning			
Expenditure			
Employees	16,777	18,191	17,576
Premises	313	294	301
Transport	625	766	1,808
Supplies & Services	20,179	20,664	19,903
Third Party Payments	18,196	23,288	22,463
Transfer Payments	27,345	27,329	28,445
Expenditure Total	83,436	90,532	90,495
Income			
Government Grants	(54,508)	(53,946)	(57,903)
Other Grants & Reimbursements	(785)	(1,056)	(863)
Sales	(49)	(121)	(144)
Fees & Charges	(988)	(808)	(875)
Rents	(58)	(58)	(58)
Income Total	(56,388)	(55,988)	(59,843)
Children and Learning Total	27,048	34,544	30,652

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Subjective Summary	2019/20		2020/21
	Original £000s	Probable Outturn	Budget £000s
Community Safety and Customer Contact			
Expenditure			
Employees	7,950	7,471	8,406
Premises	284	307	305
Transport	46	49	44
Supplies & Services	2,030	2,084	2,231
Third Party Payments	88	119	84
Expenditure Total	10,399	10,031	11,069
Income			
Other Grants & Reimbursements	(32)	(32)	(35)
Sales	(7)	(25)	(6)
Fees & Charges	(4,906)	(4,721)	(5,076)
Rents	(15)	(15)	(15)
Recharges to Housing Revenue Account	(127)	(127)	(130)
Other Internal Charges	(52)	(52)	(52)
Income Total	(5,138)	(4,971)	(5,314)
Community Safety and Customer Contact Total	5,261	5,060	5,755

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Subjective Summary	2019/20		2020/21
	Original £000s	Probable Outturn	Budget £000s
Environment and Planning			
Expenditure			
Employees	7,163	7,383	7,885
Premises	498	588	498
Transport	461	455	461
Supplies & Services	1,387	1,461	1,462
Third Party Payments	12,920	12,474	12,490
Expenditure Total	22,429	22,361	22,796
Income			
Government Grants	(13)	(13)	(13)
Other Grants & Reimbursements	0	(230)	(546)
Sales	(4)	(4)	0
Fees & Charges	(2,309)	(2,539)	(2,353)
Rents	(13)	(13)	(14)
Income Total	(2,339)	(2,799)	(2,925)
Environment and Planning Total	20,090	19,562	19,871

Southend on Sea Borough Council
General Fund Year Ending 31 March 2021

Subjective Summary	2019/20		2020/21
	Original £000s	Probable Outturn	Budget £000s
Health and Adult Social Care			
Expenditure			
Employees	15,509	17,987	17,775
Premises	265	327	271
Transport	463	596	453
Supplies & Services	4,647	5,401	5,254
Third Party Payments	52,400	49,987	52,444
Transfer Payments	(100)	(100)	0
Expenditure Total	73,183	74,198	76,197
Income			
Government Grants	(9,633)	(9,530)	(9,840)
Other Grants & Reimbursements	(15,759)	(15,809)	(15,990)
Fees & Charges	(11,187)	(10,979)	(11,411)
Rents	0	0	(48)
Income Total	(36,580)	(36,317)	(37,289)
Health and Adult Social Care Total	36,603	37,881	38,908




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PROPOSED REVENUE INVESTMENT AND REPRIORITISATION FOR 2020/21**1. Summary of Proposed Investment**







Theme	Proposed Investment (£)
Pride and Joy	200,000
Safe and Well	5,810,000
Opportunity and Prosperity	(75,000)
Connected and Smart	1,200,000
Enabling	(1,780,000)
Total *	5,355,000

* £575,000 will be funded by the prioritised iBCF Allocation for 2020/21 and £35,000 will be funded from Public Health Grant.






2. Proposed Investment by Theme

Theme		Total (£)	Proposed Initiatives
	PJ1	200,000	Tree & Shrub Planting/Maintenance As a result of works identified under the inspection programme there is a need to enhance the resources required for the maintenance of our current tree and shrub provision. New strategic planting of 1,000 trees and 2,500 shrubs across the Borough will also require further maintenance costs, as agreed at Cabinet in September 2019. This investment will support and enhance our green infrastructure.
Pride and Joy	Total	200,000	
	SW1	2,375,000	External Care Provision In order to meet the needs of vulnerable children the Council is currently having to place more reliance on external care provision. Due to current market conditions the costs of this provision is continually increasing. The current number of ongoing external care placements as at November 2019 is 87 (at a current average cost per child of £2,150 per week across both residential and external foster care) compared to 54 children at the end of March 2019. This investment recognises that this request does not cover the whole budget pressure currently faced in this area. The long term strategy remains, to place children in care, within the Council's own local in house foster provision or a local children's care home whenever possible.
	SW2	400,000	In house foster carers Children thrive best in our local in-house foster care provision. Increasing capacity will place less reliance on more costly private external care provision. This investment request is to support a full years funding for 16 additional in-house foster carers. At an average of £25,000 per annum per placement in-house compared to a £50,000 average per annum external foster care placement.








PROPOSED REVENUE INVESTMENT AND REPRIORITISATION FOR 2020/21

	SW3	210,000	<p>Newly Qualified Social Workers We have been very effective in recruiting Newly Qualified Social Workers in order to keep Children's Social Care caseloads at reasonable levels. This reduces reliance on the use of agency staff and associated recruitment fees. This investment request, is therefore seeking to increase the Newly Qualified Social Care workforce academy to 10 fully funded posts (currently 5 in 2019/20). This will contribute towards developing a permanent and sustainable workforce.</p>
	SW4	115,000	<p>Field work services Due to the increase in caseloads Children's Social Care teams within field work services are consistently fully staffed whether through permanently employed staff or via agency cover. It is making it impossible for the current budgeted vacancy factor to be achieved and this investment request seeks to remove it, recognising that the Council supports a fully funded Children Social Care workforce establishment at all times.</p>
	SW5	100,000	<p>Vulnerable Children Children's Social Care teams are also experiencing an increase in the need to support vulnerable families who require temporary accommodation support. These families are assessed in accordance with national and council policy, that if asylum seeking families have no access to central government funds, any child protection issues still remain the responsibility of the local authorities where that family is seeking accommodation. This investment request is therefore seeking an increase in the budget to support these families.</p>
	SW6	200,000	<p>Children's Social Care legal costs The current staffing resource in the Legal team is insufficient to keep pace with the escalating number of childcare cases. This means that it has been necessary to commission additional external legal support to manage the increasing demand.</p>
	SW7	1,095,000	<p>Living Wage for Adult Service Providers This request is for additional investment to cover the forthcoming increase of the national living wage in April 2020. The increase in wage costs for care providers will have an impact on the amount we pay for care.</p>
	SW8	350,000	<p>Children to Adults transition This funding is for the transition costs of supporting individuals with a learning disability who will reach the age of 18 and meet the eligibility criteria for adult social care interventions. The support will consider the person's skills and ambitions, and contribute to positive outcomes in their future lives.</p>







PROPOSED REVENUE INVESTMENT AND REPRIORITISATION FOR 2020/21

	SW9	480,000	<p>Older People demographics This will help us to meet the care needs of our growing older population. It will fund our Southend residents who either remain in their own homes with a domiciliary care package or direct payment. Those with more complex needs and who cannot be cared for in their own homes will be placed in suitable residential care.</p>
	SW10	250,000	<p>Equipment Services Most people want to remain in their home rather than move to a different setting. Some specific equipment is required to support those people with more complex needs to continue to remain in their own homes. This has created a pressure on the Equipment Service budget. Allowing people to be cared for in their own homes wherever possible reduces their social isolation and increases their quality of life. The equipment provided includes zimmer frames, commodes, reclining chairs and beds. This approach also aligns with Care Act requirements, to ensure consideration of an individual's wellbeing and prevent, reduce or delay the need for more costly interventions.</p>
	SW11	120,000	<p>Green City Aspirations To help realise our green city ambitions, specialist planning expertise is required, particularly around air quality requirements. It is a legal requirement for the Council to have an Air Quality Action Plan and this strengthens the links to both Public Health and Highways to ensure that preventative measures are in place to improve our local air quality. This proposal will provide the investment needed for the permanent continuation of an Air Quality Specialist and Planning Support Officer. These roles will enable reviews of all planning applications for health considerations to assess any potential issues ranging from noise complaints to contaminated land. This work will also reduce the probability of future enforcement.</p>
	SW12	25,000	<p>Public Health Act Funeral Arrangements There were 59 Public Health Act funerals in 2018/19 at an average cost of £1,000. All Public Health Act funerals from April 2019 are the responsibility of the Council, this request will bring the budget up to a more realistic level to undertake this statutory duty.</p>
	SW13	155,000	<p>Liquid Logic Support Team To support the development and administration of the new system but also to maximise the potential benefits of the new capabilities and secure greater value for money. Improving the functionality of the system will lead to the release of further efficiencies from improved productivity and better outcomes for clients from within both Adults and Children's Services.</p>





PROPOSED REVENUE INVESTMENT AND REPRIORITISATION FOR 2020/21

	SW14	35,000	<p>Complex Needs Provision</p> <p>This would provide circa 32 hours extra per week – which would enhance the current operating model at the facility, minimise complaints from neighbours and ensure the safety of staff members who are dealing with some very challenging clients. Currently funded by Public Health grant. Acquiring an additional suitable property is also being pursued via the capital investment programme to expand and extend local provision. Funding for running this new facility will initially come from the use of ‘one-off’ investment from reserves while potential other opportunities are explored.</p>
	SW15	(£100,000)	<p>Southend Care</p> <p>Saving on the existing block contract through the Company’s efficient service delivery model as former Council staff who TUPE’d over to the Care Company are replaced through natural turnover by staff appointed on Southend Care’s own terms and conditions. This saving has previously been declared as part of the contribution towards the financing costs of the Priory New build facility.</p>
Safe and Well	Total	5,810,000	
	OP1	100,000	<p>Library Review</p> <p>It was identified from the libraries peer review that there was a need to provide investment to address a number of items. Additional staffing costs at peak times to keep libraries open, a revision in the level of income targets and a recognition of an increase in cleaning costs. This change will adjust the budget accordingly to an appropriate level.</p>
	OP2	(75,000)	<p>Income Generation – Registration Service</p> <p>The statutory fee for birth, death and marriage certificates has increased from £4 to £11. The number of certificates issued will be closely monitored to assess the reasonableness of this increased income target but this change will result in additional income.</p>
	OP3	(100,000)	<p>Asset Management Income</p> <p>Additional rent and lease income will be achieved due to the planned annual reviews for a range of tenants in Council owned properties and assets. There will also be additional rent from Friars Nursery and new properties at Brunel Road.</p>
Opportunity and Prosperity	Total	(75,000)	
	CS1	500,000	<p>Potholes</p> <p>This investment will fund appropriate reactive works to be undertaken alongside planned capital maintenance works which over time will improve the overall quality of the highway and footway for all road and footpath users.</p>
	CS2	50,000	<p>Town Centre Parking</p> <p>This will enable the current reinstatement of one hour car parking in the following Town Centre car parks to continue; Alexandra Street, Clarence Road, Essex Street, University Square and Warrior Square.</p>

PROPOSED REVENUE INVESTMENT AND REPRIORITISATION FOR 2020/21

	CS3	50,000	Signal Maintenance An increase in the use of Variable Message Signage has resulted in an increased maintenance requirement for these useful assets. There has also been an increase in the damage caused to traffic signals and junction boxes which have to be repaired. If there is sufficient evidence then these costs can be reclaimed through insurance companies.
	CS4	500,000	Streetworks Income Positively there has been a significant decrease in the number of instances of extended closures of the highway and substandard reinstatement works. This has resulted in a significant reduction in the level of income that can reasonably be expected in the future from issuing penalty notices to utility companies.
	CS5	100,000	Rechargeable Works When necessary works are undertaken as a result of damage caused to street furniture, with appropriate evidence these costs can be recharged to the liable party. The income target in this area has historically been overstated and this adjustment will ensure that the income budget is set at a more realistic level.
Connected and Smart	Total	1,200,000	
	E1	200,000	ICT Transformation Additional investment required to support the development of a new modern staffing structure designed to enable transformation and delivery. Principles of the new structure are based upon ICT being outcome aligned, business enabling with a clear strategy and technical architecture to develop best in class skills and capabilities.
	E2	100,000	Workforce Development Delivery of innovative solutions to roll out self-serve management capabilities and Learning & Development processes. This will allow for a continuing focus on the training and development of all staff across the organisation.
	E3	(800,000)	Waste Disposal There continues to be a benefit due to the Basildon Mechanical and Biological Treatment (MBT) plant remaining in a commissioning phase which charges a lower gate fee to accept residual waste and a further benefit due to the extension to the waste Joint Working Agreement with Essex CC which provides a share of the Waste Infrastructure Grant. This budget can therefore be temporarily adjusted to reflect the current situation until the outcome of the waste collection / disposal contract. The Medium Term Financial Forecast will be updated accordingly to reflect our future waste disposal liabilities if costs are expected to increase in the future.

PROPOSED REVENUE INVESTMENT AND REPRIORITISATION FOR 2020/21

	E4	(750,000)	Release of Pension Fund Provision The Council had prudently set aside this amount in its MTFS following the Pension Fund Valuation in 2016. The triennial review for 2019 has just been undertaken and the valuation of Southend's share of assets and liabilities has improved, from a funding level in 2016 of 91.4% to a funding level in 2019 of 103.5%. Pension Fund calculations by the independent actuaries are notoriously complex and can be volatile due to the many contributing factors. The situation will be carefully monitored and another formal review will be undertaken by the Essex Pension Fund in 2022. This provision can now be released and a further assessment will be made in good time for financial planning for 2023/24.
	E5	(250,000)	Productivity and Efficiency Gains All services are expected to continually improve their efficiency and productivity so each budget area will need to make a proportionate contribution towards this improvement target to ensure budgets are reduced accordingly.
	E6	120,000	Facilities Management As a result of additional cleaning work undertaken as part of our corporate social responsibility, and additional security requirements in the civic centre, there is a need to increase this budget to the required level.
	E7	(400,000)	Investment Income This level of increased returns is anticipated from our overall portfolio of short, medium and long term investments.
Enabling	Total	(1,780,000)	
		5,355,000	TOTAL INVESTMENTS AND REPRIORITISATIONS

PLANNED USE OF ONE-OFF INVESTMENT FROM RESERVES
2020/21 – 2022/23


1. Summary of Planned Use of One-Off Investment from Reserves

Proposed Reserve Use	Total (£)
Business Transformation	1,705,000
Public Health	300,000
New Homes Bonus	840,000
Outcome Delivery	750,000
School Improvement	600,000
Total	4,195,000




Investment by theme	Total (£)
Pride and Joy	300,000
Safe and Well	900,000
Active and Involved	200,000
Opportunity and Prosperity	1,490,000
Enabling	1,305,000
Total	4,195,000

	2020/21 (£)	2021/22 (£)	2022/23 (£)	Total (£)
Investment per year	1,895,000	1,565,000	735,000	4,195,000






2. Planned Use of One-Off Investment by Reserve

Theme	Item	2020/21	2021/22 Indicative	2022/23 Indicative	TOTAL	Proposed Reserve Use
	<p>Service Design A continuation of the Service Redesign team, that will work with council teams and local residents/customers to look at and redesign Council services in order to improve them, maximise investment where possible and eradicate duplication across the organisation.</p>	185,000	185,000	185,000	555,000	Business Transformation



PLANNED USE OF ONE-OFF INVESTMENT FROM RESERVES
2020/21 – 2022/23

	<p>Community Safety/ Environment Crime Resources to allow for the scoping and commencement of delivery of a more joined up approach to better anti-social behaviour and environmental crime enforcement.</p>	150,000	150,000	0	300,000	Business Transformation
	<p>Summer and Winter Planning To ensure the recruitment of appropriate staffing and other related resourcing for the Borough's busy summer period and to support various winter events in the town centre and seafront area.</p>	100,000	100,000	100,000	300,000	Business Transformation
	<p>Community Builders/ Capacity Building Fund Introduction of a Community builders scheme on a test and learn basis, working in collaboration with SAVS. Community Builders will be embedded in the heart of the local community and will have preventative conversations with residents in neighbourhoods about what matters to them as well as helping people to build and connect using their personal strengths and with finding natural support through local assets and relationships. They will draw on resources that people already have around them and connect neighbours with each other through shared passions, breaking down social isolation. Community builders will be an enabler to support early, preventative action BY citizens to deliver on the Southend 2050 outcomes. A small sparks fund held in the community sector (SAVS) will be available for the builders to access to match fund small community projects.</p>	100,000	100,000	0	200,000	Business Transformation

PLANNED USE OF ONE-OFF INVESTMENT FROM RESERVES
2020/21 – 2022/23

	<p>Economic Development To enable continued research and staff support for the promotion of the town.</p>	100,000	100,000	0	200,000	Business Transformation
	<p>Workforce Development Temporary increased capacity required to deliver innovative solutions to roll out capabilities for staff to self-serve. Enhance Learning & Development processes as well as increased e-learning development right across the organisation.</p>	100,000	50,000	0	150,000	Business Transformation
TOTAL Business Transformation		735,000	685,000	285,000	1,705,000	
<p>183</p> 	<p>Complex Needs Provision The intention is to purchase an additional suitable property to expand our provision. This request is for the estimated cost of expert staffing to provide support to residents and also outreach to other rough sleepers in the Borough, together with appropriate security.</p>	150,000	150,000	0	300,000	Public Health
TOTAL Public Health		150,000	150,000	0	300,000	
	<p>Local Plan Continued resource is required to support the development of the Southend new Local Plan and contribution to the South Essex Joint Strategic Plan (JSP).</p>	410,000	130,000	0	540,000	New Homes Bonus
	<p>Housing Implementation Continued resource is vital to progress the implementation of the Housing, Homelessness and Rough Sleeping Strategy, a key council priority.</p>	150,000	150,000	0	300,000	New Homes Bonus
TOTAL New Homes Bonus		560,000	280,000	0	840,000	

PLANNED USE OF ONE-OFF INVESTMENT FROM RESERVES
2020/21 – 2022/23

	<p>Outcome Delivery Investment to implement and embed a range of new approaches, tools and techniques that will enable the Council to continue transforming the way it works. In addition this investment will facilitate the testing and development of new concepts and ideas to enhance the impact of the agreed outcomes and delivery of the roadmap to 2023.</p>	250,000	250,000	250,000	750,000	Outcome Delivery
TOTAL Outcome Delivery		250,000	250,000	250,000	750,000	
	<p>School Improvement To continue school improvement support including support for pupils to attain Grammar School entrance.</p>	200,000	200,000	200,000	600,000	School Improvement
TOTAL School Improvement		200,000	200,000	200,000	600,000	
GRAND TOTAL		1,895,000	1,565,000	735,000	4,195,000	

Southend-on-Sea Borough Council

Report of Executive Director of Finance and Resources
And Deputy Chief Executive - People

Agenda
Item No.

To
Education Board

On
17th December 2019

Report prepared by:
Paul Grout, Senior Finance Business Partner

Dedicated School Grant Budget Planning 2020/21 And Forecast Outturn 2019/20

1 Purpose of Report

To present the Education Board with the Dedicated Schools Grant (DSG):

- Final funding methodology for distribution of the 2020/21 Individual School Block (ISB) allocations
- Final indicative DSG budget allocation for 2020/21
- Updated forecast outturn for 2019/20

2 Recommendations

Education Board (EB) are asked to agree:

- 2.1 That the indicative and the remaining 2020/21 per pupil uplift applied to all individual school block allocations, who have either not benefited from and therefore already funded above the minimum funding rates per pupil for 2020/21 or a 4% uplift to applied to the applicable core NFF pupil led factors, are set on Option 1 of Appendix 1, which incorporates the proposed, required and asked school block to central block funding transfer. (As referenced in 4.4 – 4.8).
- 2.2 And, on the basis Option 1 is agreed, it is recognised this is a proposed short term measure for 2020/21, which has been driven by the Department for Educations (DfE) recent announcement on the 11th October 2019 that the Central Block funding for historic commitments will be reduced by 20% for 2020/21. Option 1 will therefore allow the local authority (with working groups, as required) time to sensibly plan and consult (including with the Education Board), mitigating actions to address the continued and expected further funding losses from 2021/22 onwards.

- 2.3 Therefore, on the basis Option 1 (recommendation 2.1) is approved, the Education Board agree the total funded amount for Central Block services as referenced in 9.3 (option 1).
- 2.4 In the event, recommendation 2.1 / Option 1 is not agreed (which will then also automatically default to indicative Individual School Block allocations being set on Option 2). The Education Board are asked to agree the total funded amount for Central Block Services as referenced in 9.4 (option 2), and recognise the required Local Authority action as referenced in 4.5.
- 2.5 [Maintained School voting rights only] the de-delegation of funding to be centrally retained from the Schools block for the following services: (As referenced in 5.2)
- Staff Costs (Public duties)
- 2.6 That the growth fund to support schools continues to be held centrally within the Schools block and distributed to provide the extra required planned places within the authority.
- 2.7 And, as referenced in 6.3, if affordable to the long term growth model, a back dated increase can now applied to the growth rates proposed from Sept-19, which will be presented in the next January 2020 EB DSG report alongside the rates for Sept-20. This will also then, become an additional annual step of the model.
- 2.8 Agree, the 2020/21 early year funding rates, as shown in Appendix 3. (And referenced in 7.4)
- 2.9 And therefore on the basis of the decisions undertaken through both this and the previous October 2019 DSG paper, that this DSG paper and the following January 2020 DSG EB paper (which is for EB noting only), will be recommended to Council for final approval in February 2020.

And Education Board (EB) are asked to note:

- 2.10 With regard to individual school's budget (ISB) planning for 2020/21, as agreed, at the last October 2019 EB meeting:
- 2.10.1 The minimum per pupil 2020/21 funding levels have been set in line with the National Funding Formulae at £3,750 for primary schools and £5,000 for secondary schools (which is based on the nationally defined pupil led funding factors including lump sum).
- 2.10.2 And within the funding formulae itself, the core Pupil led National Funding Formulae (NFF) factors have been set and applied with the NFF 2020/21 4% uplift applied to those core factors from 2019/20.
- 2.11 That the final DSG Individual school budgets (ISB) for mainstream schools and the DSG 2020/21 budget, will be illustrated and simply for noting at the Education Board in January 2020, based on the agreed decisions made in both this December 2019 and the October 2019 DSG EB report.

3 Background

- 3.1 This reports sets out the 2020/21 Draft DSG budget and the final 2020/21 proposed funding methodology for award of funding to Individual School Budgets.
- 3.2 This reports follows on from the extensive “DSG 2019/20 budget update and budget planning for 2020/21” presented and agreed at the last October 2019 EB, which ultimately set the agreed trajectory for Individual School block allocations, subject to a remaining and required recommendation for a Schools Block to Central Block funding transfer, now proposed in this paper.
- 3.3 And, in continuation of the presentation of the last EB DSG report, to inform short term financial planning the 2020/21 Budget planning and the latest 2019/20 forecast outturn are presented alongside within each DSG funding block, and as displayed in ‘Appendix 2 – DSG Budget and Outturn 2019/20 to 2020/21’.

4 Schools Block – Individual School Block (ISB) allocations

2019/20 Budget to Forecast Outturn – on line to budget

2020/21 Individual Schools Budgets

Indicative DSG funding allocation £120.958M (Final tbc in January 2020)

- 4.1 As per the recommendations approved in the last DSG EB report, Appendix 1 – displays the indicative 2020/21 per pupil funding amounts for each school incorporating:
- 4.1.1 Minimum per pupil funding levels of £3,750 for primary schools and £5,000 for secondary schools (including lump sum).
 - 4.1.2 A 4% increase applied to the applicable core pupil led NFF funding factors (which is based on the current 2019/20 baselines).
 - 4.1.3 And 2 options, option 1 displaying the % per pupil led uplift (indicative 1.66%) to all remaining schools incorporating the required and asked funding transfer to the central block, and option 2 displaying the % per pupil led uplift (indicative 1.84%) to all remaining schools without the required ask of a central block funding transfer.
- 4.2 And as referenced, in the last DSG EB paper, with the exception of those schools who will benefit from the 2020/21 minimum per pupil funding levels, all other school per pupil funding rates are indicative and therefore subject to minor changes once the DfE have processed and released the October 2019 school census data. Following that, the final illustrations will be shown in the next January DSG EB paper and will therefore be for noting only (which will also include any applicable and separate funding adjustments for 2020/21 Business rate charges and updated Numbers on Roll of each school as recorded through to the DfE in the October 2019 school census).

- 4.3 And lastly, as referenced in the last DSG EB paper and verbally updated at the last Education Board, the Department for Education have approved subject to the agreement of the school forum, an allowable block funding transfer (within the tolerance of 0.5% for the totality of Schools Block) from the schools block, to cover the 20% loss of funding to the central block. And to remind the Education Board, for Southend this is an equivalent £181,000 loss of funding (a national loss of £43.6M), compared to £905,000 of current central block funded services delivered, some of which, as shown in Appendix 4, are either part funded by the DSG or a 100% funded, all in accordance with decisions, previously undertaken through the Education Board/School Forum.
- 4.4 Now, given, the DfE only announced the actual amount of loss of funding for 2020/21 on the 11th October 2019 (which has imposed a very short and unrealistic time frame to consider the future of these services), and with due consideration to Appendix 4, illustrating both the activities and outcomes those services provide, the Education Board are asked to approve the proposed funding transfer for 2020/21 and therefore resulting illustrative school block allocations show under “option 1”, of Appendix 1.
- 4.5 If the Education Board approve this funding transfer for 2020/21, this will then at least ensure the listed services are protected and confirmed at their current funded levels for 2020/21 (1st April 2020 to 31st March 2021). In the event, the Education Board do not approve option 1, then the Appendix 4 listed services will be put at risk in terms of their current funded levels, and as the local authority is the lead commissioner of these services an appropriate action plan will need to urgently be put in place to seek to ensure the 2020/21 DSG £181,000 funding loss is recovered.
- 4.6 And yes, it must remain minded, the continuation of proposed school block transfer from 2021/22 is not a long term sustainable funding option, given it is now very likely (although not announced), that the DfE will continue to reduce this allocation by a further 20% for the remaining 4 years (21/22 through to 24/25), and by which time the full £905,000 will have gone, which in turn is also a greater sum than the current allowable 0.5% school block transfer.
- 4.7 And, it must also remain minded, that the ability to transfer funding from the school blocks to other blocks, is also subject to the annual decision of the DfE, and given the intention that a hard NFF implementation remains, this will no doubt remove the ability to apply local block funding transfers in future years.
- 4.8 Therefore, on the basis Education Board approve Option 1 (and protect these service’s for 2020/21), this will therefore buy some sensible time to allow the Local Authority to plan accordingly and update the Education Board during 2020/21, as to how the continued funding loss of historic Central Block services will be managed (with any required options) from 2021/22 onwards.

5 School block – Centrally retained de-delegated public duties (Voting rights Maintained only)

2019/20 Budget to Forecast Outturn – circa (£9,000) underspend

- 5.1 This position reflects the 11 academy schools that have now bought in at this stage, including an estimate of expected claims by the end of the year. Appendix 1 has also been updated to reflect an isolated DSG reserve balance for de-delegation, and therefore any final under or over spend on this fund will be carried forward into the following financial year.

2020/21 Indicative DSG funding allocation £5,538 (Final tbc in January 2020)

- 5.2 In continuation of the decision undertaken last year, and now the only proposed item for de-delegation Maintained Schools are asked to approve the continued de-delegation of public duties at £1.00 per pupil (same rate at 2019/20), which will also be applied to their Numbers on Roll as at the October 2019 Census.
- 5.3 The fund enables Maintained schools within the Borough to reclaim the cost of staff who undertake Public Duties (usually jury service or sitting as a magistrate), and to undertake trade union duties in work time, in accordance with the facilities agreement for schools.
- 5.4 And Academy Schools can continue to be able to buy in to this fund and therefore be eligible to claim from this fund, with the same charge rates applied as 5.2.

6 Schools Block – Centrally retained Growth Fund

2019/20 and 2020/21 Budget Planning

- 6.1 As referenced and agreed, in the March 2019 EB “DSG Growth Fund application 2019/20 and future years” paper:
- 6.1.1 The application of applied Growth fund is now managed on a long term basis, allowing any one year, to either, overspend or underspend, provided that the total application of the growth fund is affordable over the life of that planned growth.
- 6.1.2 And, In accordance with the previous agreement and conditions, the growth fund rates from Sept-20 will be presented in the next January 2020 DSG paper, for noting, which follow’s the DfE’s actual announcement of the size of the Growth fund for 2020/21.
- 6.2 Now given, as stated, it remains a statutory duty of the Local Authority and therefore School Admission team to determine and approve any required new intake class, and as previously stated, the confirmed required number of new intake classes, can change up until the end of the previous summer term as final admissions are confirmed. We have seen in the 2019/20 forecast a higher underspend, than previously expected, because there was 1 less new primary class and 1 new less secondary class than originally planned, which obviously in turn impacts the modelling.

- 6.3 Therefore, it now seems a sensible solution, that when the updated model is undertaken for the next January DSG EB report. If affordable to the planned long term model (which will be illustrated as an updated Growth Model appendix to the January DSG EB report), that a back dated increase to the growth rates can be also applied from the Sept-19 consistently to all schools with new and confirmed intake classes, but also maintaining, the previously agreed 1:1.186 Primary to Secondary per pupil funding ratio.
- 6.4 This would then also become another step to the annual updated model, which would help to ensure all funding received for growth, is distributed to support growth.

7 Early Years Block

2019/20 Budget to Forecast Outturn – held on line to budget

- 7.1 We must continue to remain minded, the Early Years Block 2019/20 DSG allocations remain provisional until the DfE have processed the January 2020 Early Years census, and will therefore announce revised and final funding allocations for the 2019/20 in July 2020.
- 7.2 Although, a final spend to provisional budget position cannot be confirmed until a full financial year, and therefore the 3 respective funding periods within have been processed. At this point in time, all funding claims compared to provisional budget allocation are either within or close to budget allocation.

2020/21 Budget Planning

Indicative allocation of £10.175M (tbc in January 2020, revised in July 2020, and further updated by the DfE in July 2021)

- 7.3 The DfE announced on 31st October 2019 that all local authorities will receive an additional 8p per hour (compared to their current 2019/20 funded rates), to help fund child care places for 2020/21.
- 7.4 Now given, the extensive work that has been performed by the local authority in the last few years in relation to Early Years funding, and decisions undertaken by the Education Board. It is pleasing to recommend that the Education Board passport through the full 8p per hour increase to **all core** provider rates for 2020/21 (as illustrated in Appendix 3).
- 7.5 This will, then in turn, continue to leave a small centrally retained early years fund and hold additional deprivation funding at their current levels. The Education Board, therefore also continues to ensure a high passport through rate of 98%, which is above the DfE minimum requirement of 95%.

8 High Needs Block

2019/20 Budget to Forecast Outturn – a projected (£152,000) under/over spend against allocated services lines expenditure.

- 8.1 Appendix 2 – displays the full 2019/20 forecast outturn for High Needs on a line by line basis. And as shown, the High Needs Block for 2019/20 is now anticipated to fully recover, including the full restoration of the depleted High Need DSG reserve balance of (£348,000) as at the 1st April 2019.
- 8.2 It must therefore be noted and continually commended, as planned, that given the national and recognised pressures on High Needs Funding, that through the joint work of Southend's Local Authority, Education Board, Applicable Special Schools and Schools (where savings have been made and agreed over the last 3 years). Southend's own DSG High needs funding position is now restored to a sustainable financial position at this current time, with consideration also applied to the 2020/21 funding allocation.
- 8.3 However, it must, also continue to remain minded that the financial pressures with the distribution of high needs funding are forever continually increasing, so future planning must remain both affordable and considerate.

2020/21 Budget Planning - Indicative allocation of £22.540M (explanation covered in the last October 2019 DSG report, and resulting service expenditure allocations will be set as planned in the pre-agreed June 2020 High Need detailed allocation paper)

9 Central Block

2019/20 Budget to Forecast Outturn – held on line to budget

2020/21 Budget Planning

Indicative allocation of £1.565M (Final tbc in January 2019)

- 9.1 As explained, in depth in the last DSG EB report, The 2020/21 indicative budget allocation (funding into the DSG) is circa £180,000 less than the 2019/20 allocation, as the DfE have now started to unwind the historic commitment element of the central block funding, at rate of 20% for 2020/21.
- 9.2 Approval is required by the Education Board each year to confirm the amounts and service lines.
- 9.3 Now given, the Education Board (EB) have been asked to approve a school block funding transfer **option 1**, to cover the circa £180,000 loss of funding. If the EB approve this transfer, it is asked that the EB also approve option 1 below in the table, and that these services, as listed, can continue to be funded from the Central Block (which is line with the previous years agreement), with a total amount of **£1,746,170**.

- 9.4 In the event, the EB do not approve option 1, which will then automatically default to **option 2**, the EB are therefore asked to approve, that the central block services listed under option 2, are funded as listed, with a total indicative amount of **£1,565,192** (and a 20% DSG funding reduction will be applied to all services listed within Appendix 4).

	Amount (Option 1)	Amount (Option 2)
From Central Schools Services Block		
Combined Budgets	£904,888	£723,910
CLA/MPA Licences	£127,017	£127,017
Schools Admissions	£267,980	£267,980
Servicing of Schools Forum	£18,700	£18,700
ESG Retained Duties	£427,585	£427,585
	£1,746,170	£1,565,192

10 DSG Funding

2019/20 Budget to Forecast Outturn – £130,000 additional income, relating to the previously explained Early years DSG funding adjustment for 2018/19

2020/21 Budget Planning

- 10.1 The current indicative DSG funding allocation for 2020/21, has been set at £156.235M. However, we continue to note that the total school block funding allocation will also be updated once the October 2019 census has been processed by the DfE, with the results released late December 2019, and therefore will be displayed in the next January 2020 DSG EB paper.

11 Latest forecast DSG reserve balances

- 11.1 The table below updates the current expected DSG reserve balances by year end.

Block	Schools – ISB	Schools - growth	Early Years	High Needs	Central	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Reserves surplus / (deficit)						
1 April 2019 B'fwd	0	(69)	594	(348)	39	216
18/19 Early years funding adj.	0	0	130	0	0	130
2019/20 forecast Variance	0	246	0	499	0	754
Transferred in year	0	0	0	0	0	0
31 March 2020	0	177	724	151	39	1,100

12 Conclusion

- 12.1 The DSG financial papers continue to offer both a DSG 2019/20 forecast outturn and 2020/21 budget planning view combined, and therefore sensibly informing a short term DSG financial plan.
- 12.2 It is also with praise to the work and decisions of the Local Authority, Education Board, Resource Sub Group, task and finish groups, special schools, schools, early years providers working constructively and collectively that have restored the DSG balances to a current and sustainable financial footing, which in turn benefits and maximizes available future funding to support all children and therefore educational development.
- 12.3 It is however, unfortunate, with the announcement of reductions in Central Block funding, the DfE are forcing difficult decisions to be placed on Local Authorities and respective Education Boards / School Forums to be made.

13 Appendices

Appendix 1 - Indicative Individual School budget allocations 201920

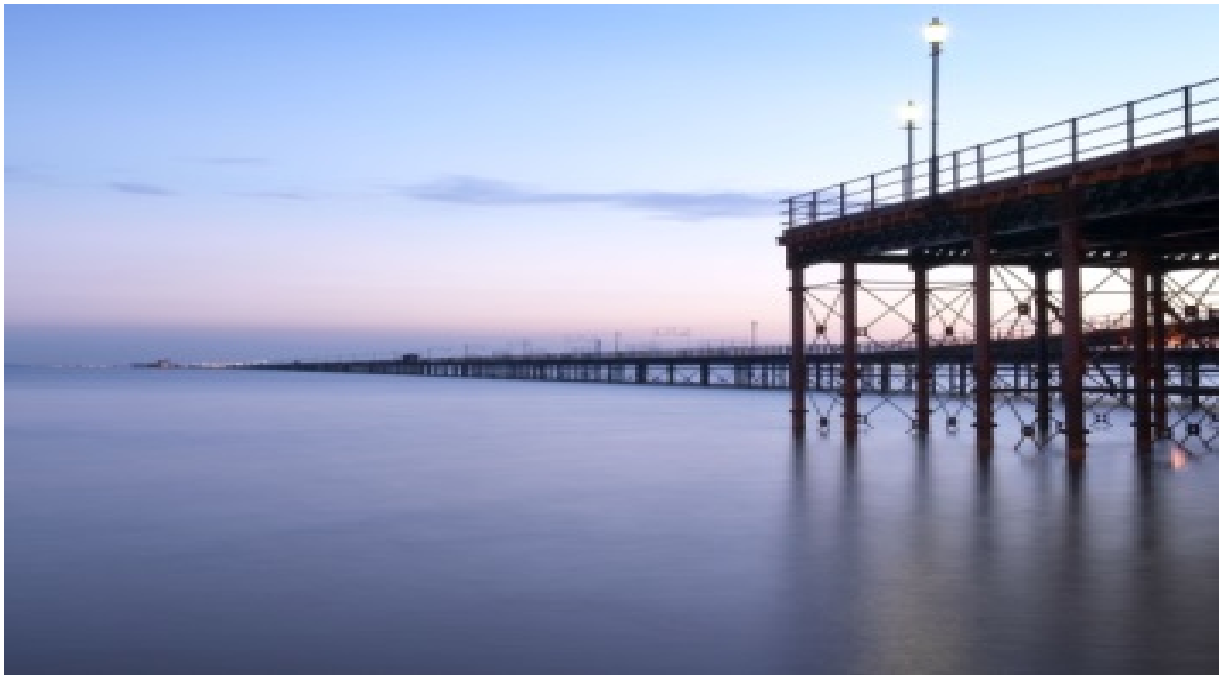
Appendix 2 - DSG Budget and Outturn 201920 to 202021

Appendix 3 - Proposed Early Years funding rates 2020/21

Part 2:

Appendix 4 - Central Block historic commitments

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Southend-on-Sea Borough Council
Capital Investment
Strategy

2020/21 – 2024/25

January 2020

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Annexes:

Annex 1 – Capital Investment Policy

SOUTHEND-ON-SEA BOROUGH COUNCIL

CAPITAL INVESTMENT STRATEGY

1 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.

2 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.

3 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. 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.

4 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.

5 Links to other corporate strategies and plans

To support the Council's desired outcomes 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 Sustainability Strategy, 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.

A diagram in the Medium Term Financial Strategy 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.

6 Resources available to finance capital

The first step is to ascertain the total resources available to finance the capital investment programme. This is 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 that will be realised. More information by each source of capital funding is set out below:

6.1 External Funding

This can be in the form of grants and contributions from outside bodies including central government. Services must seek to maximise external funding wherever possible to support capital schemes. However, 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).

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.

6.2 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 Director of Property and Commercial 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.

6.3 Revenue Funding

Revenue resources may be used 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 Chief Finance Officer will take an overview and decide the most appropriate way of using such revenue resources, taking into account the strategy regarding the levels of general and earmarked reserves.

6.4 Prudential/Unsupported Borrowing

Capital projects that cannot be funded from any other source can be funded from 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. 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. The borrowing costs are not supported by the Government so the Council needs to ensure it can afford the interest and repayment costs from existing revenue budgets or must see this as a key priority for the budget process and be factored into the medium term financial strategy accordingly.

The Chief Finance Officer 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.

Should the requested borrowing levels be unaffordable or not prudent, then the schemes will be prioritised against the available funding from borrowing as determined by the assumptions factored into the Medium Term Financial Forecast.

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 Chief Finance Officer who will decide on the basis of the level of reserves and money market position whether borrowing should be met internally (from the running down cash balances) or whether to enter into external borrowing.

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.

7 Prioritisation of capital investment

Capital investment is key to the delivery of the Council's ambition and desired outcomes and 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.

Therefore capital investment proposals will need to be prioritised to ensure that resources are being directed into projects that will achieve our ambition and improve outcomes for local people. These priorities may include the following:

Achievement of the Council's strategic outcomes for Southend 2050:

- Homes which meet local needs;
- Key regeneration projects;
- Supporting growth in key sectors;
- Town centre vitality;
- Leisure and cultural projects;
- Transport and accessibility;
- Green city projects;
- Schools and skills;
- Health and active lifestyles;
- Social care;
- Land acquisition and commercial investment;
- Financial self-sufficiency.

Enabling works:

- Maintenance of the essential infrastructure of the organisation;
- Essential Health and Safety works;
- Rolling programmes essential to the day to day operation of the Council;
- Service redesign and transformation – investment in technology;

Political priorities:

- 2050 roadmap;
- CMT/Cabinet priorities;

8 Building a pipeline of projects

8.1 Identifying the need for Capital Expenditure/Investment

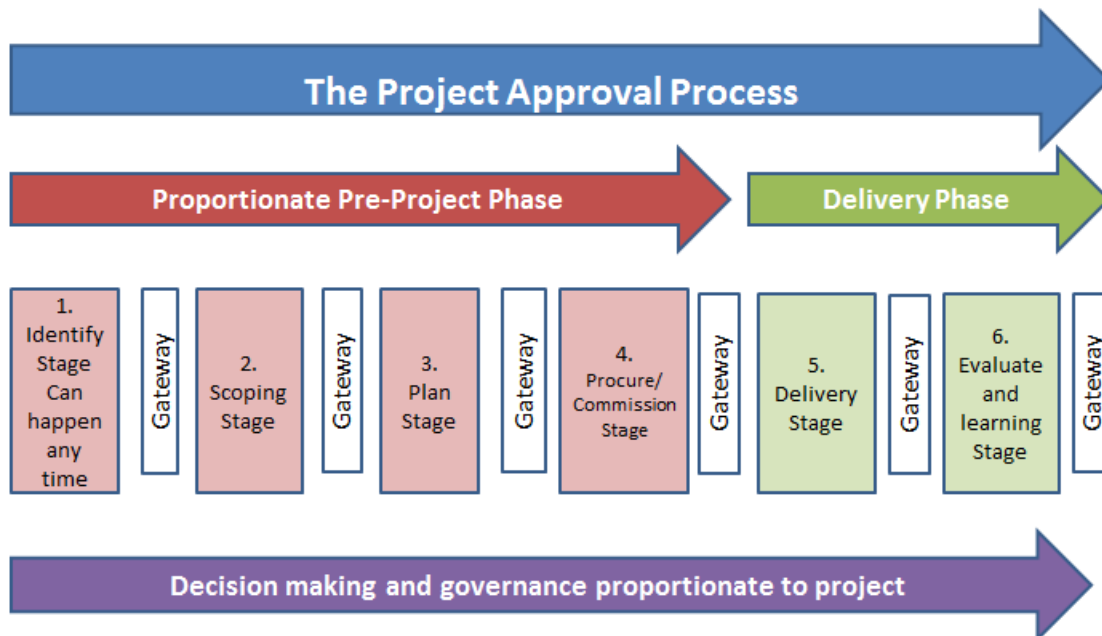
The need for capital investment may be identified through one or more of the following processes.

- Service areas prepare plans for the delivery and improvement of their services which align with or enable the 2050 outcomes;
- 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;
 - 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.

8.2 The Project Approval Process

The agreed process should include gateway review stages when the proposal can be reviewed and a decision made whether to proceed to the next stage. The decision making and governance process should be proportionate to the scale and impact of the project being put forward for approval. The following diagram shows the project approval process used for capital investment proposals:



The project approval process divides the project's lifecycle into six stages. The first four involve gathering the business case information that gives the Council confidence that the project should be implemented. The final stages cover project implementation and post-project evaluation. A potential 'Decision Gateway' separates each stage.

This incremental approach provides regular opportunities for the Council to review progress and check that projects are still on track. It also avoids unnecessary resource being spent developing potential projects beyond the point at which a decision could be made that they are unlikely to be viable (potentially because needs or priorities have changed or available solutions are unlikely to offer value for money). Feasibility studies will be used where appropriate.

Whilst all projects consider the same basic questions as they pass through each stage, the level of information that must be gathered, and the number of formal approvals required for a project to progress, will vary significantly depending on the scale of the project.

8.3 Proportionality

Projects will be categorised as major, mid or minor, depending on the assessment of the following criteria to determine the scale and impact of the proposal:

- Level of contribution to the 2050 outcomes;
- Impact on the organisation to deliver the project;
- Potential impact of project failure on the Council's reputation;
- Statutory or regulatory context;
- The scope of stakeholders or partnerships involved;
- Contract complexity;
- Project costs;
- The timescales involved;

This categorisation will determine the level of detail needed to progress through the gateway stages.

8.4 Developing the business case

The business case would be developed incrementally with the amount of detail dependent on the scale and impact of the project and with more detail added as the business case matures through the gateway stages. Each business case covers five areas:

- Strategic case – demonstrating the fit with investment priorities;

- Economic case – demonstrating that the project provides value for money;
- Financial case – demonstrating that the project is prudent, affordable and sustainable (including the revenue implications);
- Commercial case – demonstrating that the project is commercially viable;
- Management case – demonstrating that the project will be delivered effectively;

For the financial case 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;
- 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 Strategy;
- 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:

- Recognition of the objective of the Sustainability Strategy;
- 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 project proposals are submitted using the agreed template that captures the information necessary to have a structured approach that provides:

- Proper definition to projects, making sure it is clear what will be delivered, by when, and with what resource and that appropriate approvals have been given;
- Clear roles and responsibilities, and clear delegation of responsibility;
- Controls to provide early warnings of deviation from the plan, as well as risks and issues, and a way of managing them;
- Good communication channels, making sure management and stakeholders are involved at the right time in the right way;
- Regular reviews of the project to make sure it is still viable, worthwhile and deliverable;
- A common language across the Council and a process that is repeatable;

Whilst this approach will not guarantee that every project will be successfully delivered, having a consistent approach to managing projects will mean that:

- All projects are prioritised using a consistent and coherent set of standards and based on a sound business case;
- Projects are more likely to contribute to Southend 2050 priorities and service improvement;
- Projects are more likely to be delivered on time and within budget;

The template includes for each project or scheme:

- Strategic objectives;
- Critical success factors;
- Options or approaches considered;
- Expected benefits;
- Timescales and plan;
- Programme structure;
- Stakeholder/Partnerships;
- Financial business case;
- Risks/Dependencies/Assumptions/Constraints;
- Impact;

8.5 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 Chief Finance Officer 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 them to reach their conclusions.

9 Governance processes

The governance structure of the Council has the Corporate Management Team that takes a high level strategic and group view on the capital investment programme.

Before any project can enter the procurement or delivery phase approval must be obtained from full Council to include it in the capital investment programme. This can be achieved by taking proposals through the Cabinet and Scrutiny process, either as part of the annual budget round or throughout the year so that schemes enter the programme at the required time.

9.1 Approval via the annual budget round

Corporate Management Team will consider any proposals from a corporate priority perspective. As part of the budget process Executive Briefing (EB) meetings enable Cabinet Members to be briefed and understand the expected outcomes and the budget consequences, both revenue and capital, of completing the scheme. Where appropriate schemes will be reported to Members based on the schemes being subject to external funding or viable business case approval.

The Chief Finance Officer will consider the proportionality of the proposals as a whole in respect of overall resources and longer term sustainability and risk. The Chief Finance Officer will also take an overall view on the prudence, affordability and sustainability of the overall borrowing level if all proposals are accepted.

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.

9.2 Approval throughout the year

New schemes can be added throughout the year as appropriate, for urgent or service critical schemes or when gateway stages are successfully completed. Project proposals are submitted to the Investment Board, one of the five Governance Boards established as part of the organisations condition of simple and effective governance. Investment Board takes a strategic view of capital investment in line with the Southend 2050 ambition and acts as the advisory body to CMT and Cabinet for all capital investment projects.

Using the proportionate approach outlined earlier, the Investment Board will consider all business cases for project proposals. The Board will either:

- reject the proposal and give the reasons for this;
- recommend that the proposal is delayed to ensure business alignment;
- refer the proposal to another Governance Board for further consideration;
- ask for further clarification and assurances;

- agree that a feasibility study would be the most appropriate way forward;
- agree that the project can proceed to the next Gateway stage;
- agree whether bids for new capital grants/funding can be submitted;
- make recommendations to Cabinet for approval of the project or feasibility study in line with financial regulations.

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

10 Monitoring the progress of delivery

It is important that the progress of the delivery of the capital investment programme can be properly monitored. This is approached in several ways:

10.1 Investment Board

The Board will challenge the existing capital investment programme as part of the redirection and re-prioritisation of resources. This will be particularly important where capital projects are not delivering to time and/or budget and where appropriate the Board will seek project evaluation updates or commission post completion reviews.

10.2 Capital Challenge meetings

At appropriate times throughout the year capital challenge meetings will be undertaken, led by the Cabinet member with responsibility for the capital investment programme. The aim of these challenge meetings is to ascertain whether: any projects:

- Any projects are not aligned to the delivery of the Southend 2050 outcomes and can be removed from the programme;
- Any projects or reduction in funding of a project that can be withdrawn from the programme;
- Any project budgets need to be re-profiled to better align them to the predicted spend across the years of the programme;
- Any projects currently funded by borrowing that can be alternatively financed;

- The actual physical progress of each scheme (e.g. out to tender, site assembly, on site, etc.) and whether the current year's budget will be spent.

10.3 Capital budget performance reports

Capital expenditure and its financings are monitored monthly, with the expenditure to date identified and projected to year end to forecast the outturn position based on project managers' realistic expectation.

The capital budget performance is reported to Cabinet four times a year (via CMT and EB) with a commentary on scheme progress. One of these reports is to inform members of the capital investment programme outturn. These reports include recommendations to approve the requested changes to the programme such as proposed re-profiles of scheme budgets across financial years, new schemes, deletions, virements of budget between schemes or additions where new external funding has been received. These changes are either as a result of recommendations from Investment Board, the outcome of capital challenge meetings, the year end closure procedures or identified in the normal course of the monthly budget performance monitoring.

A summary of the capital budget performance is also reported to CMT for the months when it does not go to Cabinet.

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 Other Considerations

The Council has a Procurement team that ensures that value for money is provided and to see where efficiency savings can be achieved. This also covers capital procurement. It is essential that all capital procurement activities comply with prevailing regulations and best practice and 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.

Capital Schemes must also comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.

January 2020

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 Chief Finance Officer 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 Chief Finance Officer 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 Chief Finance Officer 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 Chief Finance Officer 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 Chief Finance Officer may choose to finance these capital investments by borrowing. Where this is the case the Chief Finance Officer 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 Chief Finance Officer 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 the appropriate Governance boards and managed by project boards and teams appropriate to the scale of the investment.
- 9.3 The Investment Board (and CMT where appropriate) 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 Chief Finance Officer in accordance with their 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 PROPOSALS
2020/21 to 2024/25

1. Summary of Proposed Investment





Theme	Proposed Investment (£)	Proposed investment subject to viable business cases (£)	Total (£)
Pride and Joy	5,335,000	-	5,335,000
Safe and Well	17,600,000	-	17,600,000
Connected and Smart	3,200,000	-	3,200,000
Opportunity and Prosperity	7,810,000	-	7,810,000
Enabling	13,165,000	1,780,000	14,945,000
Total	47,110,000	1,780,000	48,890,000

	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	5 Year Total (£'000)
Proposed investment each year	17,600	12,510	6,980	2,600	9,200	48,890







2. Proposed Investment by Southend 2050 Theme

Theme		Total (£)	Proposed Initiatives
	C1	5,335,000	<p>Southend Pier – Condition Works (20/21 - £335,000, 21/22 to 24/25 - £1,250,000 p.a.)</p> <p>This investment is to deliver the ongoing planned approach to addressing the condition works and bearing refurbishment identified within the condition survey. This proactive approach reduces the requirement for urgent and/or reactive condition works and ensures the integrity of this landmark structure that helps drive millions of visitors to Southend-on-Sea each year.</p> <p>This investment is in addition to the £915,000 budget already in the approved capital investment programme for 20/21, funded from corporate borrowing.</p>
<p>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</p>			
Pride and Joy	Total	5,335,000	
	C2	9,500,000	<p>HRA Affordable Housing Acquisitions Programme (20/21 - £5,000,000, 21/22 - £3,000,000, 22/23 - £1,500,000)</p> <p>Housing is a clear priority of this council and through purchasing suitable private homes for council use, the acquisitions programme is already helping to ensure that everyone has a home that meets their needs, including those with complex needs.</p> <p>It is 30% financed by retained Right to Buy capital receipts. To ensure all these receipts can be used within the timeframes set by central Government the above amount needs to be spent during the next three financial years with targets in each quarter. The balance of 70% is financed from the HRA capital investment reserve.</p>
<p>We are well on our way to ensuring that everyone has a home that meets their needs.</p>			





CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

			If the Council exceeds any of the quarterly targets the excess will count towards the next quarter. As conveyancing time frames cannot be guaranteed the timing of these budgets plan to exceed the targets rather than to just meet them, in case any of the planned property purchases do not proceed.
	C3	6,600,000	<p>HRA Future Investment Programme (24/25 - £6,600,000)</p> <p>The investment relates to</p> <ul style="list-style-type: none"> • continuing of the Decent Homes programme to bring the housing stock to decency levels; • common area improvements; • environmental health & safety works; • disabled adaptations works; <p>These works are wholly funded through the HRA, from the Major Repairs Reserve.</p>
<p>We are well on our way to ensuring that everyone has a home that meets their needs.</p>			
	C4	650,000	<p>Junction Protection (20/21 and 21/22 - £325,000 p.a.)</p> <p>Ensuring road safety for pedestrians and road users is vital and this investment is to install road junction protection at approximately 75 locations to help prevent obstructive and indiscriminate parking. This will help to improve sightlines for drivers and pedestrians and help improve the safety of all road users, whilst also aiding accessibility for all but particularly those with mobility impairments.</p>
<p>People in all parts of the borough feel safe and secure at all times</p>			
	C5	600,000	<p>Zebra Crossing Surfacing Replacement (20/21 to 22/23 - £200,000 p.a.)</p> <p>Ensuring road safety for pedestrians and road users is vital and this investment is for the removal of existing anti-skid surfacing and replacement with a high friction road surface at 66 sites across the Borough, almost a quarter of the sites currently in need of re-instatement. The new surface has a greater life expectancy and provides an enhanced surface for drivers to brake under emergency conditions at hazardous locations. A formal audit will be undertaken and work will be prioritised at crossing points on main traffic routes and close to primary and secondary schools over a three year replacement programme.</p>
<p>People in all parts of the borough feel safe and secure at all times</p>			
	C6	250,000	<p>Street Lighting (21/22 to 22/23 - £125,000 p.a.)</p> <p>This investment is to extend the programme of street lighting infill for a further two years to deliver approximately another 100 new lighting columns.</p> <p>This investment is in addition to the £252,000 budget already in the approved capital investment programme for 19/20 and 20/21, funded from corporate borrowing.</p>
<p>We act as a green city with outstanding examples of energy efficient streets.</p>			
Safe and Well	Total	17,600,000	







CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

 <p>It is easier for residents, visitors and people who work here to get in and around the borough.</p>	C7	500,000	<p>Car Park Resurfacing (20/21 to 21/22 - £250,000 p.a.)</p> <p>This investment is to resurface and re-line car parks which have been surveyed and deemed to require work over the next two years. These include Alexandra Street, Clarence Road, Hamlet Court, Warrior Square and Fairheads Green.</p> <p>Investing in parking infrastructure and ensuring car parks are attractive and well looked after, will ensure better use and reduce the risk of loss of income from parking. This is an important component in implementing our Car Parking Strategy across the Borough.</p>
 <p>It is easier for residents, visitors and people who work here to get in and around the borough.</p>	C8	1,000,000 Roadmap 2020: 	<p>Carriageways and Footways Improvements (20/21 - £1,000,000)</p> <p>Improving local roads and pavements is a priority for local people and for this council. This investment is to improve the highways infrastructure, reduce long term structural maintenance and improve public safety. This is in addition to the budget of £2million already in the approved capital investment programme in 20/21, funded by corporate borrowing.</p> <p>The total £3m programme of works includes 43 of the highest priority roads and footways that need repair, across a range of wards. This is the start of more major investment across future years that will be needed to enable all the highest priority roads and footways to be brought up to standard across the borough.</p>
 <p>It is easier for residents, visitors and people who work here to get in and around the borough.</p>	C9	450,000 Roadmap 2020: 	<p>Improve Footway Condition around Highway Trees (20/21 to 22/23 - £150,000 p.a.)</p> <p>This investment is to improve the condition of footways around existing highway trees and ensure effective remedial works after the removal of highway trees. This will contribute to revenue savings for highways works. This level of investment should enable improvements at approximately 400 tree sites per year.</p>
 <p>Southend is a leading digital city with world class infrastructure that enables the whole population.</p>	C10	1,250,000	<p>ICT – Connected and Smart (20/21 - £350,000, 21/22 to 22/23 - £450,000 p.a.)</p> <p>This investment is to provide a cohesive, centralised ICT response, benefitting a number of key activities that contribute to the 2050 ambition for Connected and Smart. It includes considerations such as smart parking, connected and smart care homes and data warehousing and analytics. This investment will provision a centralised 'Internet of Things' platform capable of supporting the 2050 ambition.</p>
Connected and Smart	Total	3,200,000	






CAPITAL INVESTMENT PROPOSALS**2020/21 to 2024/25**

 <p>Roadmap 2020:</p> 	C11	2,600,000	<p>Schools – Improvement and Provision of Secondary School Places (20/21 - £2,000,000, 21/22 - £600,000)</p> <p>This investment is to continue the ongoing investment to ensure that every secondary aged pupil who lives in Southend can access a school place if they request one. By ensuring that there are sufficient places in local schools, within good quality buildings, pupils will gain better education outcomes, thus increasing aspirations and opportunities to continue into higher and further education and then into employment.</p> <p>Expansions projects so far have been completed at The Eastwood Academy, Shoeburyness High School and Cecil Jones Academy. There are also ongoing projects at St Bernard’s High School, St Thomas More High School and Belfairs Academy to ensure sufficient accommodation for the extra pupils they started to admit from September 2018.</p> <p>This additional funding will allow completion of phase 2 works at Chase High School so they can admit an extra 30 pupils in September 2020 followed by a second increase of 30 in September 2021. Once completed the whole expansion programme will have added 1,250 places across years seven to eleven by September 2024. The programme will have provided sufficient places and a small level of surplus as required by the Department for Education that gives families and children some choice.</p> <p>This is funded from Government Grant (subject to final Government capital funding announcements) with corporate borrowing used until the funding is received;</p>
<p>Our children are school and life ready and our workforce is skilled and job ready</p>			<p>Schools – Condition Works (20/21 - £290,000, 21/22 to 22/23 - £500,000 p.a.)</p> <p>This investment is for condition works at Children Centres and emergency works at schools. These are mainly larger, urgent projects to be agreed between the Council’s property team and head teachers.</p> <p>This is funded from Government Grant (subject to final Government capital funding announcements).</p>
 <p>Our children are school and life ready and our workforce is skilled and job ready</p>	C12	1,290,000	<p>Schools – Devolved Formula Capital (20/21 to 22/23 - £100,000 p.a.)</p> <p>This investment will be funded by Government grant and devolved directly to maintained schools to fund capital projects under their direction and control. It is an estimate at this stage for the next three years.</p> <p>This is funded from Government Grant (subject to final Government capital funding announcements).</p>
	C13	300,000	<p>Our children are school and life ready and our workforce is skilled and job ready</p>

CAPITAL INVESTMENT PROPOSALS**2020/21 to 2024/25**

 <p>Key regeneration schemes, such as Queensway are underway and bringing prosperity and job opportunities to the borough.</p>	C14	<p>1,020,000</p> <p>Roadmap 2020:</p> 	<p>Better Queensway – Programme Management (20/21 - £540,000, 21/22 - £480,000)</p> <p>Better Queensway is the largest housing and regeneration project the council has undertaken since the 1960's and this investment is vital to ensure the Council is able to support, hold accountable and work in partnership with Porter's Place Southend-on-Sea LLP and Swan Housing Association to deliver this project that will transform central Southend.</p> <p>Whilst this includes the costs of the Project Management Office, meeting the necessarily tight deadlines to keep the project to programme will require the ability to backfill on occasion.</p> <p>The external advisory team have also proved vital with their specialist knowledge and experience and so retaining their capacity, albeit on a diminishing basis, will provide the Partnership Board with the necessary support in managing the relationship with the LLP and in delivering the activities the Council is committed to.</p>
 <p>Roadmap 2020:</p> 	C15	<p>2,600,000</p> <p>Key regeneration schemes, such as Queensway are underway and bringing prosperity and job opportunities to the borough.</p>	<p>Better Queensway – Acquisition of Leasehold Properties (20/21 - £800,000, 21/22 - £1,800,000)</p> <p>This investment is to buy leasehold properties as they become available to facilitate the delivery of the Better Queensway regeneration project. The Council will finance the purchases initially and Porter's Place Southend-on-Sea LLP will reimburse the purchase cost and the associated financing costs.</p>
<p>Opportunity and Prosperity</p>	<p>Total</p>	<p>7,810,000</p>	
	C16	<p>2,400,000</p>	<p>Priority Works (21/22 to 24/25 - £600,000 p.a.)</p> <p>This investment is to ensure a £600,000 annual budget in this area is available to deal with any urgent or priority works to Council owned properties that may arise during the year.</p>
	C17	<p>3,750,000</p>	<p>Property Refurbishment Programme (20/21 to 24/25 - £750,000 p.a.)</p> <p>This investment is to enable the Council's Property and Estate Management service to take a proactive approach to maintaining the buildings for which it is responsible. This will</p>

CAPITAL INVESTMENT PROPOSALS**2020/21 to 2024/25**



			<p>ensure investment is made in the fabric and services within building before they get to a stage that capital works become urgent or have a detrimental impact on service users' use of the building or leads to urgent repairs and maintenance works which are usually more costs long term.</p> <p>This is a rolling programme with £676,000 currently in the approved programme for 2019/20, financed by borrowing.</p>
	C18	3,095,000	<p>ICT – Stabilise and Run (20/21 - £785,000, 21/22 - £1,255,000, 22/23 - £1,055,000)</p> <p>This investment is to provide licensing compliance, third party infrastructure support and better resilience through improved/new hardware. It is also for the provision of a cost effective, fit for purpose, disaster recovery service designed to meet the Council's future requirements as it embarks on its digital journey.</p>
	C19	1,050,000	<p>ICT – Cybersecurity (20/21 - £450,000, 21/22 to 22/23 - £300,000 p.a.)</p> <p>Cybersecurity presents a real risk to large organisations and this investment is to strengthen and enhance ICT security to mitigate key risks identified in a recent security assessment and bring cyber security up to industry standard. It will also enable improved real time alerting and monitoring leading to pro-active interventions that will minimise system outages.</p>
	C20	2,110,000	<p>ICT – Business Enablement (20/21 - £1,735,000, 21/22 - £375,000)</p> <p>Much of the council's ICT equipment is coming to the end of its useful life and needs replacing through a phased programme. This investment is to fully modernise the council's 'laptop estate' (including in public buildings such as libraries) over the next two years, fully deploy Windows 10 and improve productivity by building a Cloud platform to manage the ICT estate.</p>
	C21	660,000	<p>ICT – Business Services (20/21 - £660,000)</p> <p>This investment is for a new and enhanced applications migration platform for improved resilience and reliability. It also includes ICT business services relating to the parking contract renewal, a replacement for Symology and an uplift to the Schools Toolset.</p>
	C22	100,000	<p>Kiosks in Libraries (20/21 - £100,000)</p> <p>The current kiosks are approaching the end of their useful life with an operating system that is now obsolete and no longer supported. The current kiosks also only allow library users to</p>

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25






			pay fines by cash but not by card. If new kiosks are not installed, customers will not be able to self-serve the borrowing and returning of books. There is already £40k in the approved capital investment programme in 19/20, financed by corporate borrowing. This will be moved to 20/21 and this investment is the extra budget needed to deliver the scheme.
Enabling	Total	13,165,000	
		47,110,000	TOTAL CAPITAL INVESTMENT PROPOSALS

3. Proposed Investment Subject to Viable Business Cases

Viable business cases will need to be produced and approved before these schemes can progress and be brought into the capital investment programme.

Theme		Total (£)	Proposed Initiatives
	C23	1,780,000	<p>Crematorium Refurbishment (20/21 - £1,780,000)</p> <p>This proposed investment is to fully refurbish the current facilities to ensure the Council can continue to provide high quality crematorium services to local people. The works proposed include: replacement of the three existing cremators and the plant associated with them; rebuilding the chimney; structural and roof works; reconfiguration and upgrade of some front of house areas; reconfiguration of the back of house areas to accommodate new equipment and facilitate better working; resurfacing the parking area.</p> <p>The total investment will be £2,400,000 but there is currently £620,000 in the current programme that will be contributed to this overall cost and also allow the relevant feasibility and design works to commence.</p>
	C24		<p>East Beach Car Park Refurbishment</p> <p>This proposed investment is to upgrade the car park surface with tarmac, mark out parking spaces and to provide lighting to encourage users of Shoeburyness railway station to park there. The project will include provision of a new pathway from the station to the car park with appropriate lighting.</p>

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

 <p>People in all parts of the borough feel safe and secure at all times</p>	<p>C25</p>	<p>Roadmap 2019:</p> 	<p>Town Centre and Seafront Security Works</p> <p>A specification for a new High Street automated bollards system is being progressed. The implementation is due to be included with the Sunrise project work, which is due to start in early 2020. Budget estimates will follow in early 2020 once the final specification for this work has been agreed.</p> <p>For the seafront and other security measures there is a review to agree priority locations and develop specification for measures to be implemented. A programme and estimated budget will be proposed by early January 2020.</p>
 <p>We are all effective at protecting and improving the quality of life for the most vulnerable in our community</p>			<p>Shoebury Health Centre</p> <p>Discussions have been taking place with the CCG and in early 2020 pre workshop engagement sessions are planned with key partners in advance of the discovery period in January, which will long list options.</p> <p>During 20/21 further work will take place to consider viability assessments, to short list options and to agree a preferred option, for which an outline business case would be drawn up. In 21/22 the full business case would be then be compiled and considered with development anticipated in 23/24.</p>
 <p>It is easier for residents, visitors and people who work here to get in and around the borough.</p>		<p>Roadmap 2019:</p> 	<p>Car Park Provision</p> <p>A feasibility study has been commissioned and will report back on options by mid-March. This will look at multi-storey car park options at Tylers Avenue and two other possible sites in Leigh-on-Sea and include costs (construction and ongoing revenue), timescales and environmental factors such as air quality and traffic implications.</p>
		<p>1,780,000</p>	<p>TOTAL SCHEMES SUBJECT TO VIABLE BUSINESS CASES (plus investment yet to be costed)</p>

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

The annual profile of this total investment would be as follows;

Main programme:

Year	Pride and Joy £000	Safe and Well £000	Connected and Smart £000	Opportunity and Prosperity £000	Enabling £000	Total £000
2020/21	335	5,525	1,750	3,730	4,480	15,820
2021/22	1,250	3,650	850	3,480	3,280	12,510
2022/23	1,250	1,825	600	600	2,705	6,980
2023/24	1,250	-	-	-	1,350	2,600
2024/25	1,250	6,600	-	-	1,350	9,200
TOTAL	5,335	17,600	3,200	7,810	13,165	47,110

Subject to viable business cases:

Year	Pride and Joy £000	Safe and Well £000	Connected and Smart £000	Opportunity and Prosperity £000	Enabling £000	Total £000
2020/21	-	-	-	-	1,780	1,780
2021/22	-	-	-	-	-	-
2022/23	-	-	-	-	-	-
2023/24	-	-	-	-	-	-
2024/25	-	-	-	-	-	-
TOTAL	-	-	-	-	1,780	1,780

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

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 ²²⁶	Southend Pier - Condition Works	5,335	0	0	0	0	5,335	373	0	0	373
	Pride and Joy Total	5,335	0	0	0	0	5,335	373	0	0	373
C2	HRA Affordable Housing Acquisition Programme	0	0	0	9,500	0	9,500	0	0	0	0
C3	HRA Future Investment Programme	0	0	0	0	6,600	6,600	0	0	0	0
C4	Junction Protection	650	0	0	0	0	650	46	0	0	46
C5	Zebra Crossing Surfacing Replacement	600	0	0	0	0	600	42	0	0	42
C6	Street Lighting	250					250	18	0	0	18

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

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
	Safe and Well Total	1,500	0	0	9,500	6,600	17,600	105	0	0	105
C7	Car Park Resurfacing	500	0	0	0	0	500	35	0	0	35
C8	Carriageways and Footways Improvements	1,000	0	0	0	0	1,000	70	0	0	70
C9	Improve Footway Condition Around Highway Trees	450	0	0	0	0	450	32	0	0	32
C10	ICT - Connected and Smart	1,250	0	0	0	0	1,250	88	0	0	88
	Connected and Smart Total	3,200	0	0	0	0	3,200	224	0	0	224
C11	Schools - Improvement and Provision of Secondary School Places	0	0	2,600	0	0	2,600	0	0	0	0
C12	Schools - Condition Works	0	0	1,290	0	0	1,290	0	0	0	0

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

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
C13	Schools - Devolved Formula Capital	0	0	300	0	0	300	0	0	0	0
C14	Better Queensway – Programme Management	970	0	50	0	0	1,020	71	5	0	76
C15	Better Queensway - Acquisition of Leasehold Properties	0	2,600	0	0	0	2,600	182	0	(182)	0
	Opportunity and Prosperity Total	970	2,600	4,240	0	0	7,810	250	5	(182)	73
C16	Priority Works	2,400	0	0	0	0	2,400	168	0	0	168
C17	Property Refurbishment Programme	3,750	0	0	0	0	3,750	263	0	0	263
C18	ICT - Stabilise and Run	3,095	0	0	0	0	3,095	217	0	0	217
C19	ICT- Cybersecurity	1,050	0	0	0	0	1,050	74	0	0	74
C20	ICT - Business	2,110	0	0	0	0	2,110	148	0	0	148

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

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
	Enablement										
C21	ICT - Business Services	660	0	0	0	0	660	46	0	0	46
C22	Kiosks in Libraries	100	0	0	0	0	100	7	0	0	7
	Enabling Total	13,165	0	0	0	0	13,165	922	0	0	922
	Overall Total	24,170	2,600	4,240	9,500	6,600	47,110	1,874	5	(182)	1,697

Note 1- Capital receipts or revenue contributions to capital including from earmarked reserves

Note 2 – Unless shown as additional budget for service costs above, the running costs of these schemes will be met from existing budgets

CAPITAL INVESTMENT PROPOSALS
2020/21 to 2024/25

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
C23	Crematorium Refurbishment	1,780	0	0	0	0	1,780	125	0	0	125
230	Schemes Subject to Viable Business Cases Total	2,080	0	0	0	0	1,780	125	0	0	125

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 11

Summary

	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Approved Capital Investment Programme - November Cabinet	79,826	97,336	34,452	8,847	7,605	0	228,066
Fire Improvement Works - agreed at September Cabinet	0	0	0	0	0	750	750
Carry Forwards	(8,716)	(5,624)	3,069	2,171	2,000	7,100	0
Accelerated Deliveries	1,068	(4)	(1,064)	0	0	0	0
Schemes Removed from Programme	(1,381)	(132)	0	0	0	0	(1,513)
Virements	0	0	0	0	0	0	0
Transfer from 'Subject to Viable Business Case'	0	1,200	0	0	0	0	1,200
Transfer to 'Subject to Viable Business Case'	(620)	0	0	0	0	0	(620)
Proposed New Investment	0	15,820	12,510	6,980	2,600	9,200	47,110
Proposed Investment Programme - following amendments	70,177	108,596	48,967	17,998	12,205	17,050	274,993
Current Investment Subject to Viable Business Cases	100	2,052	9,000	11,742	0	0	22,894
Proposed New Investment Subject to Viable Business Cases	0	1,780	0	0	0	0	1,780
Schemes Subject to Viable Business Cases	100	3,832	9,000	11,742	0	0	24,674
Current Investment Subject to Viable Business Cases - not allocated to a year							22,278

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 11

Carry Forwards to Future Years

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Common Areas Improvement	(200)	200					0
Children's Residential Care Provision	(685)	685					0
Community Capacity	(125)	125					0
Delaware and Priory New Build	(2,700)	2,500	200				0
AHDC Short Breaks for Disabled Children	(64)	64					0
Mental Health Funding Stream	(36)	36					0
Transforming Care Housing	(162)	162					0
Fairways Primary Roof	(15)	15					0
Fairways Primary Pipe Works	(26)	26					0
Southend Pier - Pier Pavilion Platform Design	(127)	127					0
Better Queensway	(500)	(12,600)	2,000	2,000	2,000	7,100	0
Allotments Water Supply Upgrade	(113)	57	56				0
Playground Gates	(123)	123					0
Sidmouth Park - Replacement of Play Equipment	(50)	50					0
Shoebury Common Regeneration	(236)	236					0
Southend Cliffs - Reaplcement of Handrails	(16)	16					0
Kiosks in Libraries	(40)	40					0
Library Review	(179)	179					0
Palace Theatre - Power Supply Equipment	(25)	25					0
Improved Car Park Signage and Guidance Systems	(215)	215					0
Traffic Signs Upgrade	(100)	100					0
LTP (Integrated Transport block) - Better Networks	(50)	50					0
LTP (Integrated Transport block) - Better Sustainable Transport	(335)	335					0
LTP (Integrated Transport block) - Traffic Control Systems	(200)	200					0
Local Growth Fund - A127 Growth Corridor	(300)	300					0
Parking Strategy	(50)	50					0
Southend Transport Model	(266)	56	105	105			0
Improving Resilience of the Borough to Flooding from Extreme Weather Events	(35)	35					0
CCTV Equipment Renewal	(660)	(106)	700	66			0
Belfairs Park Restaurant/Golf Club Preventative Works	(55)	55					0
Civic Centre Boilers	(259)	259					0
ICT Children's & Adult Social Care Development of Liquid Logic	(200)	200					0
Energy Efficiency Projects	(78)	78					0
Solar PV Projects	(438)	438					0
S106 Avenue Works	(15)	15					0
S106 Sunlight Ldry	(3)	3					0
S278 Bellway Homes		(8)	8				0
Futures Demolition	(35)	35					0
Total Carry Forwards	(8,716)	(5,624)	3,069	2,171	2,000	7,100	0

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 11

Accelerated Deliveries

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
School Improvement and Provision of School Places	900	(900)					0
Cliffs Pavilion – Chiller	25	(25)					0
Flood Prevention Works	110		(110)				0
Carriageways and Footways Improvements		1,000	(1,000)				0
Real Time Air Quality Measurement - Feasibility	2	(2)					0
S38 Bellway Homes	25	(71)	46				0
S38 Fossetts (const&maint fee)	6	(6)					0
Total Accelerated Deliveries	1,068	(4)	(1,064)	0	0	0	0

Schemes Removed from Programme

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Southchurch Park Tow Path	(4)						(4)
Make Southend Sparkle	(18)						(18)
Shoeburyness Leisure Centre Building Management	(18)						(18)
Palace Theatres Asbestos Safety Curtain	(2)						(2)
Commerical Property Investment	(9)						(9)
Herbert Grove Security	(4)						(4)
Relocation of START	(17)						(17)
ICT Central Government IT Security Compliance	(139)						(139)
ICT Health and Social Care GovRoam	(20)						(20)
Mobile Device End Point Protection Replacement	(1)						(1)
Northgate Revenues and Benefits Application	(15)						(15)
'Internet of Things' - Smart City Delivery	(82)	(132)					(214)
S106 Albany Court	(9)						(9)
S106 Teksol Kenway	(2)						(2)
S106 St Hildas - affordable housing	(11)						(11)
S106 3 Acacia Drive - affordable housing	(177)						(177)
S106 Essex House - affordable housing	(320)						(320)
S106 32-36 Valkyrie Rd - affordable housing	(218)						(218)
S106 845-849 London Rd – affordable housing	(143)						(143)
S106 3-5 High Street - affordable housing	(172)						(172)
Total Schemes Removed from Programme	(1,381)	(132)	0	0	0	0	(1,513)

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 11

Virements

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Priority Works	(49)						(49)
New Beach Huts	3						3
SACC Access Control System	24						24
SACC Reception Area Security Works	15						15
Clearance and Fencing - Land off Sutton Road	5						5
Street Lighting Infills (Lighting on Bridges)	2						2
Acquisition of Leasehold Property	(115)						(115)
Acquisition of Tower Block Leaseholds - Queensway	115						115
Southend Pier Structural Works		(500)					(500)
Southend Pier Condition Works		500					500
Sutton Road Cemetery Road Repairs		(40)					(40)
Cemetery and Crematorium Road and Path Resurfacing		40					40
Total Virements	0	0	0	0	0	0	0

Transfer from 'Subject to Viable Business Case' to main Capital Investment Programme

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Airport Business Park - New Development		1,200					1,200
Total Transfer from 'Subject to Viable Business Case'	0	1,200	0	0	0	0	1,200

Transfer to 'Subject to Viable Business Case' to main Capital Investment Programme

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
<u>Crematorium Refurbishment:</u>							
Crematorium - Structural Repairs to Chimney	(500)						(500)
Replacement Boiler at Southend Crematorium	(120)						(120)
Total Transfer to 'Subject to Viable Business Case'	(620)	0	0	0	0	0	(620)

SUMMARY OF CHANGES TO THE CAPITAL INVESTMENT PROGRAMME

Appendix 11

Proposed New Investment

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Southend Pier - Condition Works		335	1,250	1,250	1,250	1,250	5,335
HRA Affordable Housing Acquisitions Programme		5,000	3,000	1,500			9,500
HRA Future Investment Programme						6,600	6,600
Junction Protection		325	325				650
Zebra Crossing Surfacing Replacement		200	200	200			600
Street Lighting			125	125			250
Car Park Resurfacing		250	250				500
Carriageways and Footways Improvements		1,000					1,000
Improve Footway Condition Around Trees		150	150	150			450
ICT - Connected and Smart		350	450	450			1,250
Schools - Improvement and Provision of Secondary School Places		2,000	600				2,600
Schools - Condition Works		290	500	500			1,290
Schools - Devolved Formula Capital		100	100	100			300
Better Queensway - Programme Management		540	480				1,020
Better Queensway - Acquisition of Leasehold Properties		800	1,800				2,600
Priority Works			600	600	600	600	2,400
Property Refurbishment Programme		750	750	750	750	750	3,750
ICT - Stabilise and Run		785	1,255	1,055			3,095
ICT - Cybersecurity		450	300	300			1,050
ICT - Business Enablement		1,735	375				2,110
ICT - Business Services		660					660
Kiosks in Libraries		100					100
Total Proposed New Investment	0	15,820	12,510	6,980	2,600	9,200	47,110

Proposed New Investment Subject to Viable Business Cases

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Crematorium Refurbishment		1,780					1,780
East Beach Car Park Refurbishment							
Town Centre and Seafront Security Works							
Total Proposed New Investment Subject to Viable Business Cases	0	1,780	0	0	0	0	1,780

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**Proposed Capital Investment Programme 2019/20 to 2024/25 and future years -
Summary by Area of Investment**

Appendix 12

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
General Fund Housing	2,458	1,375	577	-	-	-	4,410
Council Housing and New Build Programme	18,420	20,205	15,836	8,060	6,560	6,600	75,681
Social Care	2,568	11,672	200	-	-	-	14,440
Schools	10,076	5,564	1,200	600	-	-	17,440
Enterprise and Regeneration	12,921	11,601	7,524	2,000	2,000	7,100	43,146
Southend Pier	3,198	7,859	7,150	1,250	1,250	1,250	21,957
Culture and Tourism	3,957	17,559	5,788	1,500	1,500	1,500	31,804
Community Safety	220	1,700	800	66	-	-	2,786
Highways and Infrastructure	12,193	21,738	6,160	2,000	295	-	42,386
Works to Property	1,014	3,434	750	600	600	600	6,998
Energy Saving	149	1,568	377	117	-	-	2,211
ICT	2,472	4,220	2,380	1,805	-	-	10,877
S106/S38/CIL	531	101	225	-	-	-	857
TOTAL CAPITAL INVESTMENT PROGRAMME	70,177	108,596	48,967	17,998	12,205	17,050	274,993

Total budget for 2020/21 to 2024/25:

204,816

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
General Fund Housing							
Disabled Facilities Grant	1,028	900	577				2,505
Private Sector Housing Strategy	1,095	475					1,570
12a Ceylon Road Refurbishment Works	35						35
Housing and Development Pipeline Feasibility - GF	300						300
Total General Fund Housing	2,458	1,375	577	-	-	-	4,410
Council Housing and New Build Programme							
Bathroom Refurbishment	140	119	59	52	96		466
Central Heating	1,218	161	197	161	771		2,508
Common Areas Improvement	3,403	927	864	864	864		6,922
Environmental - H&S works	992	981	1,080	1,080	1,080		5,213
Kitchen Refurbishments	222	1,515	1,002	875	1,107		4,721
Rewiring	470	53	501	739	411		2,174
Roofs	488	1,037	1,335	1,145	1,187		5,192
Windows and Doors	362	1,127	862	944	344		3,639
Future Programme (MRA & Decent Homes)	-	-				6,600	6,600
HRA Disabled Adaptations - Major Adaptations	963	650	650	650	650		3,563
HRA Disabled Adaptations - Minor Adaptations	150	50	50	50	50		350
Sheltered Housing DDA works	-	345					345
Energy Efficiency Measures	150						150
Housing Construction Scheme - Phase 2	578						578
Housing Construction Scheme - Phase 3	327	3,922	654				4,903
Housing Construction Scheme - Phase 4		2,406	3,782				6,188
Housing Construction Scheme - Modern Methods of Construction (MMC)	222	1,112	-				1,334
Housing Construction Scheme - Phase 5/6 feasibility (S106)	50						50
Housing Construction Scheme - Land Assembly Fund (S106)	1,400						1,400
HRA Affordable Housing Acquisitions Programme	6,656	5,000	3,000	1,500			16,156
Housing and Development Pipeline Feasibility - HRA	345						345
Acquisition of tower block leaseholds - Queensway	284	800	1,800				2,884
Total Council Housing and New Build Programme	18,420	20,205	15,836	8,060	6,560	6,600	75,681
Social Care							
Community Capacity	125	125					250
Dementia Friendly Environments	8						8
Children's Residential Care Provision	15	685					700
SEND Module and Integration with Liquid Logic	120						120
AHDC Short Breaks for Disabled Children	-	64					64
Mental Health Funding Stream	-	36					36
Transforming Care Housing	-	162					162
Delaware and Priory New Build	2,300	10,600	200				13,100
Total Social Care	2,568	11,672	200	-	-	-	14,440

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Schools							
Adult Community College rainwater goods	12						12
Chalkwell Hall Infants replace relocatables (SBC 50%)	-	109					109
Chalkwell Hall Infants Energy Project	-	300					300
Chalkwell Hall Juniors roofs	65						65
Eastwood Primary roof	100						100
Fairways Primary roof	-	15					15
Fairways Primary curtain walling	-	100					100
Fairways Primary Pipeworks	29	26					55
Fairways Primary Trees	10						10
Future condition projects	65	290	500	500			1,355
Milton Hall Fire Alarm replacement (H&S)	40						40
West Leigh Infant Boiler	140						140
Devolved Formula Capital	100	100	100	100			400
Expansion of 2 yr old Childcare Places	5						5
School Improvement and Provision of School Places	9,200	3,762	600				13,562
Special Provision Capital Fund	310	862					1,172
Total Schools	10,076	5,564	1,200	600	-	-	17,440
Enterprise and Regeneration							
Airport Business Park (including Local Growth Fund)	11,380	8,711	5,044				25,135
Airport Business Park - Acquisition		1,200					1,200
Better Queensway - Programme Management	541	540	480				1,561
Better Queensway - Loan to Joint Venture	1,000	900	2,000	2,000	2,000	7,100	15,000
Housing Infrastructure Feasibility	-	250					250
Total Enterprise and Regeneration	12,921	11,601	7,524	2,000	2,000	7,100	43,146
Southend Pier							
Southend Pier - Bearing Refurbishment (Phase One)	572						572
Southend Pier - Condition Works Engineers	1,163	1,250	1,250	1,250	1,250	1,250	7,413
Southend Pier - Condition Works Surveyors	439						439
Southend Pier - Pier Entrance Enhancement	400						400
Southend Pier - Pier Pavilion Platform Detailed Design (Gateway Review One)	24	127					151
Southend Pier - Prince George Extension (Phase Two)	150	1,000	1,158				2,308
Southend Pier - Replacement of Pier Trains	250	3,000					3,250
Southend Pier - Timber Outer Pier Head	200	2,482	4,742				7,424
Total Southend Pier	3,198	7,859	7,150	1,250	1,250	1,250	21,957

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Culture and Tourism							
Southchurch Park Bowls Pavillion	-	20					20
Southend Cliffs - Replacement of Handrails	-	16					16
Southend Leisure and Tennis Centre Boiler	23						23
Wheeled Sports Facility Central Southend Area	245						245
Allotments Water Supply Upgrade	30	57	56				143
Chalkwell Park and Priory Park Tennis Courts	37						37
Parks Feasibility and Options Appraisals	24						24
Playground Gates	-	123					123
Replacement and Upgrade of Parks Furniture	80	30					110
Shoebury Common Regeneration	34	236					270
Sidmouth Park - Replacement of Play Equipment	47	50					97
Southend Tree Policy Review - additional trees	75	56	57				188
Forum II	1,030	13,500	3,950				18,480
Kiosks in Libraries	-	140					140
Leigh Library Gardens Messroom Refurbishment	63						63
Library Review	-	179					179
Cliffs Pavilion – Auditorium Air Handling Unit	-	115					115
Cliffs Pavilion – Boiler Flues	124	-					124
Cliffs Pavilion – Chiller	25	150					175
Cliffs Pavilion - External Refurbishment works	-	-	215				215
Cliffs Pavilion - Power Supply Equipment	30	140					170
Joint Theatres and Leisure Centres – Asbestos	-	115					115
Palace Theatre - Air Handling Units	69						69
Palace Theatre - Power Supply Equipment	5	165					170
Palace Theatre - Replacement of Asbestos Stage Safety Curtain	2						2
Central Museum Works	50	197					247
Invisible Planetarium	35						35
Princesswell Prince Storage	52						52
Cart and Wagon Shed	200	650					850
Energy Improvements in Culture Property Assets	110						110
Fire Improvement Works	734	750	750	750	750	750	4,484
"Make Southend Sparkle" Initiative	1	10	10				21
Property Refurbishment Programme	676	750	750	750	750	750	4,426
Pump Priming Budget	93	110					203
Queen Victoria statue - security fence	24						24
Resorts Services Signage	39						39
Total Culture and Tourism	3,957	17,559	5,788	1,500	1,500	1,500	31,804

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Community Safety							
CCTV Equipment Renewal	40	1,400	800	66			2,306
Security Measures	180	300					480
Total Community Safety	220	1,700	800	66	-	-	2,786
Highways and Infrastructure							
<u>Cliff Stabilisation schemes:</u>							
- Cliff Slip Investigation Works	220						220
- Manor Road Cliff Stabilisation	324						324
<u>Flood Prevention and Resilience schemes:</u>							
- Coastal Defence (Shoebury Common Sea Defence Scheme)	242	100	3,695				4,037
- Improving Resilience of the Borough to Flooding from Extreme Weather Events	175	35					210
- Flood Prevention Works	110	-	1,015	1,125			2,250
- Southend Highway Flood Reduction and Resilience Improvement Scheme	161						161
<u>Carriageways and Footways schemes:</u>							
- Carriageways and Footways Improvements	1,766	3,000	-				4,766
- Highways Maintenance - Potholes	135	65					200
- Junction Protection		325	325				650
- Zebra Crossing Surfacing Replacement		200	200	200			600
- Improve Footway Condition Around Highway Trees	218	150	150	150			668
- Cinder Path	65						65
<u>Highways Infrastructure schemes:</u>							
- Street Lighting Infills	127	125	125	125			502
- Town Centre Redevelopment Improvements - Highways (NPIF)	1,492						1,492
- Traffic Signs Upgrade	-	200	100	100	100		500
<u>Parking schemes:</u>							
- Car Park Improvements	100	100	100	100	100		500
- Car Park Resurfacing		250	250				500
- Improved Car Park Signage and Guidance Systems	17	215					232
- Coach Parking	29						29
- Parking Strategy	149	50					199
<u>Local Transport Plan schemes:</u>							
- LTP (Integrated Transport block) - Bridge Strengthening	780	300					1,080
- LTP (Integrated Transport block) - Better Sustainable Transport	486	735					1,221
- LTP (Integrated Transport block) - Better Networks	551	450					1,001
- LTP (Integrated Transport block) - Traffic Management Schemes	397	400					797
- LTP (Integrated Transport block) - Traffic Control Systems	203	401					604
- LTP - Maintenance	1,144	671					1,815
- LTP - Maintenance - Street Lighting	150	150					300
<u>Local Growth Fund schemes:</u>							
- A127 Growth Corridor (Bell Junction and A127 Essential Maintenance Works)	2,437	9,969					12,406
- Extension of London Road Public Realm Improvement to Victoria Circus	500	3,466					3,966
<u>Other Transport schemes:</u>							
- HCA Progress Road	15						15
- Southend Transport Model	200	381	200	200	95		1,076
Total Highways and Infrastructure	12,193	21,738	6,160	2,000	295	-	42,386

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Works to Property							
62 Avenue Road - demolition	-	49					49
Belfairs Park Restaurant/Golf Club Preventative Works	-	102					102
Civic Campus - Efficient Use of Space	200	232	150				582
Clearance and Fencing - Land off Sutton Road	5						5
Darlows Green former WCs demolition	3						3
Demolition of Public WCs at Pitmans Close	7						7
Elm Road Sports Ground Remedial Works	60						60
Futures Demolition	35	485					520
New Beach Huts Phase 2	3						3
Pier Arches External Landlord Works	72						72
Relocation of START	20						20
SACC Access Control System	24						24
SACC Reception Area Security Works	15						15
Seaways - HCA Condition Funding	170						170
SMAC Eastern Esplanade Slipway	-	27					27
Cemetery - Ride on Mower		30					30
Cemetery and Crematorium Road and Path Resurfacing	10	100					110
Crematorium - Urgent Structural Repairs to Chimney	60						60
Essential Crematorium/Cemetery Equipment	8						8
Pergola Walk Memorial Scheme	7						7
Replacement Boiler at Southend Crematorium	1						1
Replacement of Essential Crematorium Infrastructure	23						23
Civic Centre Boilers	30	1,259					1,289
Public Toilet Provision	40	660					700
Priority Works	221	490	600	600	600	600	3,111
Total Works to Property	1,014	3,434	750	600	600	600	6,998
Energy Saving							
Civic Centre CHP/Lifts Feasibility	3						3
Energy Efficiency Projects	12	328	277	117			734
Leigh Energy Appraisal	28						28
Real Time Air Quality Measurement - Feasibility	14	56					70
Solar PV Projects	2	938					940
Schools and Council Buildings Solar PV	-	246	100				346
ULEV Taxi Infrastructure Scheme	90						90
Total Energy Saving	149	1,568	377	117	-	-	2,211

Proposed Capital Investment Programme 2019/20 to 2024/25 and future years

Appendix 12

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
ICT							
Channel Shift	153						153
Data Centre	404						404
Disaster Recovery Relocation	55						55
Employee Engagement Portal (Intranet)	20						20
Extending WiFi in Council Premises	70						70
HR Recruitment Contract Implementation	233						233
N3 Connectivity in Civic Building	40						40
ICT - Business Enablement		1,735	375				2,110
ICT - Business Services		660					660
ICT - Connected and Smart		350	450	450			1,250
ICT - Cybersecurity		450	300	300			1,050
ICT - Stabilise and Run		785	1,255	1,055			3,095
ICT - Core Application and Database Migration	67						67
ICT - Childrens and Adults Social Care - Development of the Liquid Logic Case Management System	143	200					343
ICT – Cyber Security/Public Services Network	55	40					95
ICT Enterprise Agreement	306						306
ICT - Phones Migration and Re-Tender	23						23
ICT Rolling Replacement Programme	330						330
Photon (Internet upgrade)	28						28
Replacement and Enhancement to Cash Receipting System	14						14
Ship Directory IDOX Software	45						45
Software Licencing	468						468
IoT Smart City Delivery	18						18
Total ICT	2,472	4,220	2,380	1,805	-	-	10,877
S106/S38/CIL							
S106 3-5 High Street 1501496AMDT - affordable housing	24						24
S106 23/04/2015 Hinguar and Saxon - public art contribution	18						18
S106 Ajax Works 0300130ful - landscaping maintenance	6						6
S106 Avenue Works 1401968AMDT - Public Art	-	15					15
S106 Former Balmoral 1400914FULM – public art contribution	1						1
S106 Bellway Prittlebrook 1400943FULM - Local play facilities	15						15
S106 Former College 1000225FUL - Tree Replacement	11						11
S106 Garrison 0000777 Deposit - CCTV	1						1
S106 Garrison 0000777 Deposit - information boards	2						2
S106 Garrison 0000777 Deposit - Junior Play Area maintenance	10						10
S106 Garrison 0000777 Deposit - Toddler Play Area maintenance	6						6
S106 Garrison Park Store	1						1
S106 Lifstan Way 0000273 Out - Open Space Maintenance	79						79
S106 North Shoebury Road 0301504out - Shoebury Park Enhancement	35						35
S106 North Shoebury Road 0301504out - Shoebury Park Maintenance	43	35	171				249
S106 Sunlight Ldry 1400411FULM - Public Art	2	3					5
S106 22-23 The Leas 0700820FULM - bus service contribution	43						43
S106 Essex House 1500521FULM - bus stop improvement	3						3
S106 Former College 1500803BC4M - parking survey contribution	10						10
S106 Avenue Works 1401968AMDT - cycleway improvement	-	1					1
S106 Bellway Prittlebrook 1400943FULM - TRO Contribution	4						4
S106 High Works Shoe Garrison	2						2

Proposed Capital Investment Programme 2019/20 to 2024/25 and future years

Appendix 12

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
S106 Hinguar 1401672BC4M - highway contribution	5						5
S106 North Road and Salisbury Ave 1200056 - Highway Works Contribution	2						2
S106 Sunlight Ldry 1400411FULM - Highway Works	2						2
S106 Texsol Kenway 1500468FULM – public realm contribution	14						14
S106 Seec 0200500ful - Highway Works	104						104
S106 Univ H-Way0401561ful	5						5
S38/S278 Airport 0901960 Fulm	15	47					62
S38 Bellway Homes 14/00943/fulm	30	-	46				76
S38 Old Hinguar School	4						4
S78 Bellway Homes 14/00943/fulm	2	-	8				10
S38 Fossetts Farm Bridleway	6	-					6
S38 Inspection Magazine Rd	5						5
CIL Ward NA – Milton – Milton Park improvements	2						2
CIL Ward NA – Milton – Park Street replacement bollards	3						3
CIL Ward NA – Eastwood Park – Tree planting	2						2
CIL Ward NA – Kursaal – Sign for Christchurch Park	1						1
CIL Ward NA – Prittlewell – Operation Legibility (road sign cleaning)	1						1
CIL Ward NA – Southchurch – Southchurch Speedwatch	1						1
CIL Ward NA – St Lukes – Community facilities enhancements	2						2
CIL Ward NA – Thorpe – Street furniture improvement	8						8
CIL Ward NA – Westborough – Signposting	1						1
Total S106/S38/CIL	531	101	225	-	-	-	857
TOTAL PROPOSED CAPITAL INVESTMENT PROGRAMME	70,177	108,596	48,967	17,998	12,205	17,050	274,993

Total budget for 2020/21 to 2024/25: 204,816

Proposed Capital Investment Programme 2019/20 to 2024/25 and future years - Schemes subject to viable business cases

General Fund Schemes Subject to Viable Business Cases	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Redevelopment of Civic Area	-	-	2,000	8,742			10,742
Crematorium Refurbishment		2,400					2,400
East Beach Café Project	-	32					32
Cliffs Pavilion - External Refurbishment Works	100	900					1,000
Southend Pier - Pavilion Platform Technical Design (Gateway Review Two) and Construction	-	500	7,000	3,000			10,500
SCHEMES SUBJECT TO VIABLE BUSINESS CASES	100	3,832	9,000	11,742	-	-	24,674
Commercial Property Investment							22,278
Shoebury Health Centre							-
East Beach Car Park Refurbishment							-
Town Centre and Seafront Security Works							-
Car Park Provision							-
TOTAL SCHEMES SUBJECT TO VIABLE BUSINESS CASES (plus investment yet to be costed):							46,952

Proposed Capital Investment Programme 2018/19 to 2024/25 and future years - Summary by Strategic and Other Schemes

Appendix 12

Scheme	2019/20 Budget £000	2020/21 Budget £000	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 and future years Budget £000	Total Budget (all years) £000
Strategic schemes							
Airport Business Park (including Local Growth Fund)	11,380	8,711	5,044				25,135
Airport Business Park - Acquisition		1,200					1,200
Better Queensway - Programme Management	541	540	480				1,561
Better Queensway - Loan to Joint Venture	1,000	900	2,000	2,000	2,000	7,100	15,000
Forum II	1,030	13,500	3,950				18,480
Delaware and Priory New Build	2,300	10,600	200				13,100
School Improvement and Provision of School Places	9,200	3,762	600				13,562
Southend Pier schemes	3,198	7,859	7,150	1,250	1,250	1,250	21,957
Civic Campus - Efficient Use of Space	200	232	150				582
Local Growth Fund - A127 Growth Corridor (Bell Junction and A127 Essential Maintenance Works)	2,437	9,969					12,406
HRA Affordable Housing Acquisitions Programme	6,656	5,000	3,000	1,500			16,156
Construction of New Housing on HRA Land	2,577	7,440	4,436				14,453
Acquisition of tower block leaseholds - Queensway	284	800	1,800				2,884
Total Strategic	40,803	70,513	28,810	4,750	3,250	8,350	156,476
Other schemes							
Other Capital Investment schemes	29,374	38,083	20,157	13,248	8,955	8,700	118,517
TOTAL CAPITAL INVESTMENT PROGRAMME	70,177	108,596	48,967	17,998	12,205	17,050	274,993

SOUTHEND-ON-SEA BOROUGH COUNCIL
MINIUMUM REVENUE PROVISION POLICY 2020/21

1 Background

- 1.1 The Minimum Revenue Provision (MRP) is an amount to be set aside for the repayment of debt. The Council has a general duty to make an MRP charge to revenue which it considers to be prudent. Full Council has the responsibility to approve an annual MRP policy statement.
- 1.2 The MRP Guidance sets out that such policies may be amended at any time, as long as the Council maintains a prudent approach whilst ensuring any changes are sustainable with regard to the revenue budget. The MRP policy adopted should ensure that revenue provision is made over a period broadly similar to which the asset provides a service.
- 1.3 A policy statement regarding a financial year should be approved before the start that financial year. However, the policy can be revised during the year by the full Council.
- 1.4 Under the regulations capital receipts may be used to repay the principal of any amount borrowed.
- 1.5 The Department of Communities and Local Government guidance on MRP specifies that MRP would not have to be charged until the asset came into service and would begin in the financial year following the one in which the asset became operational.

2 Duration of the Policy Statement

- 2.1 This Minimum Revenue Provision Statement covers the 2020/21 financial year.

3 Minimum Revenue Provision Policy

- 3.1 For capital expenditure financed by historic supported borrowing:

The amount of MRP chargeable will be calculated on a straight line basis at 2%.

- 3.2 For capital expenditure financed by prudential (unsupported) borrowing from the Public Works Loan Board or from internal borrowing:

The amount of MRP chargeable will be calculated using the annuity method.

The period over which it will be charged will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.

The annuity rate which will be applied will be the PWLB rate that most reasonably relates to that financial year.

- 3.3 For capital expenditure financed by prudential (unsupported) borrowing from other financial institutions:

The amount of MRP chargeable will be the amount specified in the repayment schedule of each loan.

- 3.4 No MRP will be applied to:

- 3.4.1 Capital expenditure financed by unsupported borrowing that has been taken out in the short term to bridge the timing difference between anticipated and actual capital receipts.

It is anticipated that capital receipts will be received to repay this borrowing. Therefore no MRP charge is required as there is already a prudent provision for repayment.

- 3.4.2 Capital expenditure financed by borrowing due to a transfer of assets between the GF and HRA where due to the nature of the transfer it is anticipated that capital receipts will be received to repay this borrowing. Therefore no MRP charge is required as there is already a prudent provision for repayment.

- 3.4.3 Capital expenditure financed by unsupported borrowing that has been taken out in the short term to bridge the timing difference between the expenditure being incurred and the budgeted revenue contribution to capital outlay being applied.

It is anticipated that revenue contributions will be received to repay this borrowing. Therefore no MRP charge is required as there is already a prudent provision for repayment.

- 3.4.4 Capital expenditure financed by unsupported borrowing that has been taken out in the short term to bridge the timing gap while grant conditions are being met and therefore the grant being applied to capital expenditure under International Financial Reporting Standards (IFRS).

It is anticipated that the grant conditions will be met therefore no MRP charge is required as there is already a prudent provision for repayment.

- 3.5 The amount of MRP chargeable relating to finance leases will be such that the combined impact of the finance charge and MRP is equal to the estimated rentals payable for the year.
- 3.6 If capital receipts are utilised to repay debt in year, the value of MRP chargeable will be reduced by the value of the receipts utilised.
- 3.7 MRP will only be charged in the year following the asset becoming operational.

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SOUTHEND-ON-SEA BOROUGH COUNCIL PRUDENTIAL INDICATORS 2020/2021

1 Introduction

- 1.1 The Prudential Code is the key element in the system of capital finance that was introduced from 1 April 2004 as set out in the Local Government Act 2003.
- 1.2 Individual authorities are responsible for deciding the level of their affordable borrowing, having regard to the CIPFA code, (which has legislative backing). Prudential limits apply to all borrowing, qualifying credit arrangements (e.g. some forms of lease) and other long term liabilities. The system is designed to encourage authorities that need, and can afford, to borrow for capital investment to do so.

2 CIPFA Prudential Code for Capital Finance in Local Authorities

- 2.1 The Code has been developed to support Local Authorities in taking capital investment decisions and to ensure that these decisions are supported by a framework which ensures prudence, affordability and sustainability. The Code was updated in December 2017 and requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources.
- 2.2 Another objective of the Code is that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation. The rationale behind these concepts is set out in the code.
- 2.3 To demonstrate compliance with these objectives of prudence, affordability and sustainability each local authority is required to produce a set of prudential indicators. These indicators are designed to support and record local decision making and are not for comparison with other authorities. The setting and revising of these indicators must be approved by Cabinet and Council.
- 2.4 In setting or revising its prudential indicators, the local authority is required to have regard to the following matters:
 - service objectives (e.g. strategic planning);
 - stewardship of assets (e.g. asset management planning);
 - value for money (e.g. options appraisal);
 - prudence and sustainability (e.g. risks, whole life costing and implications for external debt);
 - affordability (e.g. implications for long-term resources including the council tax);
 - practicality (e.g. achievability of the forward plan).

3 Prudential Indicators for Prudence

3.1 Estimates of Capital Expenditure to be Incurred

3.1.1 This is an estimate of the total amount of investment planned over the period. Not all investment necessarily has an effect on the Council Tax. Schemes funded by grant, third party contributions or by capital receipts mean that the effect on the Council Tax is greatly reduced.

	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000
General Fund	88,391	33,131	9,938	5,645	10,450
Housing Revenue Account	20,205	15,836	8,060	6,560	6,600
Total	108,596	48,967	17,998	12,205	17,050

3.2 Estimate of the Capital Financing Requirement

3.2.1 Each year, the Council finances the capital programme by a number of means, one of which is borrowing. The capital financing requirement represents the cumulative amount of borrowing that has been incurred to pay for the Council's capital assets, less amounts that have been set aside for the repayment of debt over the years (i.e. Minimum Revenue Provision and Reserved Capital Receipts).

3.2.2 The estimates for the capital financing requirement are:

	Estimate 31st March 2021 £000	Estimate 31st March 2022 £000	Estimate 31st March 2023 £000	Estimate 31st March 2024 £000	Estimate 31st March 2025 £000
General Fund	323,762	332,418	331,009	325,782	325,036
Housing Revenue Account	98,816	98,816	98,816	98,816	98,816
Better Queensway senior lender (indicative)	0	0	0	0	50,000
Total	422,578	431,234	429,825	424,598	473,852

3.2.3 The Council is only allowed to borrow long term to support its capital programme. It is not allowed to borrow long term to support its revenue budget.

3.3 Operational Boundary and Authorised Limit 2020/21 to 2024/25

3.3.1 The Council must set an operational boundary and authorised limit for its total gross external debt, separately identifying borrowing from other long-term liabilities. The operational boundary is how much gross external debt the Council

plans to take up, and reflects the decision on the amount of debt needed for the Capital Investment Programme for the relevant year. The authorised limit is higher than the operational boundary as it allows sufficient headroom to take account of unusual cash movements. If at any time during the year, it is likely that this limit will be breached it will be reported to members as soon as possible and the Leader advised immediately.

Operational boundary	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000
Borrowing	370,950	381,150	386,250	386,450	386,650
Liabilities outstanding under credit arrangements	4,050	3,850	3,750	3,550	3,350
Better Queensway – senior lender (indicative)	0	0	0	0	50,000
Total	375,000	385,000	390,000	390,000	440,000

Authorised Limit	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000
Borrowing	380,950	391,150	396,250	396,450	396,650
Liabilities outstanding under credit arrangements	4,050	3,850	3,750	3,550	3,350
Better Queensway – senior lender (indicative)	0	0	0	0	50,000
Total	385,000	395,000	400,000	400,000	450,000

3.4 *Gross Debt and the Capital Financing Requirement*

3.4.1 Gross external debt is long term external debt (e.g. PWLB loans taken out), short term borrowing from other Local Authorities and credit arrangements relating to finance leases. The estimates for the external debt are:

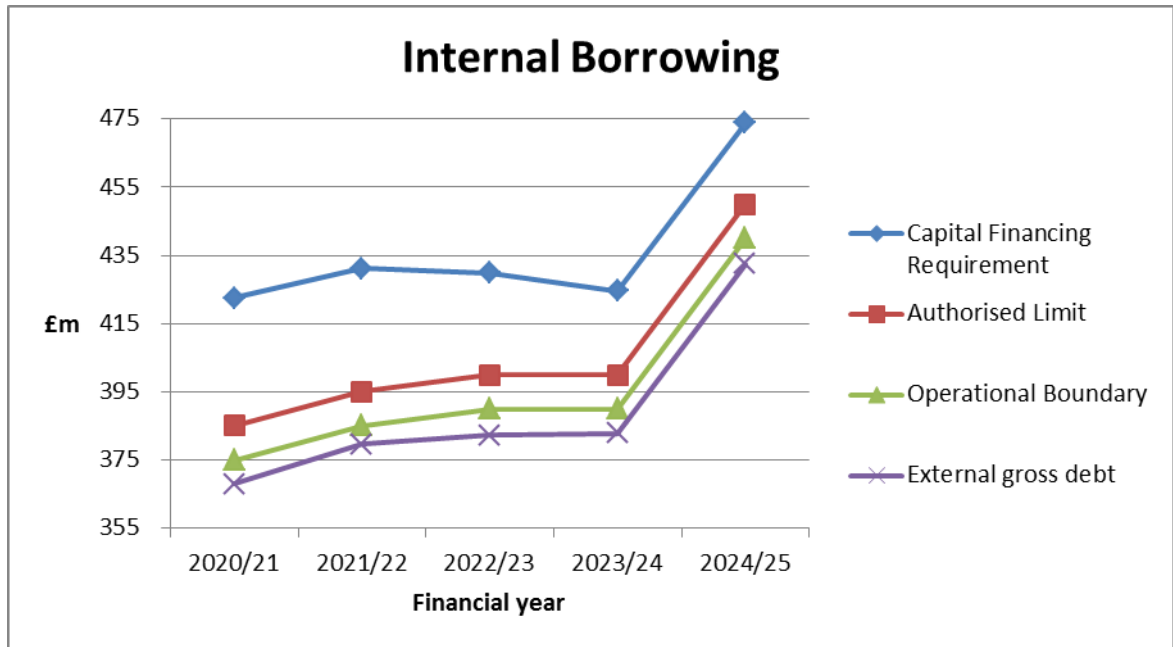
	Estimate 31st March 2021 £000	Estimate 31st March 2022 £000	Estimate 31st March 2023 £000	Estimate 31st March 2024 £000	Estimate 31st March 2025 £000
External gross debt	367,909	379,567	382,301	382,913	432,507

3.4.2 Under the Prudential Code, gross external borrowing must not, except in the short term, exceed the total of the capital financing requirement for the previous year, plus any additional amounts for the current year and the next two financial years. This means that gross external borrowing cannot exceed £429.825m at 31 March 2021, £424.598m at 31 March 2022 and £473.852m at 31 March 2023.

4 Prudential Indicators for Affordability

4.1 Internal Borrowing/Interest Rate Risk

4.1.1 The graph below shows the estimated Capital Financing Requirement, Authorised Limit, Operational Boundary and levels of external borrowing over the next five years.



4.1.2 The gap between the Capital Financing Requirement and the levels of external debt illustrates the level of internal borrowing. This reflects the Council's exposure to interest rate movements equivalent to the interest lost on investment income. Also, when the borrowing is taken out the rate will be dependent on the prevailing economic and market conditions at the time. This is a risk if PWLB rates rise significantly. For every 1 basis point (0.01%) increase in rates the interest paid on borrowing £10m for 50 years rises by £50,000 over the life of the loan. A 1% increase in rates on a £10m loan would increase the cost to £5m over the life of the loan.

4.1.3 The gap between the Capital Financing Requirement and the Operational Boundary/Authorised Limit highlights the potential scope and flexibility to borrow further, if the cash flow and treasury management position allows.

4.2 Estimates of the Proportion of Financing Costs to Net Revenue Stream

4.2.1 This indicator records estimated capital financing costs as a percentage of the net revenue stream.

4.2.2 Capital financing costs are the revenue cost of financing the debt (the interest payments and the amount set aside annually to repay debt) less interest earned on investments. This is an important indicator because it shows how much of the Council's revenue resources are 'tied up' in fixed capital financing costs. Setting and reviewing this, means that the Council can ensure that its capital financing

costs do not become too large a part of the revenue budget, compared to the cost of running services.

	Estimate 2020/21 %	Estimate 2021/22 %	Estimate 2022/23 %	Estimate 2023/24 %	Estimate 2024/25 %
General Fund	13.06	13.10	13.12	12.98	12.88
Housing Revenue Account	28.25	28.33	28.09	28.23	28.42

5 Prudential Indicators for Treasury Management

5.1 Maturity Structure of Borrowing during 2020/21

5.1.1 The table below shows the limits within which the Council delegates its length of borrowing decisions to the Strategic Director (Finance and Resources)/Section 151 Officer in 2019/20.

	Upper limit %	Lower limit %	Estimated outstanding debt maturity at 31st March 2021 %
Under 12 months	20	0	0
12 months and within 24 months	30	0	1
24 months and within 5 years	40	0	2
5 years and within 10 years	60	5	16
10 years and within 20 years	100	15	29
20 years and within 30 years	100	0	18
30 years and above	80	20	34

5.1.2 The percentages in each category for the upper and lower limits do not add up to 100% as they do not represent an actual allocation.

5.1.3 The actual maturities of new borrowing will be decided taking account of the maturities of existing loans and the interest rates for the various maturity periods available at the time.

5.2 Total Principal Sums Invested for Periods over 365 Days

5.2.1 A large part of the Council's investments are managed by external fund managers. However, a working cash balance is also managed internally within the Council. Part of this cash balance is utilised to smooth out the day to day movements on the cash flow. It is not therefore the intention that this part of the balance would be invested for more than 365 days. The rest of the cash balance is invested to achieve the optimum returns consistent with the effective control of risk.

5.2.2 This indicator sets a prudential limit for principal sums invested for periods over 365 days. The following limits are for principal sums invested in-house:

	Estimate 2020/21 £m	Estimate 2021/22 £m	Estimate 2022/23 %	Estimate 2023/24 %	Estimate 2024/25 £m
Limits on the total principal sum invested to final maturities beyond the period end	25	25	25	25	25

Appendix xx: Summary of Equality Analyses supporting budget proposals 2020-21

Outlined below is a summary Equality Analyses (EA) which supports specific budget proposals for 2020/21 which may have a direct equalities impact for groups with ‘protected characteristics’ 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. Any service restructures that impact on staff are required to be subject to an EA.

1. [Revenue proposals](#)
2. [Reserves proposals](#)
3. [Capital proposals](#)

Theme no.	1. Revenue proposal	Equality analysis
PJ1	Tree & Shrub Planting/Maintenance – £200,000	Additional trees and shrubs can play a part in mitigating the impact of air pollution and enhancing mental health. Children, older people and those with chronic lung or heart conditions are considered more vulnerable to the effects of air pollution. People living in more deprived areas may also be more susceptible to air pollution, where the cumulative impact of impaired health of other factors, such as diet and higher smoking rates, create disproportionate health impacts between, and within, communities. Others at a higher risk, such as those working in polluted places or commuting to work through heavily congested urban areas may also benefit.
SW1	External Care Provision – £2,375,000	Additional support reflects the growing pressures of increased numbers of looked after children (LAC) and the impact of increased provision costs. Placing LAC locally remains a high priority, so that children are closer to their own family, school, community, care and other local services that generally lead to better outcomes for these children.
SW2	In house foster carers – £400,000	Measure supports moves to maximise the use of in-house foster carers, who can often provide a better experience, for looked after children than via independent foster care agencies (IFAs), through better local knowledge, the receipt of more specific training, greater likelihood of children remaining closer to their communities and at the same school.

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SW3	Newly Qualified Social Carers – £210,000	Reduction in use of agency staff should provide a better service for children, as a result of greater stability and consistency in relation to services provided and the potential to develop council staff in line with desired outcomes.
SW4	Field work services – £115,000	As for SW3
SW5	Vulnerable Children – £100,000	Resource is to support often vulnerable children who may, for example, be unaccompanied, have refugee status, are part of 'failed' asylum seeker households or have limited or discretionary leave to remain and who councils are required to support.
SW6	Children's Social Care legal costs – £200,000	None specific – though greater capacity in the Council's legal service should mean cases being dealt with more efficiently, mitigating the impact of the legal process on vulnerable children and families.
SW7	Living Wage for Adult Service Providers – £1,095,000	The funding will support care providers required to pay the national living wage, helping to support a low paid workforce who are disproportionately made up of women and ethnic minorities. This will also help in providing a more stable workforce and, therefore, a better service for those in care, many of whom are elderly or have a disability.
SW8	Children to Adults transition – £350,000	This will provide additional funding for young people as they reach adulthood, generally with learning disabilities and occasionally with mental health issues.
SW9	Older People demographics – £480,000	Additional funding to support the increasing number of older people living longer and often with a range of conditions and in need of care. The resources will enable people in this group to maintain more independent lives, or where necessary, have suitable support in residential care.
SW10	Equipment Services – £250,000	Will meet the need for more appropriate equipment to support the growing numbers of older people, and some younger people with more complex needs, to live independently in their own homes.
SW11	Green City Aspirations – £120,000	Enhances the Council's capacity to tackle air quality, where pollution has an adverse impact on children, older people and those with chronic lung or heart conditions in particular.
SW12	Public Health Act Funeral Arrangements – £25,000	Councils are required to organise funerals where no suitable arrangements have been made, often where people have died alone, in poverty or without relatives. The majority of the funerals are generally for men and for the over 65s. The service will continue to be sensitive to the varied funeral requirements of different religious and faith communities.

SW13	Liquid Logic Support Team - £155,000	None specific
SW14	Complex Needs Provision – £35,000	Will support moves to revise service provision to a small group, of mainly men, with complex and challenging needs, often related to mental health, alcohol and/or drug use. A revised model could enhance the quality of service, provide better working conditions for staff and mitigate the impact of the facility on the neighbouring area – which has relatively high levels of anti-social behaviour.
SW15	Southend Care – (£100,000)	Saving on the Southend Care contract as former SBC staff leave and new staff are recruited on Southend Care conditions. Impacts, on average, 12% of the workforce a year.
OP1	Library Review – £100,000	Will help to enhance service provision and provide a basis for more flexible use of space at libraries for communities and at places communities identify with, across the library service.
OP2	Income Generation – Registration Service – (£75,000)	Reflects a statutory increase in the fee for birth, death and marriage certificates - from £4 to £11 and will impact on all customers requesting the certificates. Children in care of the Council are not subject to a charge.
OP3	Asset Management Income – (£100,000)	None specific
CS1	Potholes – £500,000	Will help all those using the roads, including cyclists and those on a lower income who may be disproportionately impacted by damage to vehicles.
CS2	Town Centre Parking – £50,000	Enables continuation of 1 hour parking option that will help those on a lower income wanting to park in the town centre.
CS3	Signal Maintenance – £50,000	Will help increase safety and understanding of the traffic situation in different parts of the borough, for those (mainly some elderly) who do not have or use technology for travel news. Traffic signals at crossings are important safety measures for the visually impaired, those with disabilities and parents with children.
CS4	Streetworks Income – £500,000	None
CS5	Rechargeable Works – £100,000	None
E1	ICT Transformation – £200,000	Will support the Council's moves to enabling more flexible/agile working (work-life) helping staff who may have a need for more flexible arrangements, such as managing a disability or childcare.
E2	Workforce Development – £100,000	Will enable more staff to access good quality training and development at times and places convenient to them.
E3	Waste Disposal – (£800,000)	None

E4	Release of Pension Fund Provision – (£750,000)	None
E5	Productivity and Efficiency Gains – (£250,000)	None specific
E6	Facilities Management – £120,000	None specific
E7	Investment Income – (£400,000)	None

Theme no.	2. Reserves proposals	Analysis findings
	Service Design 20/21 £185,000, 21/22 £185,000, 22/23 £185,000	Will support the Council's work in enabling services to have a better understanding of, and be more responsive to, the varying needs of users and potential users
	Community Safety/ Environment Crime 20/21 £150,000, 21/22 £150,000, 22/23 £0	Measures will help enhance community safety and reduce levels of 'enviro crime' in the borough, the impact of which can be more significant on the vulnerable and those in less affluent areas.
	Summer and Winter Planning 20/21 £100,000, 21/22 £100,000, 22/23 £100,000	Funding will support enhanced community safety and moves to provide a more accessible tourism and culture offer and summer and winter events. Also, supports work to prepare for extreme weather conditions in summer and winter, which disproportionately impact on those with health conditions that makes them more vulnerable to very high and low temperatures, such as the elderly and very young.
	Community Builders/ Capacity Building Fund 20/21 £100,000, 21/22 £100,000, 22/23 £0	The approach will enable engagement of local communities and service users to better shape future service provision and potentially take responsibility for particular assets and services. Will also enable closer working between voluntary, faith, social enterprise, charitable and not for profit organisations that can provide a more joined up and inclusive approach.
	Economic Development 20/21 £100,000, 21/22 £100,000, 22/23 £0	None
	Workforce Development 20/21 £100,000, 21/22 £50,000, 22/23 £0	Will enable more staff to undertake quality training and development at times and locations of convenience to them.
	Complex Needs Provision 20/21 £150,000, 21/22 £150,000, 22/23 £0	Will support moves to revise service provision to a small group, of mainly men, with complex and challenging needs, often related to mental health, alcohol and/or drug use. A revised model could enhance the quality of service, provide better working conditions for staff and mitigate the impact of the facility on the neighbouring area – which has relatively high levels of anti-social behaviour.
	Local Plan 20/21 £410,000, 21/22 £130,000, 22/23 £0	The Plan aims to ensure the sustainable development of the borough for the next decade and beyond. The promotion of balanced and inclusive communities that benefit all is integral to achieving this, working closely with

		Southend's communities and neighbouring areas.
	Housing Implementation 20/21 £150,000, 21/22 £150,000, 22/23 £0	To support those who are experiencing homelessness, at risk of homelessness or rough sleeping, including vulnerable people with complex and challenging needs. The profile of rough sleepers tends to be overwhelmingly male and over the age of 25. The most common demographic groups of those approaching the council for homeless prevention or relief support are: 25-34 year olds, single mothers, single males and those with a history of mental health issues and those with physical ill health and disability.
	Outcome Delivery 20/21 £250,000, 21/22 £250,000, 22/23 £250,000	Supports the Council's programme to focus on achieving better outcomes for residents and service users.
	School Improvement 20/21 £200,000, 21/22 £200,000, 22/23 £200,000	Funding will support the Council's work in narrowing the achievement gap and raising the aspirations for pupils from more disadvantaged backgrounds as well as supporting more local pupils going to the borough's Grammar Schools.

Theme no.	3. Capital proposals	Analysis findings
C1	Southend Pier – Condition Works – £5,335,000 20/21 – £335,000, 21/22 to 24/25 – £1,250,000 p.a.	None specific
C2	HRA Affordable Housing Acquisitions Programme – £9,500,000 20/21 – £5,000,000, 21/22 – £3,000,000, 22/23 – £1,500,000	Will support the acquisitions programme, agreed as part of the Council’s housing, homelessness and rough sleeping strategy to help Southend residents in housing need. The most common demographic groups of those approaching the council for homeless prevention or relief support are: 25-34 year olds, single mothers, single males and those with a history of mental health issues and those with physical ill health and disability.
C3	HRA Future Investment Programme – £6,600,000 24/25 – £6,600,000	Investment in the Council’s social housing stock to ensure homes are of a good standard will help tenants across the borough. A high proportion of residents are in receipt of some proportion of Housing Benefit (over 50%) or are on relatively low incomes and are not in a position to do significant improvements themselves. Works will help residents with a disability as communal areas, safety work and adaptations to homes are upgraded.
C4	Junction Protection – £650,000 20/21 – £325,000, 21/22 – £325,000	Will help enhance safety for drivers and pedestrians, aiding, in particular, people with visual impairments, people with a disability, children and parents with younger children.
C5	Zebra Crossing Surfacing Replacement – £600,000 20/21 to 22/23 – £200,000 p.a.	Will enhance safety at zebra crossings aiding, in particular, the visually impaired, people with a disability, children and parents with younger children.
C6	Street Lighting - £250,000 21/22 to 22/23 - £125,000 p.a.	Improved lighting enhances the feeling of community safety, particularly in relation to the elderly, women, the more vulnerable and those in central and eastern wards, while generating savings from energy use and maintenance and reducing CO2 emissions.
C7	Car Park Resurfacing – £500,000 20/21 to 21/22 – £250,000 p.a.	Works will provide improved access and surfaces for those on foot who have mobility issues.
C8	Carriageways and Footways Improvements – £1,000,000 20/21 – £1,000,000	Works should provide improved footways and visibility of surface changes, resulting in less trips and falls, which are disproportionately experienced by the elderly and those with disabilities.

C9	Improve Footway Condition Around Highway Trees – £450,000 20/21 to 22/23 – £150,000 p.a.	Works should provide improved footways around trees, resulting in less trips and falls, which disproportionately impact the elderly, those with limited sight and those with disabilities.
C10	ICT – Connected and Smart – £1,250,000 20/21 – £350,000, 21/22 to 22/23 – £450,000 p.a.)	None specific but will support a range of key projects to drive the achievement of the Council's desired outcomes benefiting all residents, including many with high needs.
C11	Schools – Improvement and Provision of Secondary School Places – £2,600,000 20/21 – £2,000,000, 21/22 – £600,000	The investment will provide sufficient school spaces, prevent over-crowding and an enhanced school experience which is likely to benefit pupils from more deprived backgrounds in particular. It will also provide parents with more choice on which school their children attend.
C12	Schools – Condition Works – £1,290,000 20/21 – £290,000, 21/22 to 22/23 – £500,000 p.a.	Maintaining good standards of school buildings is important to enhancing the school experience for all pupils. Investment will also maintain the standard of infrastructure of children centres, which make a key contribution to enabling families become more resilient, and give a better start in life, particularly for children from more deprived backgrounds.
C13	Schools – Devolved Formula Capital – £300,000 20/21 to 22/23 – £100,000 p.a.	As for C11 and C12
C14	Better Queensway – Programme Management – £1,020,000 20/21 – £540,000, 21/22 – £480,000	Will support the programme to transform the northern end of Southend town centre, with a new mixed tenure development of more, better quality housing, and outdoor space along with improved connectivity. Most residents are under 40, around 10% have a disability and two thirds are in receipt of benefit. Existing residents will have the opportunity to return/remain in the area and to benefit from an improved quality of life through improved accommodation, public realm, access and provision.
C15	Better Queensway – Acquisition of Leasehold Properties – £2,600,000 20/21 – £800,000, 21/22 – £1,800,000	Will support the Better Queensway programme in providing, in particular, suitable alternatives to existing residents while building works are taking place.
C16	Priority Works – £2,400,000 21/22 to 24/25 – £600,000 p.a.	None specific
C17	Property Refurbishment Programme – £3,750,000 20/21 to 24/25 – £750,000 p.a.	Will assist in modernising council buildings, including ensuring they are accessible and usable by customers, staff and visitors, including those with disabilities.

C18	ICT – Stabilise and Run – £3,095,000 20/21 – £785,000, 21/22 – £1,255,000, 22/23 – £1,055,000	None specific
C19	ICT – Cybersecurity – £1,050,000 20/21 – £450,000, 21/22 to 22/23 – £300,000 p.a.	None specific
C20	ICT – Business Enablement – £2,110,000 20/21 – £1,735,000, 21/22 – £375,000	Will support the Council's moves to enabling more flexible/agile working (Work-life) helping staff who may have a need for more flexible arrangements, such as managing a disability, a health condition or childcare.
C21	ICT – Business Services – £660,000 20/21 – £660,000	None specific
C22	Kiosks in Libraries – £100,000 20/21 – £100,000	No significant impact, other than that by modernising the self-serve kiosks, users can make payments by card as well as by cash, giving more options for customers.
C23	Crematorium refurbishment – 20/21: £1,780,000 (subject to viable business case)	None specific
C24	East Beach Car Park Refurbishment (subject to viable business case)	Works will provide improved access and surfaces for those on foot who have mobility issues and improved lighting will benefit those with visual impairment.
C25	Town Centre and Seafront Security Works (subject to viable business case)	Improved security should enhance a feeling of community safety in the town centre and seafront, with particular impact on those who may be more fearful of crime and anti-social behaviour – including the elderly and more vulnerable.
	Shoeburyness Health Centre (subject to viable business case)	<p>None specific at this stage but if the project is realised, a new facility could provide enhanced health and care services via the NHS, council and voluntary sector. Any development will be co-designed with the community to ensure that the needs of residents in the East locality are met. In particular, the development will address the needs of an area where the population has higher than (Southend) average bad or very bad health generally.</p> <p>This includes higher than average levels of mental health illness, increased likelihood of developing a long-term illness and a higher prevalence of unhealthy life styles. Children are more likely to experience an acute illness and an unhealthy weight as well as experience emotional/behavioural problems.</p>

		A full equality analysis will be undertaken as part of the business case.
	Car Park provision – Tylers Avenue and two other possible site locations	None specific – equality analysis to be undertaken as part of the decision making considerations.

Southend-on-Sea Borough Council

Report of Executive Director (Finance and Resources)
and Deputy Chief Executive and Executive Director
(Housing and Growth)

To

Cabinet

On
16 January 2020

Agenda
Item No.

8

Housing and Development Pipeline Update

Policy and Resources Scrutiny Committee
Cabinet Members: Councillor Ian Gilbert and Councillor Ron Woodley

Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To update members on the work underway on the pipeline of housing and development opportunities across the borough.

2. Recommendations

- 2.1 To note progress on the Acquisitions Programme for Council Housing as set out in sections 3.5 – 3.8.
- 2.2 To note the progress of the first phase of housing and development pipeline sites currently in delivery as set out in section 3.12 and progress with PSP Southend LLP in section 3.14 – 3.16.
- 2.3 To note the progress of the Allocations Policy as set out in sections 3.18 – 3.21.

3. Background

- 3.1 On 25th June 2019 Cabinet resolved to progress with a regeneration framework, develop a pipeline of housing and regeneration projects and proceed with the Acquisitions Programme for Council Housing.
- 3.2 On 17th September 2019 and 5th November, Cabinet noted the progress of both the regeneration framework and the Acquisitions of Programme for Council Housing.

- 3.3 On 17 September, Cabinet agreed to the re-branding of PSP Southend LLP and to updating related governance arrangements. Agreement was also reached for PSP Southend LLP to be invited to undertake the next stage of feasibility for sites which the pipeline assessment work has indicated would be suitable for PSP delivery.
- 3.4 This report updates on the work undertaken subsequently and on the next phases of work which will be required to support the Council's ambitious housing and land development programme.

Acquisitions Programme Update

- 3.5 On 25th June 2019, Cabinet agreed to proceed with the Acquisitions Programme for Council Housing and agreed the associated £6.6m budget in response to the need for the use of accumulated Right to Buy capital receipts for the Council, which required a spend programme as detailed below:

Quarter	19/20 RTB required investment
Q2	£ 1,844,114.14
Q3	£ 1,916,028.32
Q4	£ 880,947.56
Total	£ 4,641,090.02

- 3.6 Housing, Corporate Property & Asset Management and South Essex Homes officers have been progressing with the identification and acquisition process agreed by Cabinet previously. To this end, as at the end of December 2019, 18 properties have been purchased to a value of £4.37m, with a further 9 properties under offer and with solicitors to the value of £1.97m.
- 3.7 The 2019 Quarter 2 and Quarter 3 target has been met and the target for Quarter 4 is on track to be met ahead of schedule.
- 3.8 Of the properties acquired in this programme; 4 are already tenanted, 2 have been identified for adaptations by the Council's Aids and Adaptations team, 9 have voids works ongoing and 3 are awaiting surveys.
- 3.9 The table overleaf sets out the properties currently completed or under offer and the total anticipated spend:

Property Type	Bedrooms	Offer	Completed	Completion Date	Anticipated completion
semi-detached	4	£ 335,000.00	Y	26/07/2019	
semi-detached	3	£ 248,000.00	Y	16/08/2019	
semi-detached bungalow	2	£ 255,000.00	Y	30/08/2019	
Terraced	3	£ 230,000.00	Y	03/09/2019	
semi-detached	3	£ 320,000.00	Y	13/09/2019	
semi-detached	2	£ 240,000.00	Y	20/09/2019	
semi-detached	3	£ 260,000.00	Y	23/09/2019	
semi-detached	3	£ 245,000.00	Y	23/09/2019	
flat	2	£ 182,500.00	Y	24/09/2019	
semi-detached	3	£ 254,000.00	Y	26/09/2019	
flat	2	£ 185,000.00	Y	30/09/2019	
end of terrace	3	£ 270,000.00	Y	04/10/2019	
semi-detached	3	£ 248,000.00	Y	23/10/2019	
semi-detached	2	£ 235,000.00	Y	25/10/2019	
terraced	3	£ 242,500.00	Y	12/11/2019	
end terrace	2	£ 225,000.00	Y	04/12/2019	
end of terrace	2	£ 260,000.00	Y	06/12/2019	
flat	1	£ 135,000.00	Y	20/12/2019	
semi-detached	3	£ 245,000.00			19/20 Q4
semi-detached bungalow	2	£ 252,500.00			19/20 Q4
flat	2	£ 170,000.00			19/20 Q4
terraced	3	£ 250,000.00			19/20 Q4
flat	2	£ 185,000.00			19/20 Q4
terraced	3	£ 130,000.00			19/20 Q4
end of terrace	3	£ 240,000.00			19/20 Q4
end of terrace	3	£ 260,000.00			19/20 Q4
Semi-detached	2	£ 245,000.00			19/20 Q4
TOTAL = 27		£ 6, 347,500.00			

Regeneration Framework and Development Pipeline

3.10 As previously reported, 31ten Consulting (31ten) have been engaged to bring independent advice and rigour to the process of analysing individual sites, their development potential and how they can most beneficially fit in to a comprehensive development pipeline within which capital receipts can be recycled to improve the sustainability of the overall programme. This includes sites for housing, wider regeneration and a range of other land uses.

- 3.11 A housing and development pipeline, including Council owned and private sites has been collated by a corporate team of Assets, Strategic Planning, Housing, Development Control, Regeneration and Finance officers.
- 3.12 The next stage of the pipeline work is now being undertaken which involves assembling and bundling the sites and high-level feasibility work. This is now underway on an initial batch of sites, with scale and massing work commissioned to establish the development potential. The remainder of the pipeline will be subject to further procurement and the brief for this work is being developed. The findings of this work will enable a more detailed assessment of the number of units which could be delivered across the pipeline and the most appropriate delivery vehicle for achieving this.
- 3.13 A number of sites within the Pipeline are currently underway and this section sets out those sites which are approved to proceed and which are now in the delivery phase.

Site	Number of Units	Delivery Vehicle	Progress comment	Estimated completion
Friars, Constable Way	Nursery plus 9 houses	PSP Southend LLP	Nursery has now been completed. Housing has now started on site.	Q4 2020
Ilfracombe Avenue Car Park	24 flats	PSP Southend LLP	Agreed to proceed to PSP Southend LLP at Cabinet on 17 th September. Pending agreement at the next stage by the LLP.	Q4 2021
Modern Methods of Construction (MMC) Pilot Project	4-5 Units	Self Development	Employers Agent (EA) & Architect have now been appointed. Site investigation has been carried out. Full Planning application to be submitted in early 2020.	2021/22 Q1
HRA Phase 3	Estimated 25 Units	Self Development	Site investigation has now been carried out. EA to be appointed following procurement exercise in December 2019.	2021/22 Q3
HRA Phase 4	Estimated 20 - 31 Units	Self Development	Site investigation has now been carried out. EA was appointed in December 2019.	2021/22 Q4
HRA Phase 5 & 6	Tbc	Self Development	Feasibility work to determine Phases 5 & 6 now underway.	tbc
Total	82-94 +			

PSP Southend LLP Update

- 3.14 On 14 June 2011, Cabinet agreed to establish a Limited Liability Partnership (LLP) which has 50:50 representation and ownership by the Council and BV Strategies Facilitating Ltd. (now PSP Facilitating Ltd) respectively. On 12 December 2011, the LLP was formally incorporated as PSP Southend LLP (“the LLP”).
- 3.15 Following Cabinet in September, discussions have been progressing to re-set and re-brand PSP Southend LLP and to align the governance to the Shareholder Board. Once settled, the new arrangements will be presented to Cabinet for agreement so that the legal work can then be completed to establish the partnership for the next period. It is anticipated that the revised arrangements will be ready to present to 25 February 2020 Cabinet.
- 3.16 It is expected that the new arrangements will be in place for the start of the 2020-21 Financial Year.

Supported Living/Extra Care Accommodation

- 3.17 Within the pipeline work, a number of sites are being considered for supported housing/extra care accommodation and officers across Adult Social Care, Housing and Property are looking at the appropriate models and sites which could accommodate (in whole or part) schemes including supported living/extra care accommodation including for example the land off Prittlewell Chase adjacent to the new-build currently on-site. The review of the sheltered accommodation forms part of the overall pipeline work.

Allocations Policy

- 3.18 A draft Allocations Policy has been drawn up and went out to 2nd stage of consultation which finished on 18th November 2019. There was a good mix of respondents across both internal teams and third party organisations.
- 3.19 Officers are currently following up on some of the comments received from those who did not strongly agree and making amendments to the policy document where appropriate.
- 3.20 It is envisaged that the amendments to the policy document will be ‘minor’ and mainly related to procedure and communications, and therefore will be able to be signed off under delegated authority, as agreed by Members.
- 3.21 A number of changes to the Housing webpages are being finalised and the Housing Options Wizard, (interactive tool offering information and guidance) is being updated following feedback from the consultation. The policy also requires changes to be made to our Allocations software and initial scoping with our provider has taken place. We will shortly receive our quote for the length of time and cost of implementing the required changes, but aim to be going live with the policy early next year.

4. Other Options

- 4.1 Alternative arrangements for the Right to Buy spend such as grants to Registered Providers were considered for the Acquisitions Programme however this would not have resulted in the long term benefit to the Council in the way of HRA property.
- 4.2 The Council does not need to continue the relational partnering arrangement with PSP however this is a useful non-committal additional delivery option for the Council which will be well placed to assist with capacity and delivery, particularly (but not exclusively) of housing sites, going forward. Feasibility work is also underway within the LLP on a number of sites as previously agreed.

5. Reasons for Recommendations

- 5.1 To update Cabinet on the progress of the HRA infill sites, acquisition programme and PSP Southend LLP developments.
- 5.2 To update on the pipeline and regeneration framework.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

The development and acquisition of the housing and regeneration pipeline work towards the Southend 2050 Safe and Well outcomes of **“We are well on our way to ensuring that everyone has a home that meets their needs”** and **“We act as a green city with outstanding examples of energy efficient and carbon neutral buildings”**.

The development of a regeneration framework and pipeline are also key contributors to the Opportunity and Prosperity outcomes “We have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities” and **“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’s *Housing, Homelessness & Rough Sleeping Strategy* aims to provide ‘decent high quality, affordable and secure homes for the people of Southend’ and the development and purchase of affordable contributes to this.

6.2 Financial Implications

- 6.2.1 Cabinet has previously agreed the budget of £645k for the next steps of the Regeneration Framework and Development Pipeline. This budget will be called upon for the first stage of the feasibility for the Pipeline sites.
- 6.2.2 The costs and funding of each scheme will require a full business case assessment. Funding for the investment referred to in the report will come from

a variety of sources such as capital receipts, HRA capital investment reserve, borrowing, and external funding (both public & private).

6.3 Legal Implications

Initial consultation has been undertaken with the Council's Legal Team for the expansion of the MMC pilot and ongoing work is being undertaken with Essex Legal Services for the Acquisitions Programme.

Legal considerations relating to individual sites will be dealt with through the usual due diligence process.

Legal considerations relating to the PSP Southend LLP governance changes will be addressed as negotiations progress.

6.4 People Implications

No People Implications regarding the Pipeline or the re-branding of PSP Southend LLP although work is underway looking at to what extent internal resources could be used to supplement the LLP work and then charged back to development projects where appropriate.

6.5 Property Implications

The main purpose of the pipeline work is to review, and develop a strategic approach for the Council's forthcoming and latent development opportunities and this will of course generate many strategic and detailed property implications as the work progresses.

6.6 Consultation

Consultation has taken place with internal colleagues for the pipeline of projects and the work is being progressed by a corporate team.

Following the initial feasibility, early engagement with Cabinet Members and the Housing and Homelessness Working Party will be important. Further consultation will be undertaken with planning, local residents and ward members as appropriate and for the larger sites, soft market testing will be an important part of the process.

6.7 Equalities and Diversity Implications

The relevant equality assessments will be undertaken where necessary.

6.8 Risk Assessment

Risk register and issue logs will be used as part of the development of the sites within the Pipeline and are continued to be used for the Acquisitions Programme.

6.9 Value for Money

All spend in relation to the projects will be subject to the relevant procurement rules, to ensure procurement compliance and value for money.

6.10 Community Safety Implications

Sites will be considered individually as they progress and through consultation, the Council will look to meet Secured by Design standards where possible and practical.

6.11 Environmental Impact

New pipeline schemes such as the MMC will look to improve energy use and environmental standards in the build process where possible and also will look to improve landscaping and environmental and economic sustainability where possible.

7. Background Papers

Cabinet Report. *Future Phases of Affordable Housing Development Programme Update*, 17th January 2019

Cabinet Report, *Housing Update*, 25th June 2019

Cabinet Report, *Housing and Development Pipeline Update*, 17th September 2019

Cabinet Report, *Housing and Development Pipeline Update* 5th November 2019

Southend-on-Sea Borough Council

Report of Executive Director (Legal and Democratic Services)

To

Cabinet

On

16th January 2020

Agenda
Item No.

9

Report prepared by: Colin Gamble (Head of Democratic Services)

Notice of Motion – Transparent and Accessible Council

Cabinet

Cabinet Member: Councillor Gilbert
Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To consider the Notice of Motion requesting that consideration be given to extending webcasting to the Council's scrutiny committees and enhancing the use of social media in conjunction with live recorded meetings.

2. Recommendations

- 2.1 **That webcasting of meetings of the Cabinet and the three scrutiny committees (to be held in the Council chamber) be trialled during the June/July 2020 cycle of meetings.**
- 2.2 **That officers be requested to consider ways of enhancing the use of social media in conjunction with the webcasting arrangements.**

3. Background

- 3.1 At the meeting of Council held on 17th December 2019, councillors received the following Notice of Motion submitted by Councillor Habermel and supported by eighteen other conservative councillors:

"This Council should remain transparent and accessible to all residents in Southend. With more people turning to the internet and social media to keep informed about the events in their local area.

At present only the Full Council meeting is streamed live on the council's website. This has meant that residents who are unable to attend important public meetings such as cabinet and the three scrutiny committees, whether due to mobility issues or prior commitments, are unable to scrutinise the decisions made at this level.

Therefore, this Council resolves to:

a) Host all public Place, People and Policy and Resource Scrutiny Committees in the full chamber where they should be recorded with the cameras to be streamed live and stored on the Council website.

b) To stream live all recorded meetings on social media platforms where possible.

c) To ensure live updates on the Council's social media page happens for every social media feed."

- 3.2 The webcasting of Council meetings was introduced following a decision taken on the matter by Cabinet on 6th November 2012 (minute 446, refers). At the same time authority was given to upgrade the audio system in the Council chamber.
- 3.3 The opportunity to introduce webcasting was timely as it was announced by the then Secretary of State that members of the public who wanted to report on Council meetings would be offered the same privileges enjoyed by the accredited press. By virtue of the Openness of Local Government Bodies Regulations 2014, residents were later permitted to film, photograph or audio record public meetings of local authorities.
- 3.4 The webcasting of the Council meetings has been in operation for seven years through a third party provider (Public-i Group). There are statistics available showing the viewing figures for those meetings. The figures for the period January 2018 to December 2019 are set out in the table in [Appendix 1](#) to this report.
- 3.5 It is clear from the statistics that there are peaks and troughs in the viewing of Council meetings. There is no direct evidence about why people watch certain meetings more than others but the indications are that meetings are viewed more times where there are items of significant public interest on the agenda.
- 3.6 Increasingly councils are webcasting their meetings to provide a means of engaging citizens who would not normally be able to attend meetings, but are interested in what is being discussed. In recognition that it is becoming common practice elsewhere, it is considered there is merit in trialling webcasting at meetings of the Cabinet and the three scrutiny committee. It is proposed that webcasting of meetings of those bodies be trialled in the June/July 2020 cycle of meetings. Following the exercise, an assessment will be undertaken to determine the outcome to guide the Council's future approach to webcasting. This assessment will include consideration of whether the Council chamber and the equipment in it is fit for purpose.
- 3.7 It is also proposed that officers investigate ways of enhancing the use of social media in conjunction with the webcasting arrangements. In particular, it is suggested that officers speak to the Public-i Group about how live webcasting could be embedded into the Council's Twitter and Facebook feeds, as opposed to promoting the link to the webcasting which is the current practice.

Embedding into the feeds would potentially improve engagement rates and allow two way conversations with local people.

4. Other Options

4.1 Not to extend webcasting to Cabinet and the three Council scrutiny committees.

5. Reasons for Recommendations

5.1 To further improve the transparency and accessibility of meetings of the Cabinet and scrutiny committees.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

This report is relevant to the 2050 'Active and Involved theme'. The webcasting of meetings enhances democratic engagement by opening up the Council's decision-making and scrutiny to a wider audience.

6.2 Financial Implications

The Council has a contract with Public-i for the webcasting of meetings of the Council. Part of the annual cost is based on the number of hours of the webcasts. The agreed number of hours would need to be increased to 20 hours for the purposes of the trial at a cost of approximately £750. There is a further cost (£500) for additional security staff for the meetings to be held in the Council chamber.

6.3 Legal Implications

There is no legal requirement for councils to webcast their meetings

6.4 People Implications

None.

6.5 Property Implications

None.

6.6 Consultation

Not applicable

6.7 Equalities and Diversity Implications

By improving accessibility and inclusion in the democratic process, there are direct advantages to those with protected characteristics

6.8 Risk Assessment

The leasing of equipment and the use of a managed service, using expert webcast providers is a tried and tested approach that has been adopted by many local authorities.

6.9 Value for Money

See comments under financial implications above.

6.10 Community Safety Implications

None.

6.11 Environmental Impact

None.

7. Background Papers

None.

8. Appendix 1

Webcasting of Council Meetings Jan 2018 - Dec 2019

Webcasting of Council Meetings Jan 2018 - Dec 2019

Appendix 1

Date of Council Meeting	All Views	Live Views	Archive Views
22nd February 2018	297	189	108
19th April 2018	104	30	74
10th May 2018	71	16	55
19th July 2018	173	53	120
18th October 2018	294	68	226
13th December 2018	221	67	154
21st February 2019	441	202	239
17th April 2019	164	56	108
16th May 2019	131	35	96
9th May 2019	164	64	100
3rd June 2019	510	201	309
13th June 2019	138	45	93
18th July 2019	272	105	167
24th October 2019	271	118	153
17th December 2019	102	38	64

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Southend-on-Sea Borough Council

Report of Executive Director (Legal and Democratic Services)

To

Cabinet

On

16 January 2020

Report prepared by: John Williams

Agenda
Item No.

10

South East Local Enterprise Partnership (SELEP) - Incorporation

Policy & Resources Scrutiny Committee

Cabinet Member: Councillor Gilbert

Part 1 (Public Agenda Item)

1. Purpose of Report

SELEP (the South East Local Enterprise Partnership) exists to promote employment opportunities and distribute government funding.

All Local Enterprise Partnerships are now required by central government to set up a company and this report explains how this is proposed to happen and asks Cabinet to take the necessary decisions to allow this to happen.

2. Recommendations

- 2.1. Agree that the Council will become a member of South East LEP Limited with Articles of Association as at **Appendix 1**.
- 2.2. Agree to sign the framework agreement in the form at **Appendix 2**.
- 2.3. Agree that the Leader will be the Council's initial member of the Board with the Deputy Leader as alternate director.
- 2.4. Agree that the Leader will be the Council's initial member of the Accountability Board with the Deputy Leader as principal substitute.

3. Background

- 3.1 Local Enterprise Partnerships were created locally to replace Regional Development Agencies. In order to allow flexibility, the Government did not have any prescriptive requirements as to legal structure and there has been diversity as to how they operate. However, over time government thinking has changed and the Government now requires all LEPs to create a company if they are to continue to be eligible to receive Government funding.

3.2 Southend-on-Sea is part of the South East Local Enterprise Partnership (SELEP). This covers the combined administrative areas of:

- East Sussex
- Essex
- Kent
- Medway
- Southend on Sea
- Thurrock

3.3 SELEP currently operates with Essex CC acting as the 'accountable body'. As Accountable body it is legally accountable to Government for how the money is spent across the SELEP area.

SELEP has a strategic board and four federated boards which are all informal bodies with no legal constitution. These organisations consider applications for funding and the Strategic Board makes recommendations to a local authority joint committee comprising one member for each of the six local authorities and an independent non-voting chair, who is also vice-chair of the strategic board. Funding passes from ECC to the relevant local authority who then enter into an agreement with the recipient, ensuring there is local accountability for funding. SELEP is supported by a small team of officers who are employed by Essex CC but who report directly to the Section 151 Officer at ECC, rather than to the economic growth team.

The current structure therefore gives:

- A strong voice for business who dominate the federated and strategic boards.
- An efficient structure which uses existing employers, pension arrangements and financial systems.
- Local accountability so that local authorities have an input in allocation of funds via the strategic board via the joint committee and are accountable for the activities of recipients of funding by signing agreements with the accountable body.

3.4 A sketch diagram showing how SELEP currently operates is at **Appendix 3**.

3.5 Although SELEP members and partners are happy with how SELEP is operating, there have been some concerns about how other LEPs are operating and in 2019 the Government decided that all LEPS would need to operate via a company by April 2020.

3.6 The SELEP partners have been working on how best to achieve this. The consensus is that a company should be included in the arrangements with as little change as possible to the current arrangements.

- 3.7 It is therefore proposed that a company limited by guarantee should be created. A sketch diagram showing how the company will operate is also included in **Appendix 3.**

The members of the company would be:

- Members of the federated boards who wish to become members of the company.
- One member nominated by each local authority.

This will continue to give federated boards a strong voice in the running of the company and the members/federated boards will continue to make recommendations on allocation of funding and will continue to have a say in the appointment of the board of the company.

- 3.8 The board of the company would be comprised of between 20-25 directors as follows:

(1) Fourteen Private Sector Directors:

- The Chair (independently appointed)
- The Deputy Chair (independently appointed)
- Two individuals nominated by the Success Essex Members
- Two individuals nominated by the Opportunity South Essex Members
- Five individuals nominated by Kent & Medway Members
- Three individuals nominated by East Sussex Members

(2) Six Public Sector Directors, one appointed by each of the six local authorities.

(3) Up to five co-opted directors:

- Two District/Borough/City Council Leaders or Cabinet Members
- One Further Education representative
- One Higher Education representative
- One Third Sector representative

- 3.9 This is the maximum size of board permitted by central government and strikes a balance between Essex, Kent and East Sussex. The Government also requires a local authority to remain as accountable body since the statutory power used to pay money only allows money to be paid to local authorities.

- 3.10 In order to disturb the arrangements as little as possible the Strategic Board has decided that it does not want the company to hold the funding or employ any staff. This minimises risk and cost, but does have the consequence that it is still the local authorities which will be making the final decision on allocation of funding via the accountability board and money will still pass from the accountable body to the local authority or FE College for the beneficiary's area.

- 3.11 The business members of the SELEP Boards have decided that this is the way in which they want to work. They are comfortable with this because in practice the SELEP partners and the secretariat have worked hard to develop consensus on funding, meaning that in practice funding is rarely contentious by the time decisions are taken. The joint committee will of course continue to give great weight to the views expressed by the federated boards and the business representatives.
- 3.12 The SELEP strategic board has therefore recommended that this approach is taken.
- 3.13 The other main option considered was to have the company employing the secretariat and receiving and distributing the funding, but this would involve a lot of legal and financial structures and the consensus is that the costs and bureaucracy involved in this outweighs the benefits.
- 3.14 The recommended approach has been developed in consultation with the Ministry of Communities, Housing and Local Government and the Department for Business, Energy and Industrial Skills who are happy with the proposals.

4. Other Options

To have the new company employing the secretariat and receiving and distributing the funding – but this would involve a lot of legal and financial structures and the consensus is that the costs and bureaucracy involved in this outweighs the benefits.

5. Reasons for Recommendations

All Local Enterprise Partnerships are now required by central government to set up a company.

6. Corporate Implications

6.1 Contribution to Southend 2050 Road Map

SELEP contributes in a significant way to various aspects of the Southend 2050 Road Map, particularly the objectives in Opportunity & Prosperity and Connected & Smart.

6.2 Financial Implications

This report will have no direct financial implications since SELEP will continue to operate in the current manner and the Council will continue to contribute and passport funding to recipients in the same way as it currently does.

6.3 Legal Implications

The recommendations in this report have been developed in consultation with the other five local authorities and with the current SELEP boards.

SELEP has obtained counsel's advice on liabilities of directors of the company. Counsel has advised that since the company has no assets the risks are low and most liabilities will be covered by directors and officers insurance which the company intends to procure.

6.4 People Implications

None

6.5 Property Implications

None

6.6 Consultation

Internal only

6.7 Equalities and Diversity Implications

6.7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

6.7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

6.7.3 No equality impact assessment has been written as this report will largely continue with SELEP's existing processes. One positive impact which is related to but not directly caused by the incorporation of SELEP is that the new assurance framework requires SELEP to meet requirements relating to equalities which is therefore likely to lead to a greater participation in public life by people with a protected characteristic.

6.8 Risk Assessment

There are no significant risks associated with incorporation.

6.9 Value for Money

N/A

6.10 Community Safety Implications

N/A

6.11 Environmental Impact

N/A

7. Background Papers

None

8. Appendices

Appendix 1 – Articles of Association.

Appendix 2 – Framework Agreement

Appendix 3 - Diagrams showing how SELEP currently operates

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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY
GUARANTEE

ARTICLES OF ASSOCIATION
OF

SOUTH EAST LEP LIMITED (the "Company") Dated 2020

Interpretation, objects and limitation of liability

1. INTERPRETATION

1.1. In these Articles, unless the context otherwise requires

Accountability Board means the joint committee of the Councils constituted in accordance with the Framework Agreement

Accountable Body: means Essex County Council or such other local authority from time to time having responsibility for overseeing the proper administration of financial affairs within the LEP Area when these relate to public funds;

Act: means the Companies Act 2006;

AGM: has the meaning given to it in article 26;

Articles: means the Company's articles of association for the time being in force;

Assurance Framework: means the local assurance framework as adopted by the Company with the agreement of the Accountable Body from time to time in accordance with the requirements of the central government in order to pay funding to local enterprise partnerships;

Bankruptcy: includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day: means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

Chair: has the meaning given to it in article 12.1;

Code of Conduct: means the code of conduct contained in the Assurance Framework

Confidential: information is classified if it falls within the definition of 'exempt information' or "confidential information" by virtue of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. This includes:

- (a) Information provided by a Government Department on terms which forbid the disclosure of the information to the public;
- (b) Where disclosure to the public is prohibited by a court or;
- (c) Where the Accountability Board holds "exempt information" under Schedule 12A of the Local Government Act 1972.

This also includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.

Conflict: means a situation in which a Director has or can have, a direct or indirect interest that conflicts or may conflict, with the interests of the Company;

Conflicts of Interest Policy: means the policy of the Company governing Conflicts, as set out in the Assurance Framework.

Co-opted Directors: means the following, selected in accordance with the Assurance Framework

- Two District/Borough/City Council Leaders or Cabinet Members
- One Further Education representative
- One Higher Education representative
- One Third Sector representative

Councils means Southend on Sea Borough Council, East Sussex County Council, Essex County Council, Kent County Council, Medway Council and Thurrock Council

Deputy Chair: has the meaning given in article 12.2;

Director: means a Director of the Company and includes any person occupying the position of Director, by whatever name called;

Directors: means all of the Co-opted Directors, the Private Sector Directors, the Public Sector Directors, the Chair and the Deputy Chair.

Document: includes, unless otherwise specified, any document sent or supplied in electronic form;

Electronic form: has the meaning given in section 1168 of the Act;

Eligible Director: means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter pursuant to article 15 and/or the Conflicts of Interest Policy);

Federated Boards: means all or any of the four groups of persons known at the date of incorporation from the four federated areas known as follows,

- "Success Essex",
- "Opportunity South Essex",
- "the Kent and Medway Economic Partnership" and
- "Team East Sussex "

or such successor or replacement body approved by the Directors as part of the Assurance Framework with the consent of each Council whose administrative area is served by the relevant Federated Board.

Federated Board Members: means a person who appears to the Directors to be a member of any of the Federated Boards.

Framework Agreement: means the agreement between the Councils and the Company constituting the Accountability Board

Class of Members means either the East Sussex Members, the Essex Members, the South Essex Members, the Kent and Medway Members as the case may be

LEP Area: means the combined administrative areas of the Councils or such other geographical area as is assigned to the Company by government from time to time;

Member: means a person whose name is entered in the Register of Members of the Company and **Membership** shall be construed accordingly;

East Sussex Member means a Member who was either

- nominated by the **East Sussex Members**;
- was a member of the Team East Sussex Federated Board at the date of incorporation; or has been nominated by the Directors as an East Sussex Member in accordance with article 23

Essex Member means a Member who was either

- nominated by the **Essex Members**;
- was a member of the Success Essex Federated Board at the date of incorporation; or
- has been nominated by the Directors as an Essex Member in accordance with article 23

Kent and Medway Member means a Member who was either

- nominated by the **Kent and Medway Members**;
- was a member of the Kent and Medway Economic Partnership Federated Board at the date of incorporation; or
- has been nominated by the Directors as a Kent and Medway Member in accordance with article 23.

South Essex Member means a Member who was either

- nominated by the **South Essex Members**;
- was a member of the Opportunity South Essex Federated Board at the date of incorporation; or
- has been nominated by the Directors as a South Essex Member in accordance with article 23.

Model Articles: means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

Objects: has the meaning given to it in article 2.1 and **object** shall mean any one of them;

Private Sector Director: means the following:

- The Chair
- The Deputy Chair
- Two individuals nominated by the Success Essex Members as the Success Essex business representatives
- Two individuals nominated by the Opportunity South Essex Members as the Opportunity South Essex business representatives
- Five individuals nominated by Kent & Medway Members as the Kent & Medway Economic Partnership business representatives
- Three individuals nominated by East Sussex Members as the Team East Sussex business representatives

Public Sector Director: means a person nominated as such by one of the Councils being

- One person from Essex County Council,
- One person from Thurrock Council,
- One person from Southend-on-Sea Borough Council,
- One person from Medway Council,
- One person from Kent County Council and
- One person from East Sussex County Council

Scheme of Delegation: has the meaning given to it in article 7.3;

Secretariat means those persons employed by the Accountable Body or a Council for the purposes of providing administrative, technical, secretarial or professional support to the Company and the Accountability Board pursuant to the Framework Agreement

Secretary: means an officer of the Secretariat nominated by the Accountable Body to act

as such

Special Resolution: has the meaning given in section 283 of the Act;

Subsidiary: has the meaning given in section 1159 of the Act;

Writing: means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5. Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6. Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7. The Model Articles shall not apply to the Company.

2. OBJECTS

2.1. The objects for which the Company is established (**Objects**) are:

- 2.1.1. to stimulate economic growth, productivity, employment, community development, job creation, inward investment, training and development, and commerce in the LEP Area;
- 2.1.2. to promote the LEP Area positively at regional, national, European and international levels on matters affecting its economic development; and
- 2.1.3. to act as a facilitator to develop strong working relationships between key stakeholders across the South East of England, ensuring there is a shared vision for a prosperous LEP Area to unlock barriers to growth.

3. POWERS

3.1. In pursuance of the Objects, the Company has the power to:

- 3.1.1. do all such things which in the opinion of the Directors are in the best interests of the Company and its Members; and
- 3.1.2. do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the Objects.

4. INCOME

- 4.1. The income and property of the Company from wherever derived shall be applied solely in promoting the Objects.
- 4.2. No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent payment in good faith by the Company of expenses to Members or Directors in accordance with policies that may be adopted from time to time in the Assurance Framework.

5. WINDING UP

On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remain available to be distributed or paid, shall not be paid or distributed to the Members but shall be transferred to similar bodies or another body with objects similar to those of the Company within the LEP Area or as directed by the government department then responsible for Local Enterprise Partnerships or their successor body.

6. GUARANTEE

- 6.1. The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a Member or within one year after he or she ceases to be a Member, for
 - 6.1.1. payment of the Company's debts and liabilities contracted before he or she ceases to be a Member;
 - 6.1.2. payment of the costs, charges and expenses of the winding up; and
 - 6.1.3. adjustment of the rights of the contributories among themselves.

Directors: General

7. DIRECTORS' GENERAL AUTHORITY AND CONDUCT

- 7.1. There shall be **between twenty and** twenty-five Directors of the Company
 - Fourteen Private Sector Directors
 - Six Public Sector Directors (no more than one nominated by each Council)
 - Five Co-opted Directors
- 7.2. Subject to these Articles, Directors are responsible for the management of the Company's business and may exercise all the powers of the Company accordingly.
- 7.3. Each of the Directors shall use their respective rights and powers to procure, so far as they are each able, that decisions of the Company are carried out in accordance with the Assurance Framework and any scheme of delegation for the time being adopted by the Company and contained in the Assurance Framework (**Scheme of Delegation**).
- 7.4. Subject always to the Act, in their conduct of the Company's business the Directors shall at all times:
 - 7.4.1 conduct themselves in a professionally responsible manner;
 - 7.4.2 have due regard to all confidentiality obligations concerning the Company's business;
 - 7.4.3 observe the seven principles as set out by The Committee on Standards in Public Life (as amended from time to time); and
 - 7.4.4 comply with the provisions of the Assurance Framework.

8. DIRECTORS MAY DELEGATE

8.1. Subject to the Articles:

- 8.1.1 the Directors may delegate any of the powers which are conferred on them under the Articles and which are in line with the Assurance Framework and any Scheme of Delegation:
- i. to such person or committee;
 - ii. by such means (including power of attorney)
 - iii. to such an extent;
 - iv. in relation to such matters or territories; and
 - v. on such terms and conditions;
 - vi. as they think fit.
- 8.1.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 8.1.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions at any time.

Directors: Decision-Making

9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 9.1. The general rule about decision-making by Directors is that any decision of the Directors must be a majority decision taken in one of the following ways:
- 9.1.1. on show of hands at a meeting of the Directors;
 - 9.1.2. by written resolution, copies of which have been signed by a majority of the Eligible Directors or to which a majority of the Eligible Directors have otherwise indicated agreement in writing; or
 - 9.1.3. by a majority of the Eligible Directors indicating to each other, by any means, that they share a common view on a matter.
- 9.2. A decision may not be taken in accordance with this article 9 if the Eligible Directors purporting to take the decision would not have formed a quorum had the decision taken place in a meeting.

10. DIRECTORS' MEETINGS

- 10.1. Directors' meetings shall take place not less than once per every three months. Directors meetings shall be open to the public, with the exception of any information or items classified as Confidential
- 10.2. Notwithstanding the provisions of article 10.1 meetings of the Directors are called by the Chair or Deputy Chair by giving not less than twenty Business Days' notice of the meeting to the Directors or by authorising the Secretary (if any) to give such notice.
- 10.3. A Director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the Directors' meeting.

- 10.4. A person is able to exercise the right to speak at a Directors' meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- 10.5 No business shall be transacted at a meeting of directors unless it is either:
- (a) included on the agenda for the meeting which is sent out with the notice given under article 10.2 convening the meeting; or
 - (b) certified by the Chair as urgent after consulting all directors by email.

11. QUORUM FOR DIRECTORS' MEETINGS

- 11.1. At a meeting of the Directors, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2. The quorum for the transaction of business at a meeting of Directors is any fifteen Eligible Directors, provided that such number must include
- At least one Success Essex business representative
 - At least one Opportunity South Essex business representative
 - At least one Kent & Medway Economic Partnership business representative
 - At least one Team East Sussex business representative
 - At least three public sector Directors
- 11.3. If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decisions other than to appoint Co-opted Directors if there is a vacancy in accordance with article 19.

12. CHAIRING OF DIRECTORS' MEETINGS, APPOINTMENT OF CHAIR AND DEPUTY CHAIR AND TERMS OF OFFICE

- 12.1. The Company shall have at all times appointed a chairperson who shall be a Private Sector Director and who shall be appointed in accordance with the process set out in the Assurance Framework and the person so appointed for the time being is the **Chair**.
- 12.2. The Company shall have at all times appointed a deputy to the Chair (Deputy Chair), who shall be a Private Sector Director and who shall be appointed in accordance with the process set out in the Assurance Framework and the person so appointed for the time being is the **Deputy Chair**.
- 12.3. Subject to clause [12.4], a Chair or Deputy Chair (as applicable) shall be appointed for periods of no more than two years, such appointment ending at the meeting of the Directors falling closest to the second anniversary of their appointment (or re-appointment). Unless otherwise determined by [special resolution], the Chair or Deputy Chair (as applicable) shall be entitled to put themselves forward for re-election for a further period of two years in accordance with the Assurance Framework provided that no Chair or Deputy Chair shall be able to serve more than six years in their respective role.
- 12.4. Where the Chair or Deputy Chair puts him or herself forward for re-election, such election shall occur at the board meeting at which their board appointment ends in accordance with article [12.3].

13. NOT USED

[not used]

14. CASTING VOTE

- 14.1 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the Chair or Deputy Chair chairing that meeting has a casting vote.
- 14.2 But this does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chair or Deputy Chair chairing the meeting is not an Eligible Director for the purposes of that meeting (or part of a meeting).

15. DIRECTORS' CONFLICTS OF INTEREST

- 15.1 The Company shall at all times keep in force the Conflicts of Interest Policy to deal with Conflicts.
- 15.2 Subject always to the provisions of the Conflicts of Interest Policy, if a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes unless the Director's interest cannot in the opinion of the Chair reasonably be regarded as likely to give rise to a conflict of interest
- 15.3 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

16. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to these articles, the Directors may make any rule which they think fit about how they and any committees formed by them take decisions, and about how such rules are to be recorded *or* communicated to Directors, provided always that any such rule is consistent with the Assurance Framework, the Framework Agreement and these Articles.

Directors: numbers and appointment

18. NUMBER OF DIRECTORS

Unless otherwise determined by special resolution, the number of Directors shall not be less than twenty but shall not exceed twenty-five.

19. APPOINTMENT OF DIRECTORS

- 19.1 The Directors shall be composed of Private Sector Directors, Public Sector Directors and Co-opted Directors.
- 19.2 Upon a vacancy arising for any reason for a Private Sector Director, other than the Chair and the Deputy Chair, a replacement shall be appointed by the Class of Members for the area in which the vacancy has arisen.
- 19.3 The person appointed to a vacancy as set out in article 19.2 shall be the person securing the largest number of votes at a meeting of the relevant Class of Members held for this purpose and notified to the Secretary by the person chairing that meeting

in accordance with any applicable requirements and policies set out in the Assurance Framework.

- 19.4 Upon a vacancy arising for any reason in the office of Chair or Deputy Chair a replacement shall be appointed in accordance with article 12.
- 19.5 Upon a vacancy arising for a Public Sector Director, a replacement shall be appointed on the written nomination of the relevant Council given to the Secretary by the proper officer of that Council.
- 19.6 If at any time there are fewer than five Co-opted Directors then the Directors may co-opt a person appearing appropriate to the Board in accordance with the Assurance Framework.

20. RETIREMENT OF DIRECTORS

- 20.1 A Private Sector Director shall retire from office on the second anniversary of their appointment. Subject to articles 20.2 and 20.3, such retiring Director shall be eligible for re-appointment by relevant Class of Members .
- 20.2 A Private Sector Director shall, subject to article 20.3, be eligible for re-appointment for two further periods of two years.
- 20.3 Any Private Sector Director (including the Chair and Deputy Chair) who shall have served for a total of six years shall not be entitled to be re-appointed.
- 20.4 Co-opted Directors shall retire from office on the first anniversary of their appointment.
- 20.5 A Director may resign from office by notice given to the Secretary.

21. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 21.1 A person ceases to be a Director as soon as:
 - 21.1.1 that person ceases to be a Director by virtue of any provision of the Act or these Articles or s/he becomes prohibited by law from being a Director;
 - 21.1.2 that person shall for more than twelve months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that that person's office be vacated;
 - 21.1.3 a Bankruptcy order is made against that person;
 - 21.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 21.1.5 two-thirds of the board of Directors resolve that the person has failed to conduct themselves in accordance with article 7 and should as a consequence be removed from office; or
 - 21.1.6 in the case of a Public Sector Director, they cease for any reason to be a member of Cabinet of the Council which appointed them; or
 - 21.1.7 in the case of a Private Sector Director (other than the Chair and Deputy0, by a vote to that effect passed by a majority of those present and voting at a meeting of their appointing Class of Members .
- 21.2 Save where a Director is a Public Sector Director, a Director shall upon ceasing to be a Director by virtue of article 21 at the same time cease to be a Member.

Directors: alternate Directors and miscellaneous

22 ALTERNATE DIRECTORS

- 22.1 Directors may appoint alternates in accordance with the provisions of the Assurance Framework for the Directors and any alternate appointed in accordance with such provisions shall be bound by any rules relating set out in the Assurance Framework [and Terms of Reference] for the Directors.

23 MEMBERSHIP

- 23.1 The first Members of the Company at incorporation shall be those who have subscribed to these articles.
- 23.2 Subject to article 23.3 any person appearing to the Directors to be a Federated Board member shall be entitled to become a Member if they submit an application for membership in the form prescribed by the Company
- 23.3 The maximum number of each Class of Members (East Sussex Members, Essex Members, South Essex Members and Kent and Medway Members) shall be as specified in the Assurance Framework from time to time but shall not in any event exceed fifty Members per Federated Board.
- 23.4 If the number of any category of Members is fewer than the maximum determined by reference to Article 23.3 then the Members of that category may, at a meeting of that category of Members called for the purpose, nominate a further Member to that category of Members by a majority of those present and voting.
- 23.5 Each Council is entitled to nominate one Member.
- 23.6 If anyone nominated as a member does not opt to become a member within one month of being nominated (or their nomination being accepted by the Directors if later) then the person or group entitled to nominate to that vacancy may make a further nomination to replace the original nominee.

24 DISQUALIFICATION AND REMOVAL OF MEMBERS

- 24.1 A person ceases to be a Member as soon as:
- 24.1.1 that person ceases to be a Member by virtue of any provision of the Act or these Articles or s/he becomes prohibited by law from being a Member;
 - 24.1.2 that person misses two consecutive AGMs without attending any meetings in the intervening period;
 - 24.1.3 a Bankruptcy order is made against that person;
 - 24.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 24.1.5 notification is received by the Company from the Member that the Member is resigning, and such resignation has taken effect in accordance with its terms;
 - 24.1.6 The Member is in breach of the Code of Conduct or is otherwise disrupting the business of the Company and at a meeting of that category of Members called for the purpose a majority of those present and voting resolve to remove that person as a Member;
 - 24.1.7 In the case of an Essex Member an East Sussex Member, a Kent and Medway Member or a South Essex Member, it appears to the Directors that the Member is no longer a member of a Federated Board.

25 TRANSFER OF MEMBERSHIP

Membership shall not be transferable.

Decision making by Members: general meetings

26 ANNUAL GENERAL MEETING

- 26.1 The Company shall hold an annual general meeting (**AGM**) at least once every calendar year and which shall be open to the general public save at a time when the meeting is considering items classified as Confidential.

27 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 27.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 27.2 A Member is able to exercise the right to vote at a general meeting when:
 - 27.2.1 that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 27.2.2 that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other Members attending the meeting.
- 27.3 The Directors may make whatever arrangements they consider appropriate to enable those Members attending a general meeting to exercise their rights to speak or vote at it.
- 27.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.

28 Not used

29. CHAIRING GENERAL MEETINGS

- 29.1. The Chair or, in his or her absence, the Deputy Chair shall preside as chair of every general meeting.
- 29.2. If neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the meeting shall be adjourned and reconvened.

30. ATTENDANCE AND SPEAKING BY NON-MEMBERS

- 30.1 At an AGM the Chair of the meeting shall permit such other persons who are not Members of the Company to attend and speak in accordance with the Assurance Framework.
- 30.2 In addition to the other provisions of these articles the Chair of a general meeting may permit others to attend a meeting and speak.

31. ADJOURNMENT

- 31.1. The chair of the meeting may adjourn a general meeting if:
 - 31.1.1. the meeting consents to an adjournment; or
 - 31.1.2. it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 31.2. The chair of the meeting must adjourn a general meeting if directed to do so by at least 50% of the Members present at the meeting.
- 31.3. When adjourning a general meeting, the chair of the meeting must:
 - 31.3.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and
 - 31.3.2. have regard to any directions as to the time and place of any

adjournment which have been given by the meeting.

- 31.4. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- 31.4.1. to the same persons to whom notice of the Company's general meetings is required to be given; and
 - 31.4.2. containing the same information which such notice is required to contain.
- 31.5. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting at general meetings

32. VOTING: GENERAL

Without prejudice to any other provision of these Articles, a resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

33. ERRORS AND DISPUTES

- 33.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 33.2. Any such objection must be referred to the chair of the meeting whose decision is final.

34. POLL VOTES

- 34.1. A poll on a resolution may be demanded:
- 34.1.1. in advance of the general meeting where it is to be put to the vote; or
 - 34.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 34.2. A poll may be demanded by:
- 34.2.1. the chair of the meeting;
 - 34.2.2. the Directors;
 - 34.2.3. two or more persons having the right to vote on the resolution; or
 - 34.2.4. a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.

- 34.3. A demand for a poll may be withdrawn if:

- 34.3.1. the poll has not yet been taken; and
 - 34.3.2. the chair of the meeting consents to the withdrawal.
- 34.4. Polls must be taken immediately and in such manner as the chair of the meeting directs.

35. CONTENT OF PROXY NOTICES

- 35.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:
- 35.1.1. states the name and address of the Member appointing the proxy;
 - 35.1.2. identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
 - 35.1.3. is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 35.1.4. is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 35.2. The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 35.3. Unless a proxy notice indicates otherwise, it must be treated as:
- 35.3.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 35.3.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

36. DELIVERY OF PROXY NOTICES

- 36.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person, and if s/he does so the proxy (notice) shall be revoked.
- 36.2. An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 36.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 36.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.

37. AMENDMENTS TO RESOLUTIONS

- 37.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

- 37.1.1. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - 37.1.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 37.2. If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

Administrative arrangement

38. MEANS OF COMMUNICATION TO BE USED

- 38.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 38.1.1. if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - 38.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 38.1.3. if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 38.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

- 38.2. In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

39. INDEMNITY AND INSURANCE

- 39.1. Subject to article 39.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 39.1.1. each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which s/he is acquitted or the proceedings are otherwise

disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

- 39.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 39.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 39.2. This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.
- 39.3. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 39.4. In this article:
 - 39.4.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - 39.4.2. a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
 - 39.4.3. a **relevant officer** means any Director or other officer or former Director or other officer of the Company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not s/he is also a Director or other officer), to the extent s/he acts in his capacity as auditor.

40. Changes to Articles or Assurance Framework

- 40.1 No change to these articles or to the Assurance Framework shall take effect unless agreed in advance by the Accountable Body and until the Accountability Board has been given written notice of the proposed changes, those changes have been considered at a meeting of the Accountability Board and the decision maker has considered any comments or views expressed by the Accountability Board or any members thereof.
- 40.2 The Accountable Body shall not withhold its approval under article 40.1 unless in its opinion the change is likely to prejudice the ability of the Company or the Accountable Body to comply with the terms of any agreement to which the Accountable Body is party relating to the administration of funds or the ability to be allocated Government Funds.
- 40.3 In addition to the preceding clauses, no change to the articles which would affect the number of directors or members who may be appointed or nominated by any Class of Members may be approved without the approval of a majority of all Classes of Members
- 40.4 In addition to the preceding clauses, no change to the number of directors to be appointed by any Local Authority may be approved without being approved without the approval all local authority members.

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DATED

2020

- SOUTHEND-ON-SEA BOROUGH COUNCIL** (1)
and
EAST SUSSEX COUNTY COUNCIL (2)
and
ESSEX COUNTY COUNCIL (3)
and
KENT COUNTY COUNCIL (4)
and
THURROCK COUNCIL (5)
and
MEDWAY COUNCIL (6)
and
[SOUTH EAST LEP LIMITED] (7)

FRAMEWORK AGREEMENT

In relation to South East Local Enterprise Partnership

THIS AGREEMENT is made on

2019

BETWEEN

- (1) **SOUTHEND-ON-SEA BOROUGH COUNCIL** of Civic Centre, Victoria Avenue, Southend-on-Sea, SS2 6ER (“Southend”);
- (2) **EAST SUSSEX COUNTY COUNCIL** of County Hall, St Anne’s Crescent, Uckfield, Lewes, East Sussex, BN7 1UE (“East Sussex”);
- (3) **ESSEX COUNTY COUNCIL** of County Hall, Market Road, Chelmsford, Essex, CM1 1QR (“Essex”);
- (4) **KENT COUNTY COUNCIL** of County Hall, Maidstone, Kent, ME14 1XQ (“Kent”); and
- (5) **THURROCK COUNCIL** of Civic Offices, New Road, Grays, Essex, RM17 7SL (“Thurrock”);
- (6) **MEDWAY COUNCIL** of Gun Wharf, Dock Road, Chatham, Kent, ME4 4TR (“Medway”)

together referred to as “**the Councils**” and individually as a “**Council**”.

- (7) **[SOUTH EAST LEP LIMITED]** of [] (“**Company**”)

BACKGROUND

- (A) The Councils are local authorities for the purposes of the Local Government Act 1972 and best value authorities for the purposes of the Local Government Act 1999.
- (B) The unincorporated SELEP partnership was established in [] with the aim of stimulating growth in the economy across [] area. In part it aim to do this by playing a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. It is a primary partnership of the Councils.
- (C) The Company was incorporated on [] in response to the requirement of Central Government for all Local Enterprise Partnerships to have legal personality.
- (D) Essex is the Accountable Body for the purposes of Funding allocated to the Company by central government and other responsibilities as set out in the Assurance Framework.
- (E) The purpose of this Agreement is to create an overarching framework setting out the duties and obligations, roles and responsibilities of the Councils, the Accountability Board, Accountable Body and the Company in relation to the activities undertaken to enable the delivery of the LEP achieve the Company's objects (as defined in its articles of association) and ithe Aims and Objectives.

IT IS AGREED AS FOLLOWS:

1 Definitions

1.1 In this Agreement the following terms shall have the following meanings:

Accountable Body means Essex

Accountability Board means the joint committee of the Councils constituted in accordance with Schedule 2

Agreement means this Framework Agreement and any schedules;

Aims and Objectives means those aims and objectives set out in the Assurance Framework

Assurance Framework means the local assurance framework of the Company as adopted by the Company with the agreement of the Accountable Body and the Accountability Board from time to time in accordance with the requirements of central government in order to pay funding to local enterprise partnerships

Commencement Date means [xxxx] 2020

Councils means Southend, East Sussex, Essex, Kent, Medway, Thurrock.

Council Contribution for a particular Financial Year means a contribution which a Council has agreed to make to the Support Funding

EIR means the Environmental Information Regulations 2004;

FOIA means the Freedom of Information Act 2000;

Financial Year means during the continuance of the Agreement any period commencing on 1 April and ending on the following 31 March

Funding means all and any devolved government revenue and capital funding which central government pays to the Accountable Body for the purpose of SELEP;

Funding Agreement means an agreement between the Accountable Body a Council or such other Party to receive funding as may be necessary under which the Accountable Body pays Project Funding to that Council or such other party for onward transmission to a Recipient

Parties means the parties to this Agreement.

Project Funding means that part of the Funding which is to be used for the purposes of schemes allocated by the Company and Accountability Board

Recipient means a person or entity which has received Project Funding from a Council

Secretariat means those persons employed by the Accountable Body for the purposes of providing administrative, technical or professional support to the Company and the

Accountability Board in accordance with this Agreement

Support Funding means that part of the Funding which is not Project Funding aggregated with the Council Contributions.

SELEP Area means the combined administrative area of the Councils

Support Contracts means contracts entered into by the Accountable Body to the extent that they relate to the provision of advice or support or the provision of services to the Company and the Accountability Board.

Terms of Reference means the terms of reference of the Accountability Board as set out in Schedule 1.

- 1.1 Headings contained in this Agreement are for reference purposes only and should not be incorporated into this Agreement and shall not be deemed to be any indication of the meaning of the clauses to which they relate.
- 1.2 References to any statute or statutory provision include references to:
 - 1.2.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom;
 - 1.2.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;

2. Duration

- 2.1 This Agreement shall commence on the Commencement Date and shall continue in effect until terminated in accordance with Clause 25 of this Agreement.

3 Principles and Key Objectives

- 3.1 The Parties will work together to deliver the Aims and Objectives acting in their respective capacities as Accountable Body, Accountability Board and the Company.
- 3.2 The Parties agree that the following principles underpin their collaborative working and the terms of this Agreement as follows:
 - 3.2.1 mutual co-operation and collaboration;
 - 3.2.2 accountability;
 - 3.2.3 transparency;
 - 3.2.4 mutual benefits
- 3.3 In order to achieve these objectives and the Aims and Objectives, the Parties agree that they will work together with mutual trust, good faith and in an open, co-operative and collaborative manner. The Parties will work together in a spirit of mutual trust in order to ensure the successful management of the Aims and Objectives and will respond in a timely manner (or within the timescales agreed between the Parties

where appropriate) to all reasonable requests from each other.

- 3.4 It is the overriding responsibility of the Parties to ensure that Funding is allocated in such a way which
 - 3.4.1 ensures that the Company and the Accountable Body comply with the terms and conditions on which Funding is paid to the Accountable Body
 - 3.4.2 ensures that public money is spent in the best way to develop and enhance the economy of the SELEP Area
 - 3.4.3 is in accordance with the Assurance Framework.

4 Accountability Board

- 4.1 The Accountability Board is constituted in accordance with Schedule 2 to this Agreement
- 4.2 The Parties agree that each will comply with its obligations set out in Schedule 1 to this Agreement.
- 4.3 In making decisions the Accountability Board will primarily have regard to the need to ensure that decisions it makes are supported by the people and organisations who participate in achieving the aims and objectives of the Company, the need to maintain the confidence of such persons in their ability to influence the award of funding insofar as it is proper to do so. Accordingly, the Accountability Board will give great weight to any recommendation made to it by or on behalf of the Company. The Accountability Board will also have regard to the following:
 - 4.3.1 The fact that Funding is paid to the Accountable Body by central government so that it can be spent in accordance with the Assurance Framework
 - 4.3.2 The fact that the Assurance Framework includes checks and safeguards designed to ensure that recommendations made to the Accountability Board have been made having regard to Aims and Objectives articulated by the Company and without the participation of any person or organisation which has a conflict of interest.
 - 4.3.3 The need to ensure that Funding is only paid when it is received from Central Government by the Accountable Body and the Accountable Body is satisfied that the conditions of Funding attached by central government have been complied with and that the Recipient has agreed to comply with any conditions of Funding required by central government or the Accountable Body.

5 Finance

- 5.1 The Accountable Body will hold all Funding on behalf of the Company and Accountability Board and will
 - 5.1.1 Maintain accounting records of transactions undertaken by or on behalf of the Company and Accountability Board in accordance with proper accounting practice
 - 5.1.2 Provide such information as the Accountability Board, Secretariat or the Company shall reasonably require about the money held by the Accountable Body
 - 5.1.3 Arrange for the external audit of the Funding.

- 5.1.4 Ensure that the Chief Executive Officer of SELEP is accountable to the Company in the discharge of his duties in accordance with the Assurance Framework.
- 5.2 The Accountable Body's section 151 officer will be responsible for ensuring that the Accountable Body complies with its duties under this agreement
- 5.3 The Accountable Body will not spend any Project Funding unless:
 - 5.3.1 The spend is in accordance with a decision taken by the Accountability Board;
 - 5.3.2 The spend is required in accordance with the conditions upon which the Funding was paid to the Accountable Body; or
 - 5.3.3 The spend is to defray a liability incurred by the Accountable Body wholly as a result of and in accordance with its role as the Accountable Body
- 5.4 The Accountable Body will only spend Support Funding on:
 - 5.4.1 The costs incurred in connection with employing the Secretariat
 - 5.4.2 Making an internal recharge in accordance with proper accounting practices to reflect the cost of providing services to the Company, the Accountability Board or to the Secretariat.
 - 5.4.3 The costs incurred in connection with the Company and Accountability Board Support Contracts.
- 5.5 Before the start of each Financial Year the Secretariat in consultation with the Company will bring a report to the Accountability Board with the proposals (a **Proposed Budget**) setting out
 - 5.5.1 the proposed level of Council Contributions (subject to agreement by the relevant Council, such agreement not to be unreasonably withheld and it shall be reasonable if the proposed Council Contribution is no more than the previous year's contribution increased in line with the retail prices index (excluding mortgages) over the previous 12 months using the most recent figures published at the time of calculation),
 - 5.5.2 the total Support Funding available
 - 5.5.3 how the Support Funding is to be allocated with respect to that Financial Year.
- 5.6 The Accountability Board shall approve the proposals with such amendments as they reasonably require, but in making amendments they must ensure that there will be sufficient Support Funding available in that year to defray the cost of implementing the Proposed Budget.
- 5.7 The Proposed Budget as approved by the Accountability Board shall be the Budget for that Financial Year.
- 5.8 The Budget may be amended by the Secretariat from time to time after consulting the Accountable Body with approval of the Accountability Board, but subject always to continuing obligation to ensure that there will be sufficient Support Funding available in that Financial Year to defray the cost of implementing the Budget
- 5.9 The Accountable Body shall manage the Support Funding with an officer in the Secretariat being the budget holder in accordance with the Accountable Body's constitution and financial regulations and shall use all reasonable endeavours to only spend the Support Funding in accordance with the Budget as amended from time to time.
- 5.10 If the Accountable Body incurs expenditure contrary to the Budget it shall report this to the Company and the Accountability Board promptly.
- 5.11 Each Council shall pay its Council Contribution to the Accountable Body no later than 1

July in each Financial Year

6 The Secretariat

- 6.1 The Accountable Body will employ the Secretariat who will be employed on the Accountable Body's terms and conditions of employment and be subject to the employment policies of the Accountable Body.
- 6.2 The Accountable Body will ensure that line management is provided to the Secretariat in consultation with the Chair, where necessary, in order to ensure that the Secretariat is effectively performing its role.
- 6.3 The role of the Secretariat is
 - 6.3.1 to support allocation of Funding
 - 6.3.2 to liaise with members of the Company and Accountability Board, applicants
 - 6.3.3 to procure and manage the Company and Accountability Board contracts
 - 6.3.4 to administer the Company and Accountability Board
 - 6.3.5 to respond to requests for information regarding the Company and its business from the Accountability Board, and the Company;
 - 6.3.6 to manage the expenditure and recovery of Project Funding
 - 6.3.7 to manage the Company website and ensure it is kept updated
 - 6.3.8 to report to the Company, to the Accountability Board and to the Accountable Body about issues affecting SELEP and to provide such information as those bodies shall reasonably require.
 - 6.3.9 to liaise with central government and anyone providing Funding.
 - 6.3.10 to draft the Assurance Framework and to review it annually to ensure that it meets the requirements of the National Local Growth Assurance Framework
 - 6.3.11 to ensure that all operations and decision making of the Company and the Accountability Board meet the requirements of the Assurance Framework

7 Project Funding

- 7.1 The process for allocation of Project Funding shall be in accordance with the Assurance Framework..
- 7.2 Subject to clause 5.3, the Accountable Body will not spend any Project Funding unless it has been allocated to the proposed spend by the Accountability Board on the recommendation of the Company and there is a contract (a Funding Agreement) relating to that Funding which is in such form as may be approved by the Company and the Accountable Body in place between
 - 1.1.1. the Accountable Body
 - 1.1.2. the Company; and
 - 1.1.3. the Council in whose administrative area the project will be delivered.
- 7.3 The Accountable Body will release Project Funding in accordance with the terms of Funding Agreements subject to the Accountable Body being reasonably satisfied that
 - 7.3.1 the terms of such agreements have been complied with, and
 - 7.3.2 the Accountable Body having received sufficient Project Funds to meet the release of the Funding.
- 7.4 A Council which is Party to a Funding Agreement will ensure that it is only paid out on

terms which require the Recipient to use the funding for the approved purposes and achieve those outputs within a defined time and which otherwise comply with the Assurance Framework and the terms upon which the relevant Project Funding is received.

7.5 A Council which is a party to a Funding Agreement must take action against the Recipient to enforce the terms of the agreement with the Recipient of the funding where there has been a breach of the agreement between the Council and the Recipient and either

- The Accountable Body considers that the Council needs to take action in order to comply with the terms of any Project Funding;
- The Accountable Body considers that it is necessary to do so in order to maintain public confidence in the Company and/or the Accountability Board or to minimize or avoid fraud; or
- the Company makes a written request.

8 Governance and decision making

8.1 The Assurance Framework sets out governance and how decisions will be made and may only be changed:

8.1.1 By the Company with the agreement of the Accountable Body.

8.1.2 By the Accountability Board where agreement in accordance with 8.1.1 has not been possible and the change is the minimum required in order to comply with the requirements of the National Local Growth Assurance Framework, as may be amended from time to time, and the terms upon which any Funding is paid or is proposed to be paid or which the Company and/or the Accountability Board is required to make.

8.2 The Company agrees that it will not change its articles of association other than with the prior agreement of the Accountability Board (not to be unreasonably withheld or delayed).

8.3 The Company will

8.3.1 Approve an Economic Plan which sets out the Company's Strategic Direction and aims and objectives from time to time.

8.3.2 Appoint an investment panel to prioritise the allocation of Project Funding

8.3.3 Provide an Interface with central government

8.3.4 Oversee pan LEP work

8.3.5 Develop an annual delivery plan

8.3.6 Develop strategic economic plans and policies.

8.3.7 Identify a prioritised list of schemes within the available Project Funding including under / over programming to enable prudent management.

9 The Accountable Body will take reasonable steps to

9.1 Ensure decisions and activities of the Company and the Accountability Board conform with legal requirements with regard to equalities, social value, environment, State Aid, public procurement;

9.2 Ensure that the funds are used appropriately, and in a manner that is consistent with the contents of the offer letter from central government, where appropriate;

9.3 Ensure that the Assurance Framework is adhered to;

10 Freedom of Information, Environmental Information and Transparency

10.1 Each Party acknowledges that the other Party is subject to the requirements of the FOIA and the EIR and each Party shall, where reasonable, assist and co-operate with the other (at their own expense) to enable each Party to comply with these information disclosure obligations.

10.2 Where a Party receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of another Party it shall:

10.2.1 transfer the request for information to the other Party as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;

10.2.2 provide the other Party with a copy of all information in its possession in the form that the other Party reasonably requires within ten (10) Business Days (or such longer period as the other Party may specify) of the other Party requesting that information unless the cost of compliance exceeds the limit set down pursuant to FOIA (and provides reasonable proof of this to the other party); and

10.2.3 provide all necessary assistance as reasonably requested by the other Party to enable the other Party to respond to a request for information within the time for compliance set out in the FOIA or the EIR.

10.3 Where a Party receives a request for information under the FOIA or the EIR which relates to this Agreement, it shall inform the other Parties of the request for information as soon as practicable after receipt and in any event at least four (4) Business Days before disclosure and shall use all reasonable endeavours to consult with the other parties prior to disclosure and shall consider all representations made by the other Party in relation to the decision whether or not to disclose the information requested.

10.4 Subject to Clause 12 (Confidentiality), each Party shall be responsible for determining in their absolute discretion whether any information for the purposes of FOIA or the EIR,:

10.4.1 is exempt from disclosure under the FOIA or the EIR; and

10.4.2 is to be disclosed in response to a request for information.

10.5 Each Party acknowledges that the other parties may be obliged under the FOIA or the EIR to disclose information:

10.5.1 without consulting with the other Party where it has not been practicable to achieve such consultation; or

10.5.2 following consultation with the other Party and having taken its views into account.

10.6 The parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA or the EIR, the content of this Agreement is not Confidential Information.

10.7 Notwithstanding any other provision of this Agreement, the parties hereby consent to the publication of this Agreement in its entirety including from time to time agreed changes to this Agreement subject to the redaction of information that is exempt from disclosure in accordance with the provisions of the FOIA or the EIR.

11 Data Protection

11.1 The Parties shall comply with their obligations under the Data Protection Act 2018 in the performance of their obligations under this Agreement.

11.2 The provisions of this Clause 11 shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

12 Confidentiality

12.1 The parties will not use or disclose any confidential information provided by any other Party pursuant to this Agreement otherwise than for the performance of their obligations under this Agreement, save as may be otherwise agreed or required by law.

12.2 For the avoidance of doubt, confidential information shall not include:

12.2.1 any information obtained from a third Party who is free to divulge such information;

12.2.2 any information which is already in the public domain otherwise than as a breach of this Agreement; or

12.2.3 any information which was rightfully in the possession of a Party prior to the disclosure by any other Party and lawfully acquired from sources other than any other Party.

12.3 Subject to Clause 12.2 the Parties shall not make any press announcement or publicise the Agreement or any part of the Agreement in any way, except with the agreement of the other Parties

13 Equality

13.1 The Parties shall perform their respective obligations under this Agreement in accordance with:

13.1.1 all applicable equality laws (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);

13.1.2 any applicable equality and diversity policy of the Parties from time to time; and

13.1.3 take all necessary steps, and inform each other of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission (or any successor organisation).

14 Social Value

14.1 In performing their respective obligations in pursuance of this Agreement the Parties shall comply with the requirements of Public Services (Social Value) Act 2012.

15 Environmental

15.1 In performing their respective obligations in pursuance of this Agreement the Parties shall at all times co-operate with each other to improve environmental performance where it is not detrimental to the interests of any Party to do so.

16 NOT USED

[Not used]

17 Disputes

17.1 Any dispute between the Accountable Body, the Company and the Accountability Board shall

17.1.1 first be escalated to the Chair of the Company, the Deputy Chair (as Chairman of the Accountability Board) and the and the Section 151 Officer of the Accountable Body within ten working days of the dispute arising. The Chair of the Company and the Accountable Body shall procure that Section 151 Officer agree to discuss and, in good faith, attempt to resolve any such dispute and try and reach agreement on the action required to resolve the dispute.

17.1.2 In the event that the Chair and the said Section 151 Officer are unable to resolve the dispute, then the matter shall be referred to central government (or grant awarding body if not central government) by any party to the dispute for consideration.

17.2 Prior to action under [TO BE INSERTED] of the Assurance Framework, if any Party has any issues, concerns or complaints about any matter relating to this Agreement that Party shall notify the other Party/Parties and the Parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Secretary of State for Business Environment and Industrial Strategy to resolve such dispute ([] Assurance Framework, paragraph []).

17.3 If any Party receives any formal inquiry, complaint, claim or threat of action from a third Party they shall notify the Accountable Body and the Secretariat and co-operate with each other to respond, or take such action, as is appropriate and/or necessary in accordance with the complaints Policy in the Assurance Framework.

18 The Contracts (Rights of Third Parties) Act 1999

18.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement but this does not affect any rights which are available apart from this Act.

19 General

19.1 Each of the Parties represents and warrants to the others that it has full capacity and authority, and all necessary consents, licences and permissions to enter into and perform its obligations under this Agreement, and that this Agreement is executed by its duly authorised representative.

- 19.2 This Agreement cannot be varied except in writing signed by a duly authorised representative of each of the Parties.
- 19.3 The Agreement contains the whole agreement between the Parties. The Parties confirm that they have not entered into the Agreement on the basis of any representation that is not expressly incorporated into the Agreement. Nothing in this clause shall exclude liability for fraud or fraudulent misrepresentation.
- 19.4 The Company shall permit any intellectual property created by or on behalf of the Company to be used by the Accountable Body and the Secretariat for the management and running of the Accountability Board, but for the avoidance of doubt, this clause does not operate to transfer the ownership of any intellectual property;
- 19.5 Any waiver or relaxation either partly, or wholly of any of the terms and conditions of this Agreement shall be valid only if it is communicated to every other Party in writing and expressly stated to be a waiver. A waiver of any right or remedy arising from a breach of contract shall not constitute a waiver of any right or remedy arising from any other breach of this Agreement.
- 19.6 This Agreement shall not constitute or imply any partnership, joint venture, agency, fiduciary relationship or other relationship between the Parties other than the contractual relationship expressly provided for in this Agreement. No Party shall have, nor represent that it has, any authority to make any commitments on the other Parties' behalf.
- 19.7 Except as otherwise expressly provided by this Agreement, all remedies available to any Party for breach of this Agreement (whether under this Agreement, statute or common law) are cumulative and may be exercised concurrently or separately, and the exercise of one remedy shall not be deemed an election of such remedy to the exclusion of any other remedy.
- 19.8 If any provision of this Agreement is prohibited by law or judged by a court to be unlawful, void or unenforceable, the relevant provision shall, to the extent required, be severed from this Agreement and rendered ineffective as far as possible without modifying the remaining provisions of this Agreement, and shall not in any way affect any other circumstances of or the validity or enforcement of this Agreement.

20 Notices

- 20.1 Any notice to be given under this Agreement shall be in writing and may be served by personal delivery, first class recorded or e-mail to the address of the relevant Party set out below, or such other address as that Party may from time to time notify to the other Parties in accordance with this clause.

21 English Law

- 21.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 21.2 The Parties hereby agree and declare irrevocably that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-

contracted disputes or claims) arising out of or in connection with this Agreement or its subject matter or jurisdiction.

22. Insurance

- 22.1 The costs of public liability insurance and employee insurance for the Secretariat will be covered by the Accountable Body's insurance arrangements where that liability arises due to the actions of the Secretariat. Where a Council incurs liability, that Council will need to deal with that liability itself.
- 22.2 All costs including claims administration and legal costs and a fair proportion of the premium paid by the Accountable Body will be paid for by the Accountable Body from the Support Funding.
- 22.3 All insurance claims made against or on behalf of the Secretariat or the Accountability Board will be managed on their behalf by the Accountable Body.
- 22.4 All Councils will cooperate with insurance claims investigations and notify the Accountable Body of any potential claims relevant to this Agreement in its subject matter as soon as is reasonably practicable and take all reasonable action to prevent and minimise any loss.
- 22.5 It is the responsibility of the individual Councils separately to ensure that appropriate insurance in relation to insurance for that Council's buildings and contents and other assets are in place. Consequently the insurance cost for buildings and assets shall not be charged to the Accountability Board.
- 22.6 The Accountable Body shall consider any reasonable request made by the Councils for the purpose of facilitating the procurement, administration and maintenance of any insurance relating to the Company and/or the Accountability Board.

23 Variation

- 23.1 Any proposed variation to this Agreement will be discussed at the Accountability Board and at a board meeting of the Company. Each Party will then be responsible for agreeing those changes that are passed at such board meeting.

24. Withdrawal from this Agreement

- 24.1 A Council may serve notice in writing to the Accountable Body at least nine months before the date on which it is to take effect, that they will be withdrawing from this Agreement. Such withdrawal may only take effect on 1 April in any year.
- 24.2 When the withdrawal of a Council takes effect
- (a) it shall no longer be entitled to contribute to the decisions taken by the Accountability Board or the Company.
 - (b) It shall no longer be required to pay a Council Contribution
 - (c) It shall not be responsible for debts or liabilities which are incurred by the Accountability Board after the withdrawal takes effect
- 24.3 A Council which withdraws from this Agreement shall continue to be liable under any Funding Agreements to which it is Party and may be required to enforce the terms of any Project Agreement under the terms of this Agreement as if it were still a party.

- 24.4 If any Party incurs any cost as a result of a Council withdrawing from this agreement then that Council shall bear that cost in full, and pay the same within [4] days of demand.
- 24.5 The provisions of this clause 24 shall survive a Council's withdrawal from this agreement.

25. Dissolution of the Company

- 25.1 If the Company wound up or passes a resolution for its winding up or shall otherwise cease to exist then this clause 25 shall apply from the date of the resolution to terminate or the dissolution of the Company (whichever is the sooner) ('the Cessation Date').
- 25.2 From and after the Cessation Date:
- 25.2.1 The Accountability Board shall not approve any further allocation of funding.
 - 25.2.2 All Councils shall continue to be liable under Funding Agreements to which they are a Party and may be required to enforce the terms of any Project Agreement under the terms of this Agreement as if this Agreement were still fully in effect.
 - 25.2.3 Each Council shall pay to the Accountable Body within 30 days of demand an equal proportion of all costs incurred by the Accountable Body relating to the costs of closing down the Secretariat and other parts of SELEP relating thereto insofar as they cannot be met by any Funding.
- 25.4 The Parties shall work together with the relevant Secretary of State to decide how any remaining public funds will be managed.
- 25.5 This agreement shall terminate three months after all liabilities under clause 25.2.3 have been discharged or on such other date as may be agreed by the parties.
- 25.6 This clause applies subject to any contrary obligation on the Accountable Body imposed by any agreement between central government and the Accountable Body relating to the award of Funding.

IN WITNESS WHEREOF the parties have signed this Agreement as a Deed on the day and year first before written.

Schedule 1

Terms of Reference of the Accountability Board

- 1 The Accountability Board shall exercise the functions with respect to:
 - 1.1 the implementation of the Assurance Framework and all processes by which bids are assessed, risks considered, approvals made and performance managed
 - 1.2 appraisals and approvals of grants and loans, in accordance with recommendations made by the Company;
 - 1.3 monitoring project assessment and delivery;
 - 1.4 ensuring accountability from each of East Sussex, Essex, South Essex and Kent and Medway, relating to expenditure and programme delivery in accordance with recommendations made by the Company;
 - 1.3 considering and, if thought fit, approving variations to schemes which have received Project Funding;
 - 1.4 quarterly performance reporting on an exceptions basis to the board of the Company;
 - 1.5 reporting on progress to central government;
 - 1.6 any other accountability or assurance function required by central government or recommended by the Accountable Body's auditors or the S.151 Officer of the Accountable Body;
 - 1.7 approving an Annual Report to be made available to the Councils;
2. The Accountability Board will not have responsibility for
 - (a) staffing decisions.
 - (b) decisions about operational implementation and decisions will be taken as appropriate by the Secretariat or their representatives.
3. The Accountability Board may perform such other functions as the Councils may from time to time delegate to the Accountability Board with the written agreement of the Accountability Board and the Company.
4. Each Council agrees that it will not exercise its functions in relation to the function of the Accountability Board except;
 - 4.1 via the Accountability Board;
 - 4.2 via powers delegated to an officer by the Accountability Board; or

4.3 after consultation with the other Councils and the Company

Schedule 2

Constitution of the Accountability Board

1. Definitions and Interpretation

1.1 In this Schedule:

the Act means the Local Government Act 1972;

Annual Report means the report(s) which sets out the Accountability Board's activities, finance and performance for the preceding year, as required by paragraph 1.7 of Schedule 1;

Clerk means the person appointed in accordance with paragraph 12;

Committee Member means a member of the Accountability Board;

Co-opted Members means a Committee Member who is not a Council Member;

Council Member means a Committee Member who is a councillor of a local authority;

Executive Member means an elected member of a Council that is a Cabinet Member or a member of the Executive.

Further Education Sector means educational institutions or facilities providing education and training beyond compulsory education, but not falling within the definition of Higher Education Sector

Higher Education Sector means the education institutions which provide education and training at degree level and above;

Deputy Chair has the meaning given in the Company's articles of association.

2. Joint Committee

2.1 The Councils hereby exercise their powers under sections 101 and 102 of the Act, section 9EA of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and any other enabling legislation to form a joint committee to be known as the Accountability Board to manage the distribution of Funding

2.2 The Councils hereby delegate to the Accountability Board each Council's functions as set out in the Terms of Reference.

3. Membership of the Accountability Board

3.1 The Accountability Board shall consist of nine members:

- (a) Six local authority members comprising one executive member nominated by each Council (if a Council ceases to operate executive arrangements then it shall appoint its leader or deputy or the Chair or Vice-Chairman of a relevant Committee)
- (b) Three non-voting Co-opted Members, appointed as follows;

- (i) One member appointed by the Accountability Board on the nomination of the Higher Education Sector in the SELEP Area;
 - (ii) One member appointed by the Accountability Board on the nomination of the Further Education Sector in the SELEP Area; and
 - (iii) the Deputy Chair of the board of the Company (ex officio).
- 3.2 A person who is disqualified under Part V of the Act from being an elected member of a relevant authority shall be disqualified from membership of the Accountability Board.
- 3.3 Each Council may change its nominated Committee Member at any time provided that written notice of any such change is given to the Secretariat, taking effect upon receipt. Such written notice may be given by electronic mail. Such change may be temporary or permanent.
- 3.4 Subject to the provisions of this Agreement officers and elected members of the Councils may attend meetings of the Accountability Board (or any sub-committee) to support their Committee Member in attendance at that meeting.

4. Term of office

- 4.1 A Council Member will hold office until one of the following occurs;
- (a) they are removed or replaced by the Council which appointed them; or
 - (b) they cease to be an elected member of the Council which appointed them
- 4.2. Where a vacancy occurs under paragraph 4.1 it shall be filled as soon as possible by the relevant Council.
- 4.3 Co-opted Members shall be appointed for a term of two years and shall be eligible for re-appointment for a maximum of two further two-year terms (i.e. a maximum of six years including their first term).
- 4.4 A Co-opted Member shall cease to hold office if
- (a) they resign by giving written notice to the Secretariat (in the case of the Deputy Chair that notice shall also take effect as a resignation as Deputy Chair of the Company);
 - (b) in the case of the Deputy Chair, they cease to hold that office;
 - (c) they are removed from office by the Accountability Board
 - (d) they are replaced by the sector which appointed them.
 - (e) in the case of the education representatives they cease to be employed by or hold office in an institution in the relevant sector in the SELEP Area.
- 4.5 Where a vacancy occurs under paragraph 4.4 it shall be filled as soon as possible in accordance with this schedule and the Assurance Framework .

5. Voting

- 5.1 Any question arising at a meeting of the Accountability Board shall be decided by a simple majority of the Council Members present and voting,
- 5.2 All voting shall be by a show of hands. Any Council Member may require the way

they voted to be recorded in the minutes of the meeting.

5.3 Co-opted Members are not entitled to vote.

6. Substitute Members

6.1 A Council may appoint another Executive Member from the same Council to be a substitute member. No later than 30 minutes before the start of the meeting a substitution notice may be given to the Secretariat by:

- (a) the Council Member concerned; or
- (b) the Council

that the Substitute will be attending a meeting of the Accountability Board in place of the Council Member. Where a substitution notice is in effect the substitute will be in all respects a member of the Accountability Board in place of the Council Member.

7. Chair and Vice Chair of the Accountability Board

7.1 The Deputy Chair shall be the Chair of the Accountability Board.

7.2 At its first meeting in the municipal year the Accountability Board shall appoint a Co-opted Member as Vice Chair.

7.3 If the Deputy Chair is not present within 15 minutes of the time at which the meeting was scheduled to begin the Vice Chair shall chair the meeting. If neither the Deputy Chair nor the Vice Chair are present within 15 minutes of the time at which the meeting was scheduled to begin, or are otherwise both unwilling to chair the meeting, then another Council Member present, chosen from amongst those present, shall chair the meeting. The person chairing the meeting shall be the "Chair" for the purposes of this Schedule for the duration of the meeting.

8. Assurance

8.1 The Section 151 Officer and Monitoring Officer of the Accountable Body, or their representative, will attend meetings of the Accountability Board meetings in an advisory capacity.

8.2 Unless otherwise agreed all reports to the Accountability Board must also be sent to the Section 151 Officer and Monitoring Officer of the Accountable Body at least five clear working days before they are due to be published.

8.3 The Section 151 Officer and the Monitoring Officer, or their representatives, from the other Councils will be invited to observe the Accountability Board meetings.

9. Meetings of the Accountability Board

9.1 The Accountable Body will maintain the official record of the Company and Accountability Board proceedings and hold copies of all relevant documents relating to funding allocated to the Accountable Body for the purposes of allocation by the Company;

9.2 The Accountability Board shall meet at least four times in each year save and except that;

9.3. The Chair of the Accountability Board may cancel any meeting if there is insufficient

business to be transacted but must give detailed reasons for doing so and as much notice as is reasonably possible.

- 9.4 A meeting of the Accountability Board must be convened to take place within one month of receipt of a written requisition from
- (a) the Chair of the Accountability Board
 - (b) at least three Council Members.
 - (c) the Monitoring Officer or Section 151 officer of the Accountable Body
- 9.5 The dates for the meetings in any year shall be agreed at a meeting of the Accountability Board, other than those convened pursuant to paragraph 9.4.
- 9.6 Meetings of the Accountability Board shall normally take place at High House, Production Park, Purfleet, RM19 1RJ or at such reasonable alternative venue as notified to the Councils by the Secretariat from time to time.
- 9.7 The agenda and reports for each meeting shall be issued by the Secretariat at least five clear days in advance of the meeting unless by exception by agreement of the Chair before the meeting and sent to each Committee Member and to the proper officer of each Council.
- 9.8 No item of business may be considered at a meeting of the Accountability Board unless it is on the agenda for the meeting or unless the Chair has agreed to accept the item on the grounds of special urgency which shall be set out in the minutes for the meeting.
- 9.9 Any key decisions must be included on the Forward Plan published 28 days in advance of the meeting.
- 9.9 Meetings of the Accountability Board will be open to the public and press except where the Accountability Board resolves that the press and public be excluded (which may only be during consideration of items containing confidential or exempt information within the meaning of Schedule 12A of the Act).
- 9.10 The agenda for each meeting shall include an opportunity for the public to ask questions or make statements on a matter within the remit of the Accountability Board.
- 9.11 The Secretariat and any Council may make a request to the Chair of the Accountability Board that a particular person or organisation is to be invited to attend a meeting of the Accountability Board for the purpose of making a presentation, or participating in discussion, on any item relevant to the Accountability Board's functions.

10. **Quorum**

- 10.1 The Quorum for meetings of the Accountability Board is two thirds of the Committee Members, including at least four Council Members.

11. **Minutes**

- 11.1 The minutes of the meeting shall be circulated to all Committee Members and shall be approved or amended at the next available meeting and, once approved, signed as an accurate record of the meeting by the Chair of the Accountability Board or by the person presiding at the meeting.
- 11.2 Minutes of the Accountability Board shall be published as required by law except to

the extent that they include any exempt information.

12. Clerk

12.1 The Clerk shall be nominated by the Accountable Body from time to time. The Clerk in conjunction with the Secretariat is responsible for ;

- (a) Organising and publishing dates of forthcoming meetings;
- (b) Production, publication and distribution of agendas, reports and minutes of meetings;
- (c) Ensuring representation at meeting;

12.2 Advising on the operation of the Accountability Board; and

12.3 Providing guidance to, and the recording of Committee Members' declarations of interest in accordance with the code of conduct and the Assurance Framework.

13. Sub-Committees

13.1 The Accountability Board may from time to time appoint such sub-committees as it considers appropriate to exercise such functions as may be delegated to it by the Accountability Board and to advise the Accountability Board in the discharge of its functions, save and except that the Accountability Board may not delegate to any sub-committee the approval of the budget or Annual Business Plan or the fixing of the annual contributions payable by the Councils.

13.2 The Accountability Board will determine the membership and terms of reference of any sub-committee.

14 Scrutiny Arrangements

14.1 The decisions made by the Accountability Board may be subject to the individual scrutiny arrangements of each Council.

14.2 Committee Members and their officer advisers shall co-operate with the relevant Scrutiny Committee of any of the Councils and shall, where requested, comply with any statutory duty to attend any meeting of any relevant Scrutiny Committee.

15. Call in

15.1 Call in should only be used in exceptional circumstances Day to day management decisions or routine operational decisions should not be subject to Call in.

15.2 Other than in the case of a decision which the Accountability Board resolves is a decision that shall be exempt from Call-in as it needs to be implemented urgently, no decision of the Accountability Board may be implemented until the later of

- (a) 5pm on the third day after the decision has been published on the Company website and sent to the Councils ('the Call-in Period');
- (b) the conclusion of any call-in received during the Call-in Period

15.3 A decision is called in by an elected member or members of a Council in the same way they would call in a decision of each Council's Cabinet except that elected members of a Council may only call-in a decision which affects that Council or its administrative area.

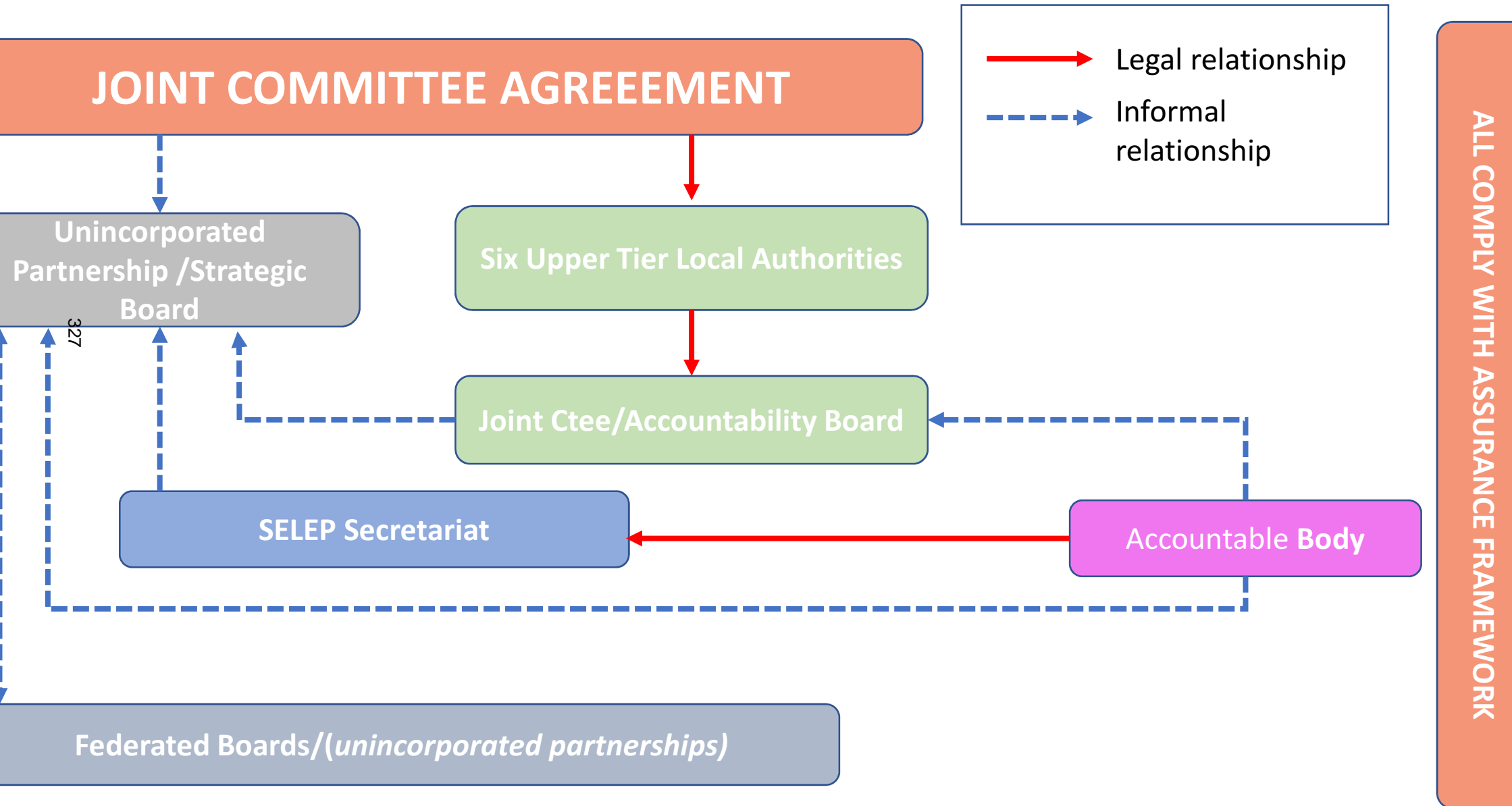
- 15.4 Once a decision or other action taken has been called in it may not be implemented until the scrutiny arrangements of the relevant Council whose membership has called in the decision or action have been completed. Where a relevant Scrutiny Committee (or full Council) makes recommendations to the Accountability Board, the Accountability Board shall arrange for the decision or action to be reconsidered in the light
- 15.5 When a Council receives notification that a decision has been called-in it will immediately notify the Clerk and the Secretariat by telephone or email.
- 15.6 If the Accountability Board is required to reconsider a decision at the request of a Council's Scrutiny Committee or full Council then it shall do so at a meeting and it may be necessary to convene a special meeting to deal with this.
- 15.7 Where any Member or officer is required to attend a Scrutiny Committee, the Chair of that Scrutiny Committee will inform the Secretariat who will ensure that the monitoring officer of that authority and that of the Accountable Body is informed
- 15.8 The operation this clause shall be kept under review.

16. Conduct and expenses of members

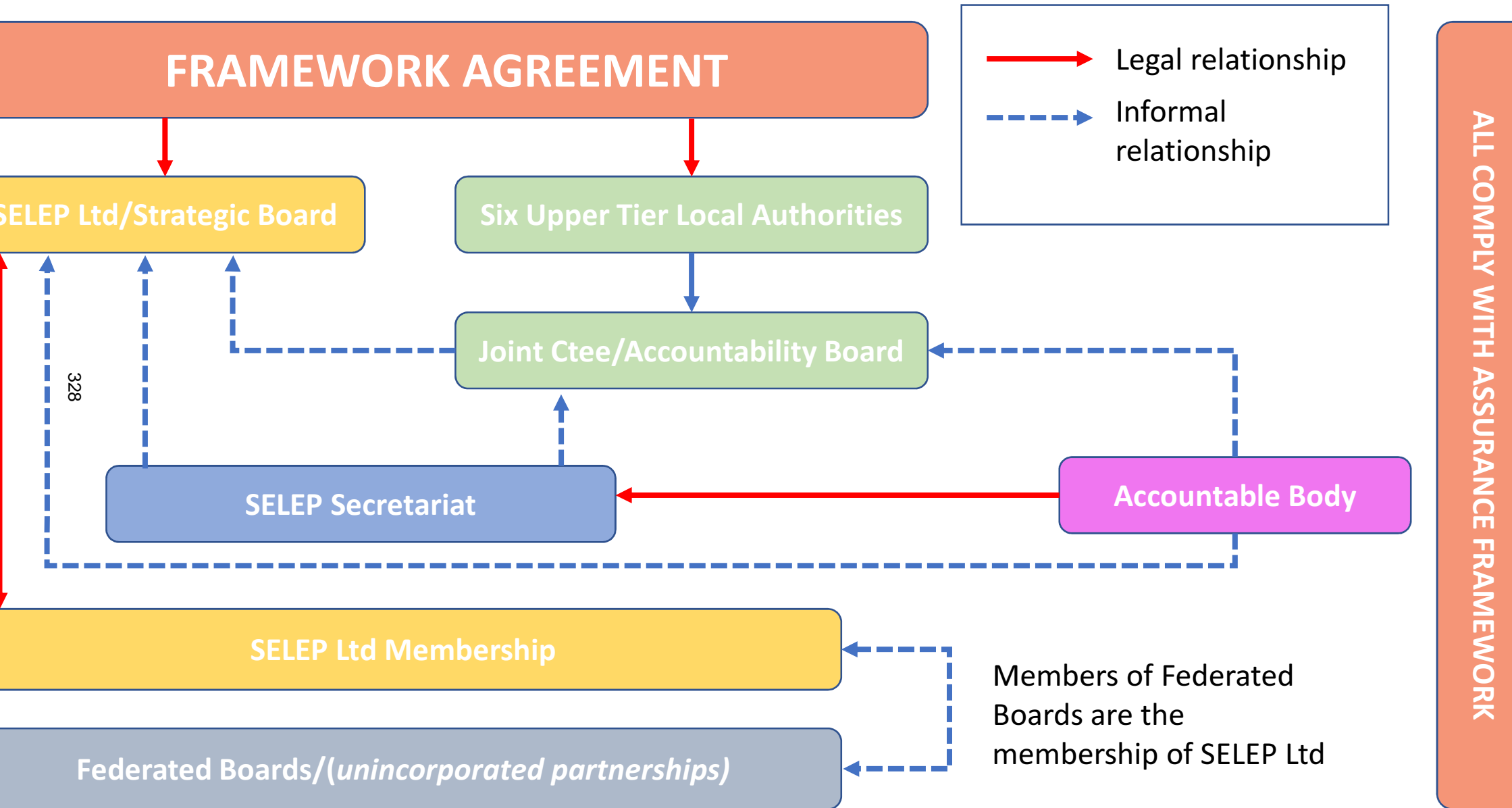
- 16.1 All Council Members shall observe at all times the provisions of the Code of Conduct adopted by their respective Councils.
- 16.2 Each Council shall be responsible for meeting any expenses to which any Committee Member or officer appointed by them, as its representative, is entitled as a result of their attendance at meetings of the Accountability Board.

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ELEP Governance Diagram – Old Structure



SELEP Governance Diagram – New Structure



Southend-on-Sea Borough Council

Report of Chief Executive
to
Cabinet
on
16th January 2020

Report prepared by:
Nicola Spencer & Louisa Thomas
Data & Insights Analysts

Agenda
Item No.

11

Additional Outcome Success Measures Reporting

Cabinet Member: Councillor Gilbert

All Scrutiny Committees

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To review the additional Outcome Success Measures report that provides an update on the council's progression on the 23 Southend 2050 outcomes. This report will be presented to Cabinet and the People, Place and Policy & Resources Scrutiny Committees in January 2020.

2. Recommendations

- 2.1 To consider any further data and insights for this report.

3. Background

- 3.1 The Outcome Success Measures report is a high level summary of the council's corporate performance and progression over the subsequent quarter on the high level strategic priorities.
- 3.2 Outcome Delivery Teams provide a strategic narrative once a quarter on the progress made on the delivery of the Southend 2050 outcomes and activity on the 2023 Roadmap (milestones). The report also contains a snapshot of key place data which will be updated as available throughout the year.
- 3.3 The agreed timetable for reporting the Outcomes Success Measures report is as follows:

		To be presented to Cabinet:
Quarter 1	April – June 2019	September 2019
Quarter 2	July – September 2019	November 2019
Quarter 3	October – December 2019	February 2020
Quarter 4	January – March 2020	June 2020

3.4 Furthermore, it was agreed that there would be additional reporting aligned to the scrutiny cycle in January 2020. This report fulfils this function.

4. Structure and format

4.1 This highlight report displays a visual progress report on the 2023 Roadmap milestones, the key Outcome Success Measures for each Southend 2050 theme, and a narrative update on the progress made and planned to date for each milestone on the 2023 Roadmap, organised by theme.

4.2 An Annual Information page is included, giving a current snapshot of key place-based data.

5. Reporting Dates

5.1 The highlight report will be tabled as follows:

Meeting	Date
CMT	20 November 2019
EB	17 December 2019
Cabinet	16 January 2020
Place Scrutiny Committee	28 January 2020
People Scrutiny Committee	29 January 2020
Policy & Resources Scrutiny Committee	30 January 2020

6. Reasons for Recommendation

To drive the delivery of the Southend 2050 ambition through robust and strategic performance management arrangements.

7. Corporate Implications

Contribution to Council's Ambition & corporate priorities:
To strategically monitor the council's corporate performance and achievements against the 2050 Road Maps and Outcomes.

8. Financial Implications

There are no financial implications.

9. Legal Implications

There are no legal implications.

10. People Implications

People implications are included in the monitoring of performance relating to the council's resources where these relate to the Council's priorities.

11. Consultation

The new performance framework and measures to be included in future performance reporting are included in the Strategic Delivery Plans which were developed through extensive consultation and engagement to articulate the Southend 2050 ambition.

12. Equalities Impact Assessment

The priorities and outcomes contained with the Five Year Road Map are based upon the needs of Southend's communities. This has included feedback from consultation and needs analyses.

13. Risk Assessment

The Corporate Risk Management Framework shall be managed alongside the new monitoring for corporate performance. This information shall form part of the new corporate risk register that is managed by the Audit Team.

14. Value for Money

Value for Money is a key consideration of the Southend 2050 Performance Framework, including the outcome-based investment work, to help assist in identifying Value for Money from services.

15. Community Safety Implications

Performance Indicators relating to community safety are included in the Strategic Delivery Plans as well as the Southend 2050 – Annual Place-based Report.

16. Background Papers

16.1 Monthly Performance Reports (MPRs) from April 2018 to March 2019.

16.2 Outcome Success Measures Reports from periods 1 and 2 2019/20.

17. Appendices:

17.1 Appendix 1: Outcomes Success Measures Highlight Report January 2020

OUR
SHARED
AMBITION

SOUTHEND
2050
it all starts here

Outcomes Success Measures Highlight Report
January 2020

Southend 2050: Five Themes and 23 Outcomes for 2023

Pride & Joy

PJ 01 - There is a tangible sense of pride in the place and local people are actively, and knowledgeably, talking up Southend.

PJ 02 - 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.

PJ 03 - We have invested in protecting and nurturing our coastline, which continues to be our much loved and best used asset.

PJ 04 - Our streets and public spaces are clean and inviting.

Safe & Well

SW 01 - People in all parts of the borough feel safe and secure at all times.

SW 02 - Southenders are remaining well enough to enjoy fulfilling lives, throughout their lives.

SW 03 - We are well on our way to ensuring that everyone has a home that meets their needs.

SW 04 - We are all effective at protecting and improving the quality of life for the most vulnerable in our community.

SW 05 - We act as a Green City with outstanding examples of energy efficient and carbon neutral buildings, streets, transport and recycling.

Active & Involved

AI 01 - Even more Southenders agree that people from different backgrounds are valued and get on well together.

AI 02 - The benefits of community connection are evident as more people come together to help, support and spend time with each other.

AI 03 - Public services are routinely designed, and sometimes delivered, with their users to best meet their needs.

AI 04 - A range of initiatives help communities come together to enhance their neighbourhood and environment.

AI 05 - More people have active lifestyles and there are significantly fewer people who do not engage in any physical activity.

Opportunity & Prosperity

OP 01 - The Local Plan is setting an exciting planning framework for the Borough.

OP 02 - We have a fast-evolving, re-imagined and thriving town centre, with an inviting mix of shops, homes, culture and leisure opportunities.

OP 03 - Our children are school and life ready and our workforce is skilled and job ready. Leads

OP 04 - Key regeneration schemes, such as Queensway, seafront developments and the Airport Business Park are underway and bringing prosperity and job opportunities to the Borough.

OP 05 - 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 & Smart

CS 01 - It is easier for residents, visitors and people who work here to get around the borough.

CS 02 - People have a wide choice of transport options.

CS 03 - We are leading the way in making public and private travel smart, clean and green.

CS 04 - Southend is a leading digital city with world class infrastructure.

Annual Information

Unemployment
3,620 – 3.2%
September 2018

4,020 – 3.6%
September 2019

£288,455.00
Average house price Southend
(August 2019)

£251,233.00
Average house price England
(August 2019)

182,500
Mid-year Population Estimate
for Southend
(Nomis July 2018)

1,035
New businesses (2017/18)

1,115
Businesses closed (2017/18)

Teenage conception for under
18's rate of 24.3 per 1,000
(number 70)
(2017)

Transport

National Highways and Transport (NHT)
Public Satisfaction Survey (2018/19)

75% of people found it
easy to get around
the borough

63% of people with a
disability found it
easy to get around
the borough

72% of people who do
not have a car
found it easy to get
around the borough

Early Years Foundation Stage
Profile
Achieving a Good Level of
Development
74.0% 2018/19

Trees

Figures do not include whips

In 2016/17 we planted 322
trees and removed 310

In 2017/18 we planted 279
trees and removed 373

In 2018/19 we planted 384
trees and removed 412

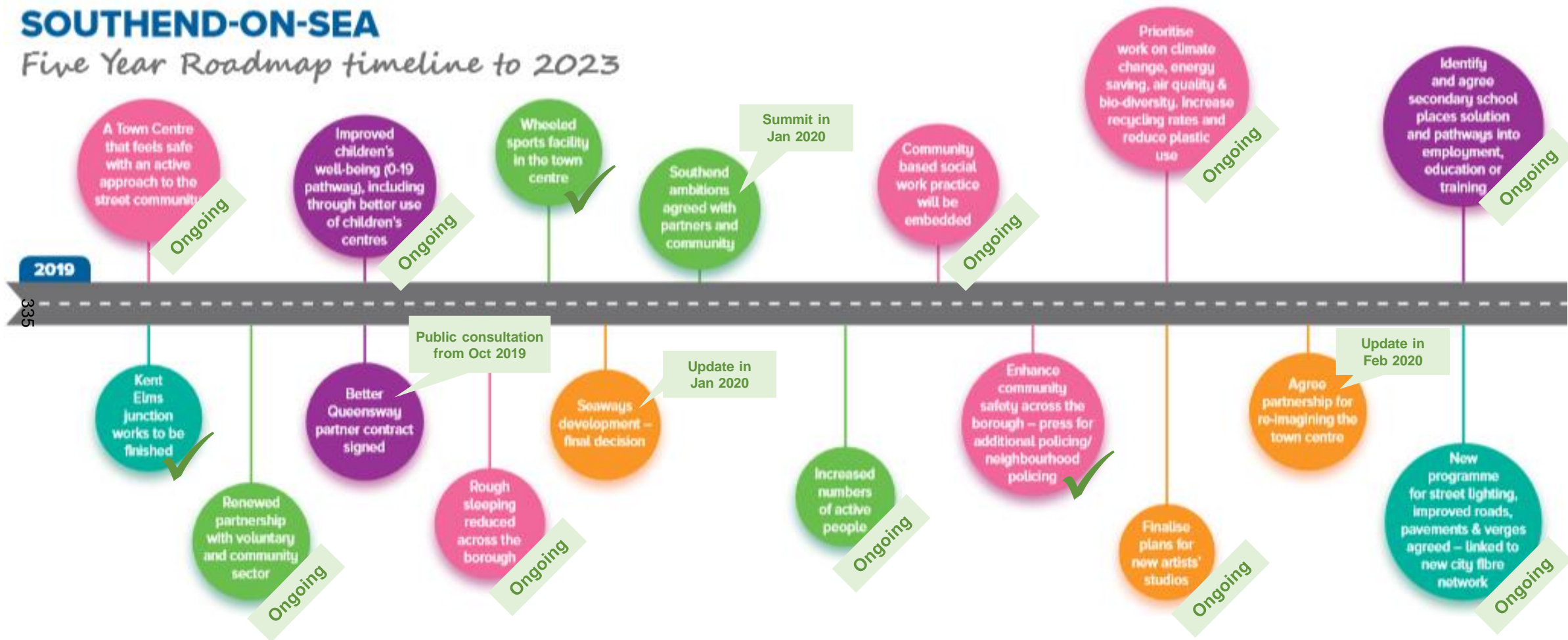
56%
Agree people from different
backgrounds get on well
together*

75%
Satisfied with local area
as a place to live*

*2018 residents' perception survey, sample 1239 Southend residents

SOUTHEND-ON-SEA

Five Year Roadmap timeline to 2023



Work with schools and Academy Trusts to secure improvements in performance in underperforming schools

Ongoing

Consultation in Oct 2019

Housing opportunities, including new social and key worker housing identified and business plan for Better Queensway agreed

Plan for selective licensing scheme for private rented sector agreed.



First phase live in Dec 2020

Data Warehouse using Real Time information

To commence 2020

Building programme of private, locally affordable housing, for rent and sale begins

Localities – integrated health and care services provided locally, including promotion of new Shoebury health centre and others to tackle health inequalities

Ongoing

The gap between disadvantaged pupils and their peers continues to close

Awaiting 2019 data

Enhanced skills provision, including through more apprenticeships

Ongoing

2020

More integrated transport provision with revised parking strategy for residents/business/visitors

Options appraisal in Nov 2019

Become a living wage employer, working toward full living wage accreditation.

Ongoing

Support and work with the leaseholder to enable them to secure a viable future for the Kursaal

Ongoing

More Southend pupils are able to attend a grammar school if they choose



Scheduled for Mar 2020

Agile working culture being embedded in Council

Reimagined vibrant Town Centre with community shared space for arts, music, retail and homes

Ongoing

Following the start of Queensway regeneration, develop further plans for housing opportunities

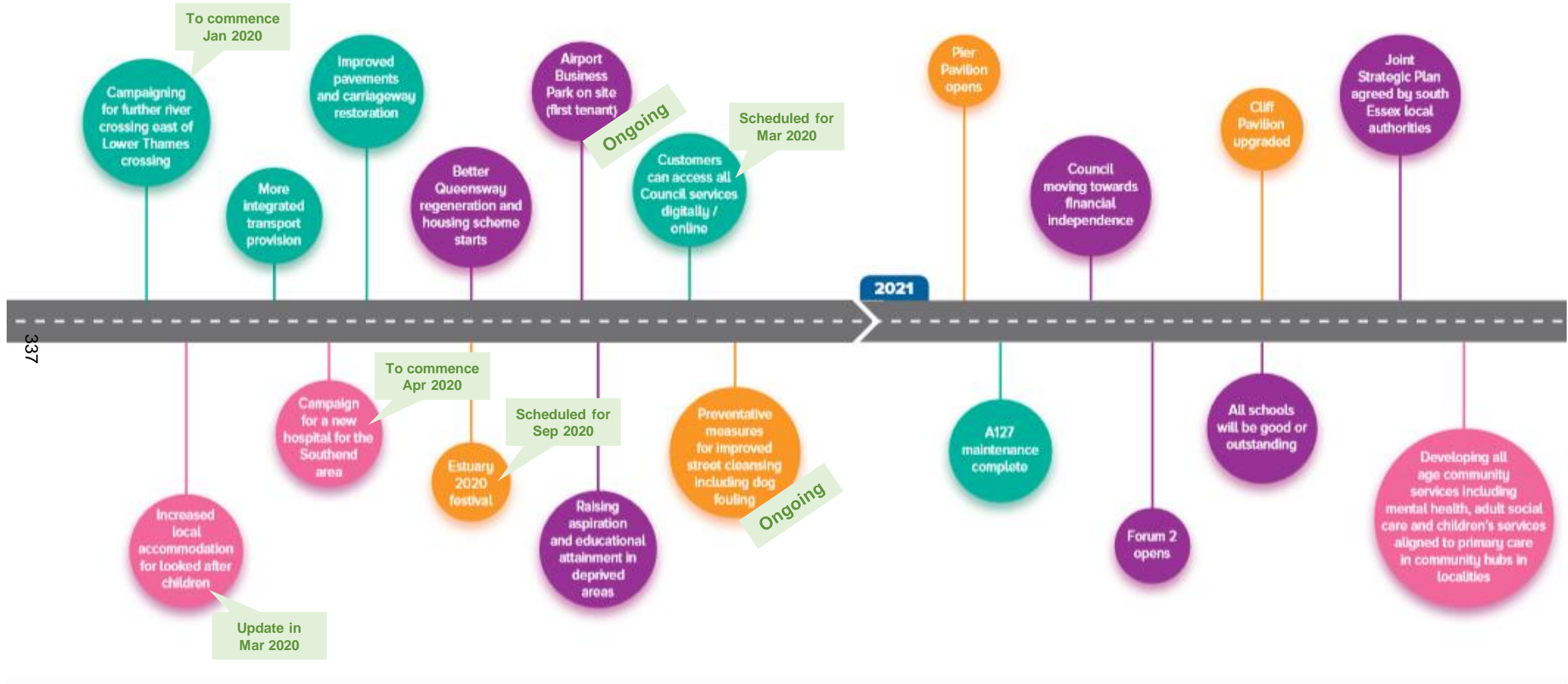
Ongoing

Reviewing and delivering a more integrated children's pathway across health and social care to include community paediatrics service

To commence Mar 2020

New social care home operational

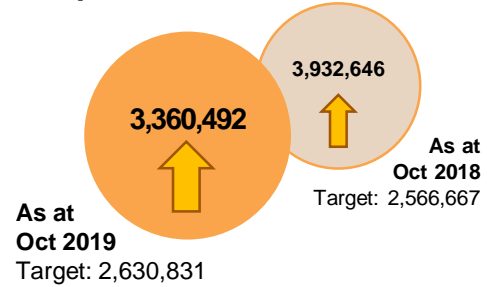
Scheduled for 2020



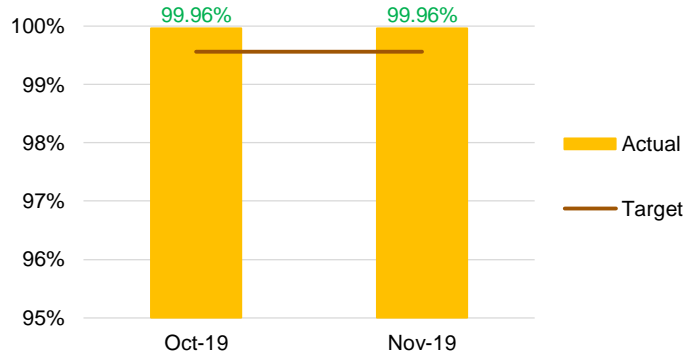


Participation and attendance at Council owned / affiliated cultural and sporting activities and events and the Pier

[Cumulative YTD]

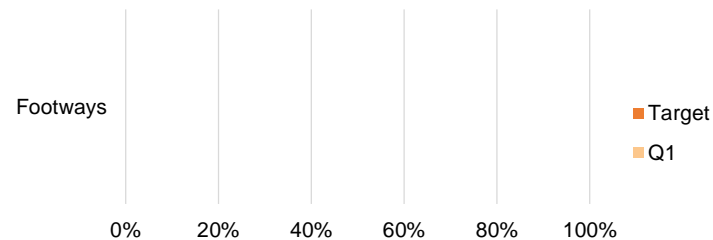


Percentage of successful waste collections per month



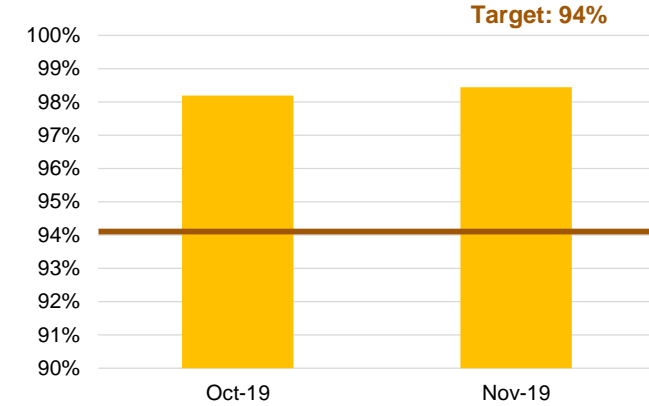
Safety Inspections completed on time

Awaiting data



Acceptable standard of cleanliness: litter

[Cumulative YTD]



Social Media Campaigns in Oct / Nov 2019

80,224

people reached by the Register to Vote campaign

1,328

views of the new Digital Southend webpage

590,000

views of our "County Lines" cinematic video ad

Key insights

- For Nov 2019, there were 648 reported missed collections, representing 0.04% of 1.8m collections per month and meaning that 99.97% of collections were successfully carried out as scheduled. Current performance is on track to meet the annual target of 94% (which is equivalent to 8000 missed collections per year). YTD the figures demonstrate an exceptional level of cleansing.
- Pier admission figures for Nov 2019 were 11,124 – the best Nov admission figures seen in the last decade, topping the 2017 figure of 10,487 and despite the occasionally wet weather. This has been helped by the "Santa on the Pier" event which promises to deliver healthy figures for Dec 2019 too.
- Social media campaigns ran this period on promoting Southend as a digital city, trees, County Lines, voter registration and Remembrance Day, resulting in a collective reach of over 100,000.



Current progress - (Quarter 1 and 2 2019/20 onwards)

Milestone – “Seaways development”

- Cabinet report of Jan 2019 agreed Jan 2020 as likely final date to agree progress.

633 Milestone – “Finalise plans for new artists studios”

- Forum 2 is progressing through the planning process, with all internal design work completed as part of RIBA Stage 4. The council’s portion of the building will see a new gallery space for the Focal Point Gallery, delivering a more ambitious exhibition and performance programme, and a suite of digital artist studios, including green screen facility, post production and sound recording, and a new project space for an increased creative learning programme, focusing on creative skills development
- Public and peer consultation workshops are taking place to involve citizens in how the facility will integrate into the community
- A business plan for the revenue budget for running Forum 2 has been developed

Milestone – “Agree partnership for re-imagining the town centre”

- Scrutiny report and recommendations agreed by June 2019 Cabinet. External funding secured and aligned with the town centre outcome and Scrutiny Project actions
- Activity includes a consultation on the Sunrise work to develop a scheme, developing schemes for public realm improvements between Warrior Square, Whitegate Road, Tylers Avenue and York Road, which will deliver greening and shaded seating. Work to convene the strategic town centre group in place

Milestone – “Support and work with the leaseholder to enable them to secure a viable future for the Kursaal”

- Discussions held with Kursaal owner representative, looking at ways to let the space and bring building back to use.

Future milestones:

Further funding opportunities are being explored



Continued current progress - (Quarter 1 and 2 2019/20 onwards)

Milestone – “Reimagined vibrant Town Centre with community shared space for arts, music, retail and homes”

- Scrutiny report to Jun 2019 Cabinet
- Business proposal ongoing to look at central community hub; identified shop front for community hub.

Milestone – “Estuary 2020 festival”

- Festival scheduled to start in Sep 20. Historic structures on Garrison site visited by artists looking to be involved with festival. Metal is working with Shoebury CIC, EWT and SBC on project.

Milestone – “Preventative measures for improved street cleansing including dog fouling”

- 30 beach litter bins ordered to use for next years activities, volunteer-led beach cleaning litter picks ongoing.
- Dog fouling DNA solution considered and rejected by Nov 2019 Cabinet.

Future milestones:

20 new cigarette bins to be placed in high street to target smoking litter

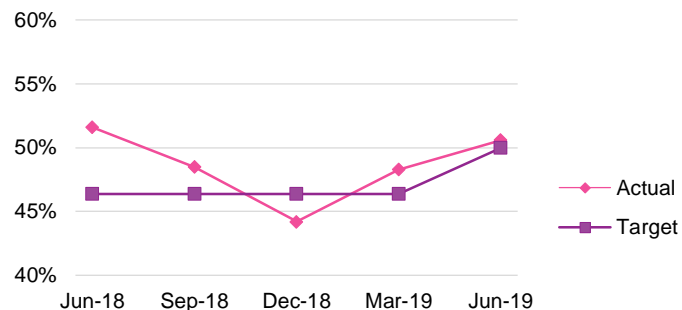


Key insights:

- The issuing of EHC plans within 20 weeks is ahead of target but showing a 1.2% decrease, the first since Apr 19 – representing one plan so far this financial year which has exceeded the 20-week deadline. Six EHC plans were finalised during Oct; 81 plans now finalised to date in this financial year.
- The proportion of adults in contact with secondary mental health services who live independently with or without support has decreased month-on-month since Jun 19 by an average of 1.6% per month. A targeted piece of work is underway with Essex Partnership University NHS Foundation Trust (EPUT) to identify the cause of the decrease in performance.
- Oct 2019 saw a rate of 2.35 households per 1000/pop in TA against a benchmark of 3.51, equalling a total of 186 households. Work is underway to improve availability of private sector properties to discharge our homelessness duty into, relieving some pressure on the limited social housing stocks and reducing TA occupation levels.
- A reduction in incidents reported to the CSU has been noted since Oct 2019, this may be due to the colder weather. 18 Community Protection Notices / Warnings have been issued since Apr 2019.
- Rate of 85.9 LAC per 1000/pop in Oct 19, or 340 children. Timescales for health assessments and visits for LAC remain under target, focussed work continues to address the resourcing and recording issues that are creating these pressures.

Percentage of household waste sent for reuse, recycling and composting

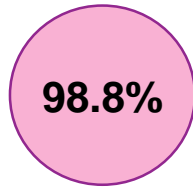
[Cumulative YTD]



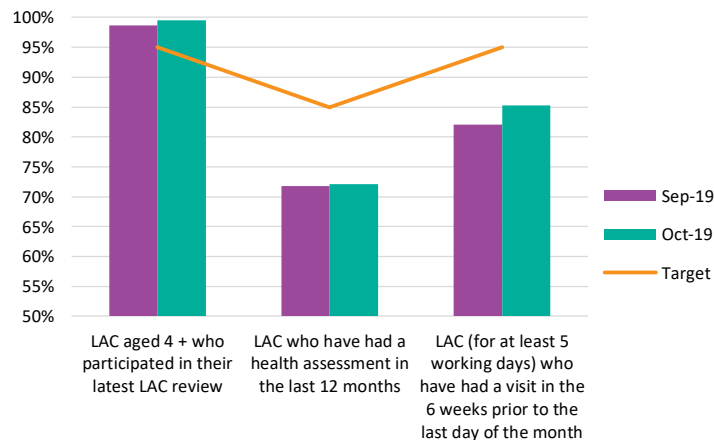
Education Health Care plans issued within 20 weeks (excluding exception cases (SEND))

[Cumulative YTD]

Total plans issued during 2019/20: 81
 Period: as at Oct 2019
 Target: 96%

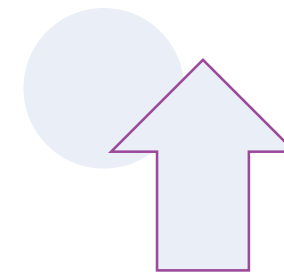
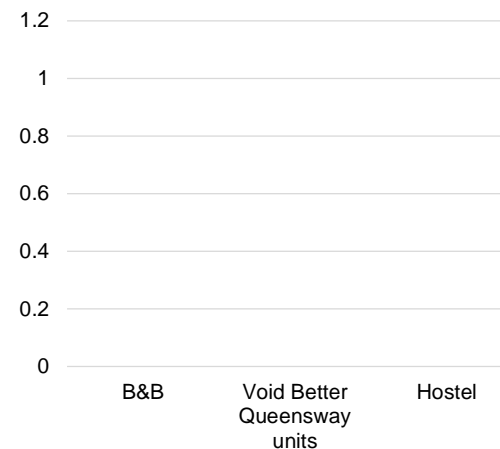


Looked After Children (LAC)



Families in Temporary Accommodation (TA)

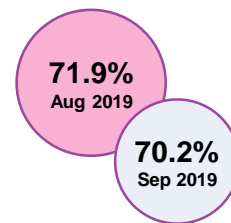
Awaiting data



H008: Total number of children in TA
 (data for 2018 not available)

■ No. of children
 ◆ No. of households

Mental Health

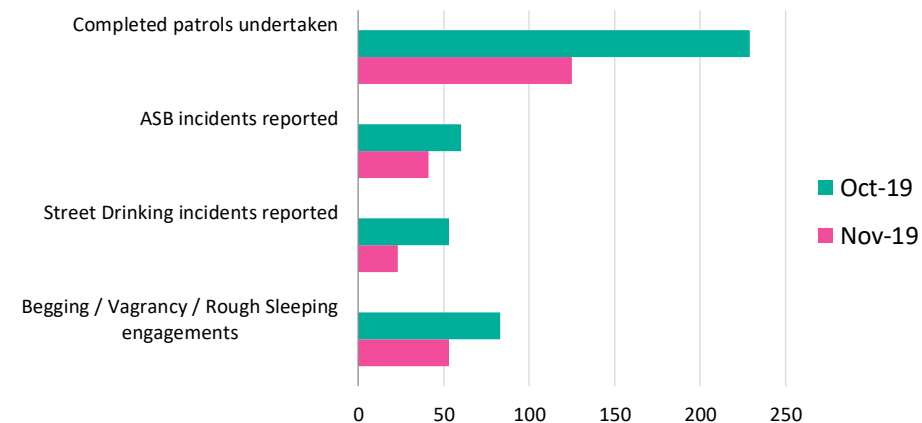


Proportion of adults in contact with secondary mental health services who live independently with or without support (EPUT)

2019/20 target: 74%

The Council's Community Safety Unit activity

This dataset does not include data from the Police or other agencies





Current progress - (Quarter 1 & 2 2019 onwards)

Milestone – “Town centre that feels safe with an active approach to the street community”

- Report to Cabinet Jun 18 agreeing additional enforcement resources
- **PSPO** – was agreed Cabinet 08.07.19
- Working with the Police to ensure additional presence in the high street (Summer 2019)
- Increased Community Safety Patrol Team (Summer 2019) extended enforcement powers reducing town centre issues.
- Additional new police officers deployed to Southend police station
- Complaints due to street drinking and anti-social behaviour decreased.
- Beach Welfare Officer Volunteers
- External funding secured for town centre interventions (Scrutiny Project)
- Town Centre Action Group action plan to deal with most prolific individuals in town centre and link to rough sleeper work

Milestone – “Rough Sleeping reduced”

- Official count numbers reduced from 72 to 11 (2017 to 2018)
- Housing & Homelessness Strategy agreed, 18.09.18 Cabinet
- Housing pipeline report to 26.06.19 Cabinet.
- Housing Allocations policy review agreed, 25.06.19 Cabinet
- Housing and Regeneration Pipeline, 17.09.19 Cabinet
- Housing and Regeneration Pipeline, Including Acquisitions Programme, report, 05.11.19
- Rough Sleepers Initiative funding secured to 2021 (support and outreach work)

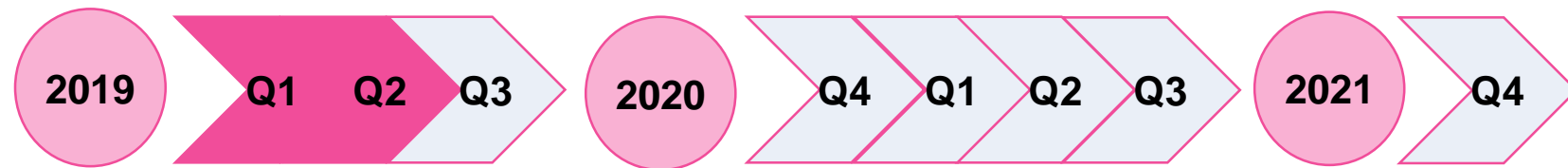
Milestone – “Community based social work practice will be embedded”

- Embedded at Kent Elms, Highways and West Road (Shoebury) surgeries. Mental health social workers supporting council Housing Officers with complex cases to maintain tenancies
- Social worker and dementia navigation team working more collaboratively to improve integrated working

Future milestones

Next official count of rough sleepers due in Nov 2019, with figures released Jan / Feb 2020

Church Winter Night Shelter due to open December 2019



Continued current progress – (Quarter 1 & 2 2019 onwards)

Milestone – “Enhance community safety across the borough – press for additional policing/neighbourhood policing”

- See milestone re: Town Centre - Working with the Police to ensure additional presence in the high street (Summer 2019)
- Enhanced Community Safety Team (Summer 2019)
- ³⁴Project 360 (Police/SBC/CIC) externally funded by Big Lottery Fund

Milestone – “Prioritise work on climate change, air quality and bio diversity. Increase recycling rates and reduce plastic use”

- Declaration of Climate emergency
- Review and update of Tree Policy, Cabinet - Sept 2019
- Climate change emergency motion & work programme agreed by 05.11.19 Cabinet

Milestone – “Plan for selective licensing scheme for private rented sector agreed”

- Cabinet to carry out exploration and consultation - Sep 2019

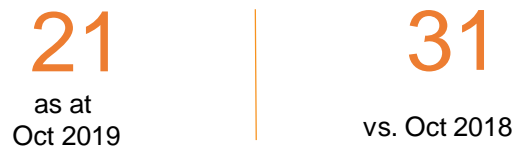
Milestone – “Localities – integrated health and care services provided locally, including promotion of new Shoebury health centre and others to tackle health inequalities”

- Work ongoing across Integrated Design Team continues with a focus on developing specific Locality approaches aligned to the Locality Strategy.
- A ninth Dementia Navigator in place at the hospital to assist those with dementia and caring for those with dementia, for seamless discharge; continued development of a community-based asset around the St Luke's Primary Care Centre and a MDT working across each locality with development of the hub concept, to include Shoebury hub.

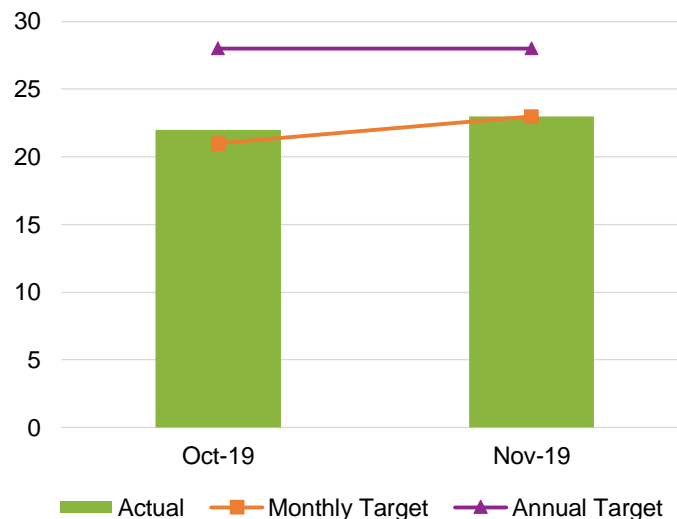


Organisations signed up to Physical Activity-related pledges of the Public Health Responsibility Deal

Target for 2019/20: 30



Number of schools signed up for the Daily Mile Programme or equivalent



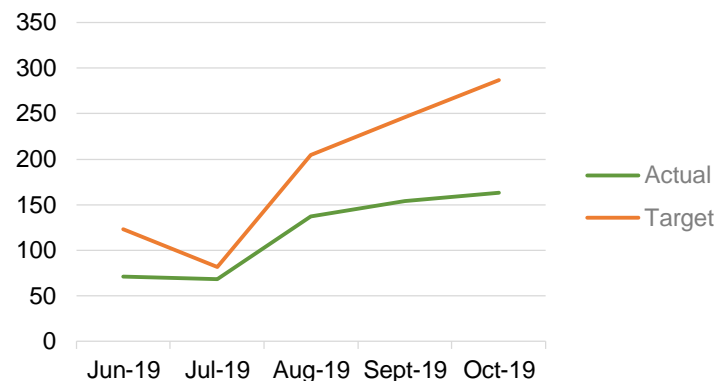
Falls Prevention activity

~12,520 individuals aged 65+ at risk of falling annually in Southend

142

individuals starting 36 week strength and balance programme to date during 2019/20

Number of people completing 12 weeks of the Exercise Referral Programme



Number of hours of volunteering within Culture, Tourism and Property (inc. Pier and Foreshore events)

[Cumulative YTD]



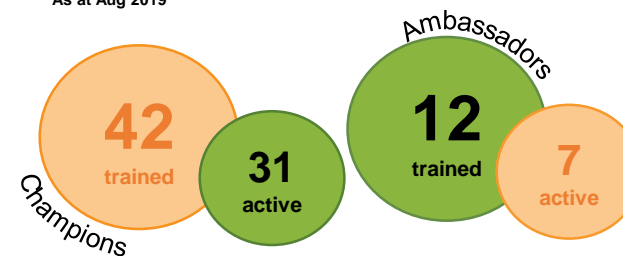
Oct 2019
Actual: 12,938
Target: 11,375



Oct 2018
Actual: 12,214
Target: 11,375

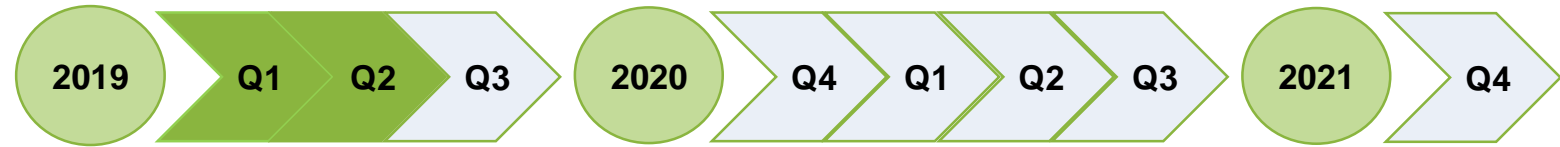
A Better Start Parent Champions and Ambassadors

As at Aug 2019



Key insights:

- **12,938** volunteering hours (which equates to approx. 539 days) delivered within Culture
- An average of **266** runners per week participating in Southend Park Runs
- **142** individuals attended the Strength & Balance class in November
- YTD **23** schools are participating in the Daily Mile or equivalent
- **163** individuals completed the 12 week exercise referral programme in Oct 2019. Numbers of people completing 12 weeks of the programme has improved, as a result of improved communication between the providers. Work to develop the improved exercise referral offer at the leisure centres is proposed for implementation in early 2020



Current progress – Quarters 1 and 2 2019/20 onwards

Milestone: “Wheeled sports facility in the town centre“

- Opened July 2019

Milestone: Renewed partnership with voluntary and community sector

- Activity being taken informally, with potential to become more formalised in future e.g. by renewing the borough’s Compact

Milestone: “Southend ambitions agreed with partners and community”

- Partners summit - Feb 2019
- Administration priorities incorporated into 2050 roadmap at June 2019 Cabinet
- TLC conference Summit held 13 Sep 2019

Milestone: “Increased numbers of active people”

- Active Southend using ActiveEssex funding to support organisations using Small Grants Scheme
- Active Southend Strategic Group using culture & wellbeing small grant’s scheme to promote more physical activity – reporting to Health & Wellbeing board – update CMT and Active Essex Board

Milestone: “Building programme of private, locally affordable housing, for rent and sale begins”

- The council is pressing ahead with the next phases of the HRA Land Review Project which will potentially see a number of affordable homes built in two locations in the borough.

Future milestones

Investigate potential for renewing the borough’s Compact

Further TLC summit to be held 29 Jan 2020

Everyone Health and Fusion to develop Exercise Referral Offer aligned with CCG priorities

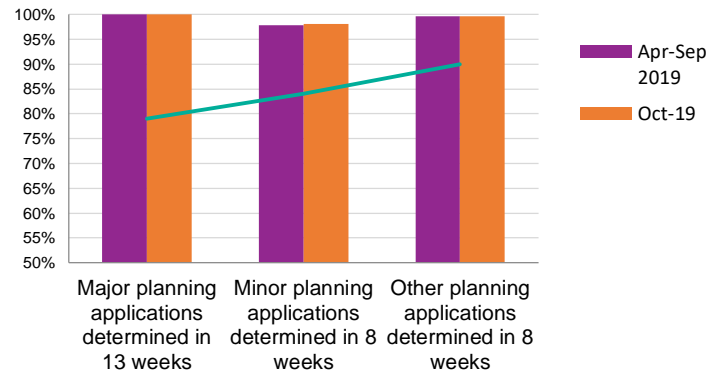


Key insights:

- 197 new businesses opened in the borough since Jun 2019, with a further 13 expanding and/or opening an additional property
- A total of **381** new businesses operating in the borough, with **10** businesses liquidating
- **108 empty** properties to date transferred into the Landlord's name
- **75** additional domestic properties were built in June 2019, bringing the total figure this financial year to **377** additional homes
- The slight drop in **planning applications** to date vs. the same period last year (1059 vs. 1119) may be due to Brexit-related uncertainty impacting on investment, or the fact that the number of applications received last year was a record high. The appeal success rate to date this FY is consistent with national context and reflects the council's need to balance good appeal performance and a push for quality development in the borough
- The spike in "**NEET or Unknown**" figures in Sep 19 is attributable to the beginning of the new academic year, when the entire cohort of year 11 and 12 become "Unknown" until college and sixth form lists are recorded. Education and training providers are still sending in their enrolment data; as the cohort is recorded, figures decrease – as shown by the resulting reduction in NEET and Unknown between Sep-Oct 19.

Determination of Planning Applications

Number of overall planning applications submitted Apr-Sep 2019: 1059
 Success of appeals in Apr-Sep 2019: 72.7% dismissed or split against a target range of 65-85%



Delivery of the Capital Programme

[Cumulative YTD]

36% as at Oct 2019
 vs.
-12.1% Oct 2018

Child Development at Two Years Old

[Completions of the ASQ at 2 years 9 months]

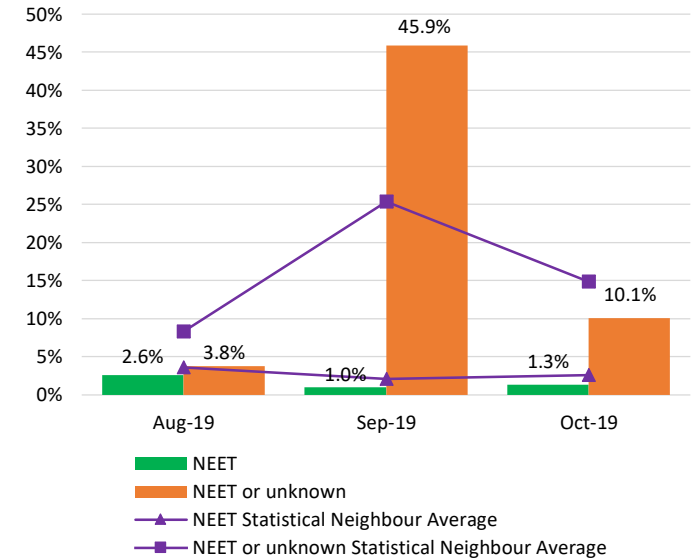
To be developed to include referral outcomes

Sep 2019	Oct 2019
✓	✓
97.7%	95.9%
Target: 95%	

Percentage of young people Not in Employment, Education or Training (NEET) or whose situation is Not Known

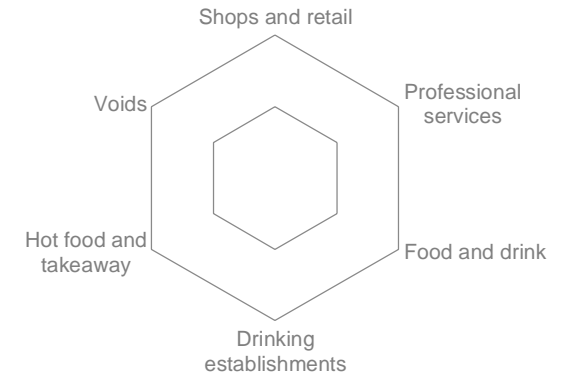
Aim to minimise

Total number of young people in the borough as at Aug 2019: 3948



High street occupancy (BID area only)

Awaiting data





**OPPORTUNITY
& PROSPERITY**



Current progress - (Quarter 1 & 2 2019 onwards)

Milestone – “Improved Children’s Wellbeing 0-19 Incl. Children’s Centres”

- Ongoing work to build partnerships with health and external colleagues in light of 0-19 wellbeing (meeting w/c 18/11/19)
- 347 Continuing to use birth/attendance/footfall data to determine the effectiveness of the provision to support given to young families. Work includes closer working with partners including Better Start, SAVs and schools to ensure high quality services operate from the Children’s Centres.
- **Cabinet 17th Sept 2019 (Ofsted Inspection of Children’s Services)** highlighted significant improvements from previous inspection

Milestone – “Better Queensway partner contract signed”

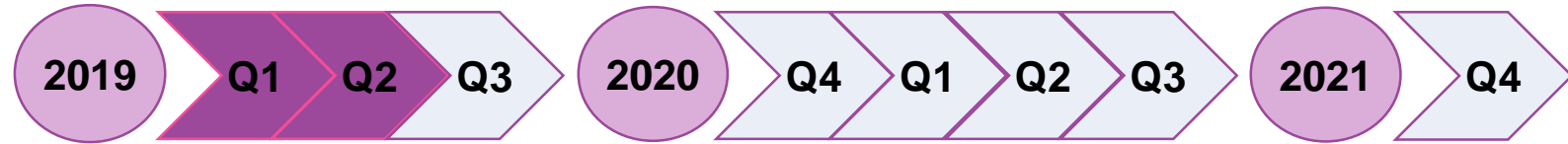
- Preferred partner agreed, 12.02.19 Cabinet
- Porters Place Southend joint venture in place; the LLP's first public consultation has concluded. A second public consultation is scheduled for February 2020 which will lead to a final scheme to be agreed prior to submission for planning

Milestone – “Identify and agree secondary school places solution and pathways to employment, education or training”

- Current strategy progressing, with work on future solutions being explored, included via Children & Learning Working Party.
- Connexions team helped to ensure that less students are classified as NEET.

Future milestones

Better Queensway Public Consultation underway from October 2019



Continued current progress - (Quarter 1 & 2 2019 onwards)

Milestone – “Work with schools and Academy Trusts to secure improvements in performance in underperforming schools”

- Funds have been previously identified to support the Academy Trusts accountable for the three vulnerable secondary schools. This resource is for the academic year 2019-20 to support the schools in their journey to become good.

Milestone – “Become a living wage employer, working towards a full living wage accreditation”

- Sep 2019 Cabinet agreed the council should be a Real Living Wage employer and work to obtain real Living Wage accreditation

Milestone – “Housing opportunities, including new social and key worker housing identified and business plan for Better Queensway agreed”

- Housing pipeline reports to June, Sep and Nov 2019 Cabinets. The business plan for Better Queensway agreed by Shareholder Board in Oct 19. Public consultation undertaken in Oct 19.

Milestone – “More Southend pupils are able to attend a grammar school if they choose”

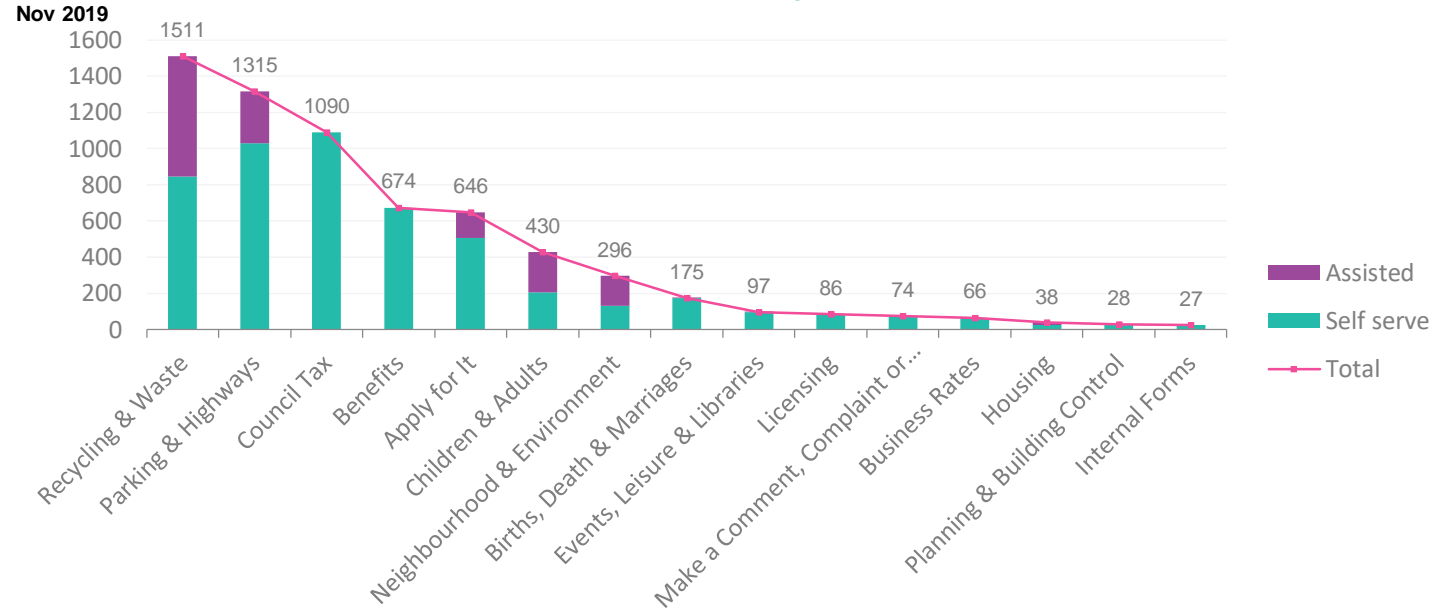
- Further plans to repeat successful awareness campaign for parents to choose a grammar school for their child. Ongoing work to map data regarding the duty to supply sufficient good school places for borough residents.



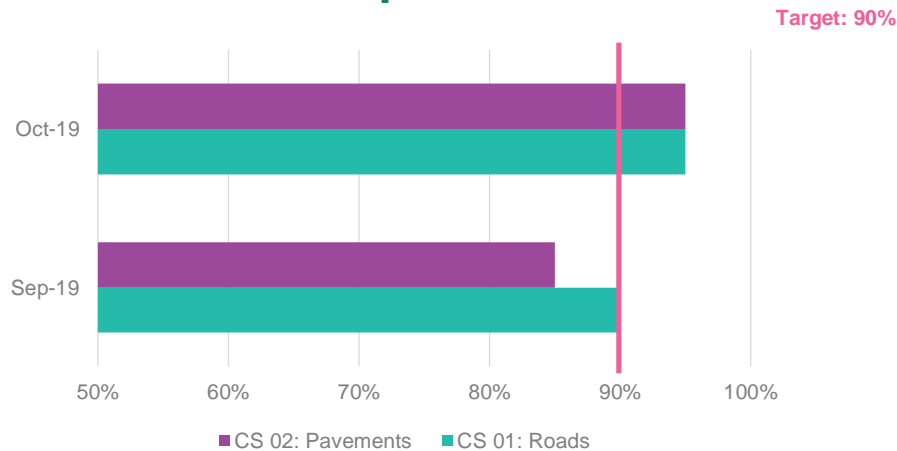
Key insights:

- Total number of registrations for free Wi-Fi: **106,865** (as at the end of Sep 19)
- The High Street remains the most popular browsing location to access free Wi-Fi followed by Eastern Esplanade and Hamlet Court Road
- The High Street, Eastern Esplanade, Hamlet Court Road and Western Esplanade are the most popular locations for registrations to use the free Wi-Fi
- Peak usage of the free Wi-Fi is at 4pm during weekdays, with more females using the service
- Most users are between the ages of **15-24**, with over **15,000** people registered, most of whom are female

Service Requests submitted via MySouthend

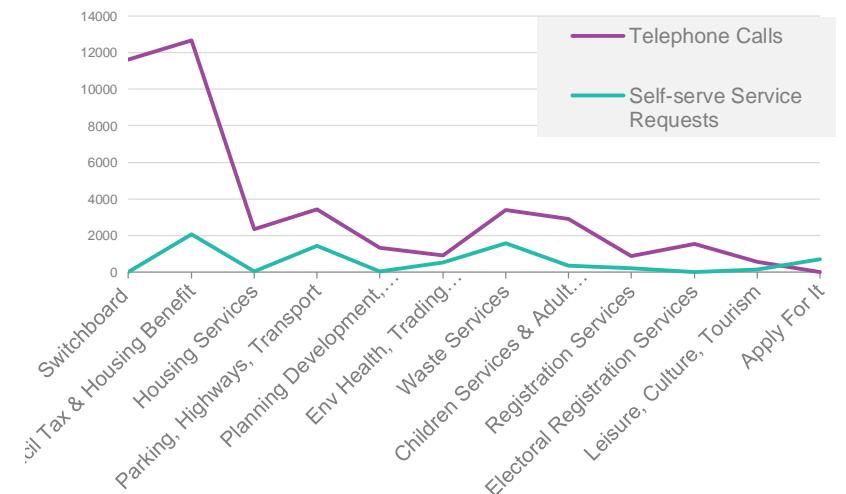


Percentage of CAT1 defects made safe within response times



Channel Shift

As at Oct 2019





Current progress – Quarters 1 and 2 2019/20 onwards

Milestone: “Kent Elms junction works to be finished”

- Completed – additional review of safety to be undertaken.

Milestone: “New programme for street lighting, improved roads, pavements and verges – linked to new city fibre network”

- New programme agreed - 2019/20 Highways Improvement programme published.

Milestone: “More integrated transport provision with revised parking strategy for residents/business/visitors” and “Improved pavements and carriageway restoration”

- Scope for revised Parking Strategy agreed by Cabinet on 05.11.19
- Cabinet Policy discussion held 11.11.19

Milestone: “Data Warehouse using Real Time information” and “Customers can access all council services digitally/online”

- Significant progress made in developing a first iteration of a digital solution for the JSNA, first phase due to go live in Dec 19
- Initial set of apps to allow staff, partners and the community to interrogate data themselves being developed. Phase 2 - the open data portal - is being progressed and this will increase the functionality available

Milestone: “Agile working culture being embedded in the council”

- Agile working culture ‘WorkLife’ being embedded
- Standardisation of ICT equipment being rolled out; CMT working area and redesign complete; formal agile methodology being rolled out across the Senior Leadership Network; methodology applied and tested to a number of projects
- Follow-up accredited coaching programme rolled out in early Oct 19 for key Transformation and Southend 2050 staff (Public Services Transformation Academy (PSTA))

Future milestones

The 2020/21–2021/22 Highways Improvement programme is due to be published in early 2020.

The revised Parking Strategy is being drafted and expected to be ready for consultation November 2019.

Southend-on-Sea Borough Council

Report of Executive Director (Finance & Resources)

To

Cabinet

On

16 January 2020

Report prepared by:
Pete Bates, Interim Head of Corporate Finance
Caroline Fozzard, Group Manager for Financial Planning and
Control

Agenda
Item No.

**12
23**

Corporate Budget Performance – Period 8
Policy and Resources Scrutiny Committee
Cabinet Members: Councillor Ian Gilbert and Councillor Ron Woodley
Part 1 (Public Agenda Item)

1 Purpose of Report

The corporate budget performance report is a key tool in scrutinising the Council's overall financial performance. It is designed to provide an overview to all relevant stakeholders. It is essential that the Authority actively monitors its budgets throughout the year in order to ensure that the overall financial position is robust and sustainable and that strategic objectives are being achieved. The report highlights any major variations from approved spending plans for 2019/20 to enable corrective action to be taken where necessary.

2 Recommendations

That, in respect of the 2019/20 Revenue Budget Performance as set out in Appendix 1 to this report, Cabinet:

- 2.1 Note the forecast outturn and mitigating actions for the General Fund and the Housing Revenue Account as at November 2019;
- 2.2 Approve the planned budget transfers (virements) of £5,651,325 between portfolio services, as set out in section 3.12;

That, in respect of the 2019/20 Capital Budget Performance as set out in Appendix 2 of this report, Cabinet:

- 2.3 Note the expenditure to date and the forecast outturn as at November 2019 and its financing;
- 2.4 Approve the requested changes to the 2019/20 Capital Investment Programme as set out in Section 3 of Appendix 2;

- 2.5 That, in the respect of transfer of an asset as set out in Section 4 of this report: 12A Ceylon Road be appropriated from the General Fund to the Housing Revenue Account.

3 Background and Summary

Revenue – General fund

- 3.1 In February 2019 the Council approved a General Fund revenue budget for 2019/20 of £125.647M. This report provides details of the current projected outturn position for 2019/20 based on information as at the end of November (Period 8). In headline terms the Council is currently forecasting a net overspend of £3.2M for 2019/20, which is around 1% of the gross expenditure budget and an improvement of £0.4M against the £3.6M overspend position reported at the end of September 2019 (Period 6).
- 3.2 The Council is dealing with many of the same financial challenges as most other upper tier Authorities right across the country. 2019/20 has also seen the continuation of similar local spending pressures as the previous financial year. Most Local Authorities are experiencing increasing demand in key services which is placing a strain on available resources. Southend-on-Sea Borough Council have responded to this challenge by making available additional ongoing investment into priority areas. Extra investment has gone into Adults and Children social care services and Highways and Transport but the scale of demand and local circumstances is still creating significant financial pressures for the Authority. The strategic decision to join the Essex Business Rates pool has been beneficial as expected. Together with additional Business Rates income, it is estimated that an extra £2M will be generated this year which has been included in this report to reduce the forecast level of overspend for 2019/20.
- 3.3 The major area of financial pressure is within Children Services with a forecast overspend of £4.8M, this is a £0.5M increase on the position previously reported at the end of September. The £0.5M additional pressure has been driven by a further increase in the number of looked after children in external care placements during October. The current level of demand has stabilised between October and November.
- 3.4 A recent survey has identified that 90% of Councils are experiencing increasing demand and are also overspending in meeting the needs of children and families. The major driver is the significant increase in the number of looked after children, where the Council has experienced a year on year increase for the last 4 years. Due to the high cost of looked after children in externally supplied care placements there is always the risk that the forecast on this provision can move substantially through either increased numbers of children placed in external care or required external placement moves. The service has also seen an increase in the number of families requiring accommodation and classified as families with no recourse to public funds.

- 3.5 This extra demand has also resulted in increased costs for additional expert staff in social care teams. The service continues to plan to manage this increase in placement demand, by building on local in-house foster care capacity and sourcing a local residential care provision. From a staffing perspective the medium to long term strategy is to increase the use of Newly Qualified Social Workers and permanently employed Social Workers, which should result in less reliance on agency staff and the removal of the current range of temporary posts. Further mitigation actions totaling £0.3M have been identified for this financial year, and additional work is being undertaken to try to reduce the forecast overspend further whilst still meeting the needs of children and families.
- 3.6 The Health and Adult Social Care Service is currently forecasting a net overspend of £0.7M, this is a £0.1M increase from the position reported at the end of September. The main pressures continue to relate to services dealing with Learning Disabilities (transport and supported living placements), interim residential placements and increased demand for physical and sensory impairment equipment. The service are currently pursuing a range of mitigation measures and are continuing an in depth review of all expenditure within Adult Social Care.
- 3.7 The Highways and Transport Service are currently forecasting a £2.6M overspend, this is a £0.5M improvement from the position reported at the end of September. Reducing numbers of concessionary fare journeys are resulting in a reduced cost to support the scheme, however there are a range of financial pressures due to reactive works on the highways. These include damaged street lighting columns, tree maintenance works and defects on footways and carriageways. An increase in the aged debt of parking notices will also result in an increased provision to cover bad and doubtful debts, and the income generated from University Square car park continues to be lower than budgeted as has been the case since 2017 after a spate of anti-social behaviour. The income generated from street work permits has been reducing for the last 18 months as have penalties for overrun works. Although the Council is now receiving a reduction in income it also means that works are being undertaken promptly which in turn is keeping the highway network free from unnecessary delays. A comprehensive review of all expenditure and income in this service area is continuing.
- 3.8 The 2019/20 approved budget does also include around £3M contingency that has yet to be allocated. This could potentially be used to help meet some/most of the current forecast level of overspend should the range of management actions and mitigations not succeed in pulling spending back into line within approved allocated budgets. The Council has also deliberately and prudently maintained a sensible level of reserves that could be used as a last resort at the year end.
- 3.9 The Council is continuing to perform strongly in the collection of both Council Tax and Business Rates for the first 8 months of 2019/20. From a Council Tax Base perspective, due to an increase in the number of exemptions and single person discounts, there has been an overall equivalent reduction of 74 properties, since the estimated tax base was set for the year.

- 3.10 Overall the Council remains in a strong and resilient financial position, despite the potential impact of the current range of demand and spending pressures. The Council has retained the ability to cope with unexpected challenges including dealing with the residual forecast net overspend position for 2019/20. Every effort will be made to improve the current forecast position and deliver a balanced budget by the end of the year and the situation will remain closely monitored. The anticipated overspend will be met by a combination of using contingency and reserves if required. The actual year-end final position for 2019/20 will be considered as part of the outturn report, which will be presented to Cabinet in June 2020.
- 3.11 Now the outcome of the General Election held on 12th December 2019 is known, the Council will closely monitor the implications of the next stage of the Brexit process and any potential financial impact on the provision of Council Services.

Revenue – General Fund Budget Transfers (Virements)

- 3.12 All budget transfer (virements) over £50,000 between portfolios or between pay and non-pay budgets are considered and approved by Cabinet. These budget transfers have a net nil impact on the Council's overall budget. The following budget transfers for Cabinet approval this period are:

<u>£</u>	
5,319,245	Re-alignment of the Better Care Fund
140,800	Transfer of the Teenage Pregnancy service from Connexions to Early Help
<u>191,280</u>	Re-alignment of the Dedicated Schools Grant central block
<u>5,651,325</u>	

Revenue – Housing Revenue Account (HRA)

- 3.13 In February 2019 the Council approved a balanced Housing Revenue Account budget for 2019/20. This report details the projected outturn position for this year based on actual activity and financial performance as at the end of November 2019 (Period 8).
- 3.14 The HRA is currently forecasting a net surplus of (£325,000) in 2019/20, (around -1%) of gross operating expenditure. This positive position is predominantly due to increased levels of rental income received due to a lower level of voids within the Housing stock. This demonstrates good housing management practice. It is currently anticipated that this surplus will be transferred to the HRA Capital Investment Reserve at the year end for future planned investment into the housing stock. Potential to use some of the forecast surplus to fund additional revenue contributions to capital is also under consideration.

Capital

- 3.15 Successful and timely delivery of the capital investment programme is a key part of achieving the Southend 2050 ambition and delivering the outcomes. The investment contributes to the five themes in the following way:
- 3.16 Pride and Joy – the key investment areas are: the ongoing refurbishment and enhancement of Southend’s historic pleasure pier and the town’s cultural and tourism offer, including libraries, museums and theatres.
- 3.17 Safe and Well – the key investment areas are: the construction and acquisition of new council homes and the refurbishment of existing ones via the decent homes programme; social care with the building of a new care facility and day centre to provide high quality services for people with high and complex needs.
- 3.18 Active and Involved – the key investment area is the Cart and Wagon Shed for the coastal community team to use as part of their community interest company.
- 3.19 Opportunity and Prosperity – the key investment areas are: the Airport Business Park to deliver benefits for both local businesses and local communities, creating thousands of job opportunities and attracting inward investment; the secondary schools expansion programme has delivered 120 permanent additional secondary school places for September 2018 and a further 80 for September 2019. This expansion is across eight of the twelve Southend secondary schools resulting in an additional 1,250 places for 11-16 year old pupils once completed.
- 3.20 Connected and Smart – the key investment areas are: the investment in the borough’s highways and transport network, including the improvements to the A127 Growth Corridor funded by the Local Growth Fund and investment in the Council’s ICT infrastructure and networks to enable and transform outcome focussed service delivery.
- 3.21 In February 2019 the Council agreed a capital investment programme budget for 2019/20 of £74.361M. This budget was revised at June Cabinet to £90.073M and further revised to £83.072M at September Cabinet and further revised to £79.826M at November Cabinet following approved re-profiles and other amendments. £43.046M of this revised budget is identified as strategic schemes such as the Airport Business Park.
- 3.22 About a third of the programme is financed by Government grants and external developer and other contributions and at the end of November two thirds of that funding had been received. The rest of the programme is funded by capital receipts, the use of reserves or by borrowing. Funding schemes by borrowing has a revenue consequence of approximately £70,000 for every £1M borrowed.
- 3.23 This report details the projected outturn position for 2019/20 based on information as at the end of November (Period 8). The report includes details of progress in delivering the 2019/20 capital investment programme and in receiving external funding relating to that year.

3.24 Following June Cabinet, capital challenge meetings were held with the Deputy Leader to ensure that budgets are better aligned to the predicted spend across the years of the programme and to the delivery of the desired outcomes. The changes resulting from those meetings were included in the report to September Cabinet. Further capital challenge meetings were held in November and the changes resulting from those meetings have been included in this report.

3.25 The progress of schemes for 2019/20 is detailed in Sections 1 and 2 of Appendix 2 with Section 3 setting out the resulting requests to:

- Carry forward £8.716M of 2019/20 scheme budgets and £5.624M of 2020/21 scheme budgets into future years;
- Bring forward £1.068M of budget from future years into 2019/20;
- Remove scheme budgets totalling £1.381M from 2019/20 and £132,000 from 2020/21 where these are no longer required;
- Action virements of budget between approved schemes;
- Transfer £620,000 to the Subject to Viable Business Case' section from the main Capital Investment Programme;

3.26 As at the end of November the expected capital outturn for 2019/20 is £70.177M.

3.27 The 2019/20 capital budget is part of the wider capital investment programme spanning several years. The table below shows the revised programme if all the above requests are approved:

	2019/20 £(000)	2020/21 £(000)	2021/22 £(000)	2022/23 £(000)	2023/24 £(000)	Total £(000)
At November Cabinet	79,826	97,336	34,452	8,847	7,605	228,066
Amendments	(9,649)	(4,560)	2,005	2,171	2,000	(8,033)
Revised programme	70,177	92,776	36,457	11,018	9,605	220,033

4 Appropriation of Asset

4.1 As part of the Council's continuous review of its assets, an asset currently held in the General Fund has been identified as being used for housing purposes. Therefore it should be accounted for within the HRA, being the landlord account, to be used for general needs housing.

4.2 The General Fund property proposed for appropriation is 12A Ceylon Road and is currently void. Works are being carried out to bring it back to a condition to enable it to be re-let. The property has an existing use value as social housing of £75,900. This appropriation affects the General Fund and HRA Capital Financing Requirements (CFRs), with the General Fund CFR decreasing by £75,900 and the HRA CFR increasing by the same amount. There will be no change to the Council's overall CFR.

4.3 This change in CFR between the two funds will marginally alter the split of revenue interest between them. In addition the HRA will receive the rental income from 12A Ceylon Road once let. It is anticipated that it will be let at affordable rent.

4.4 Consideration will be given to a wider appropriation of assets between the General Fund and the HRA in a future report to Cabinet to ensure assets continue to be accounted for in the most appropriate fund.

5 Other Options

5.1 The Council could choose to monitor its budgetary performance against an alternative timeframe but it is considered that the current reporting schedule provides the appropriate balance to allow strategic oversight of the budget by councillors and to also formally 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 the implementation of any necessary remedial actions.

6 Reasons for Recommendations

6.1 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 associated management action being implemented to address any identified issues.

6.2 It also informs decision making to ensure that the Council's priorities are delivered within the approved budget provision.

6.3 It is important that any adverse variances are addressed in order for the Council to remain within the approved budget provision or where this cannot be achieved by individual service management action, alternative proposals are developed and solutions proposed which will address the financial impact. Members will have a key role in approving any actions if the alternative proposals represent significant changes to the service delivery arrangements originally approved by them.

7 Corporate Implications

7.1 Contribution to the Southend 2050 Road Map

The robustness of the Council's budget monitoring processes and the successful management of in-year spending pressures are key determinants in maintaining the Council's reputation for strong financial probity and effective stewardship. This approach also enables the Council to redirect and prioritise resources to ensure the delivery of agreed outcomes for the benefit of local residents, local businesses and visitors to Southend-on-Sea.

7.2 Financial Implications

As set out in the body of the report and accompanying appendices.

7.3 Legal Implications

The report provides financial performance information. It is good governance and sensible management practice 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 effective budgetary control. To comply with these best practice arrangements it is important that Cabinet receive information and comment accordingly on the performance of the revenue and capital budgets as set out in the report.

7.4 People Implications

None arising from this report

7.5 Property Implications

None arising from this report

7.6 Consultation

None arising from this report

7.7 Equalities and Diversity Implications

None arising from this report

7.8 Risk Assessment

Sound budget monitoring processes underpin the Council’s ability to manage and mitigate the inherent financial risks associated with its budget, primarily caused by 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. Any adverse variances will require the development of remedial in year savings plans and appropriate spending reductions wherever possible. The ultimate back-stop mitigation would be to draw on reserves to rebalance the budget, but this will only be done at year end and will only be considered should all other in year measures fail.

With the likely scale of demand pressures continuing and uncertainty over the level of future resources, it is important that the Council holds a robust position on reserves and maintains the ability to deal positively with any issues that arise during this and future financial years.

7.9 Value for Money

The approved budget 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 helps to highlight areas of concern and to assist in the achievement of improved value for money.

7.10 Community Safety Implications

None arising from this report

7.11 Environmental Impact

None arising from this report

8 Background Papers

None

9 Appendices

Appendix 1 Revenue Budget Monitoring Position 2019/20 – November 2019

Appendix 2 Capital Investment Programme Budget Performance 2019/20 – November 2019

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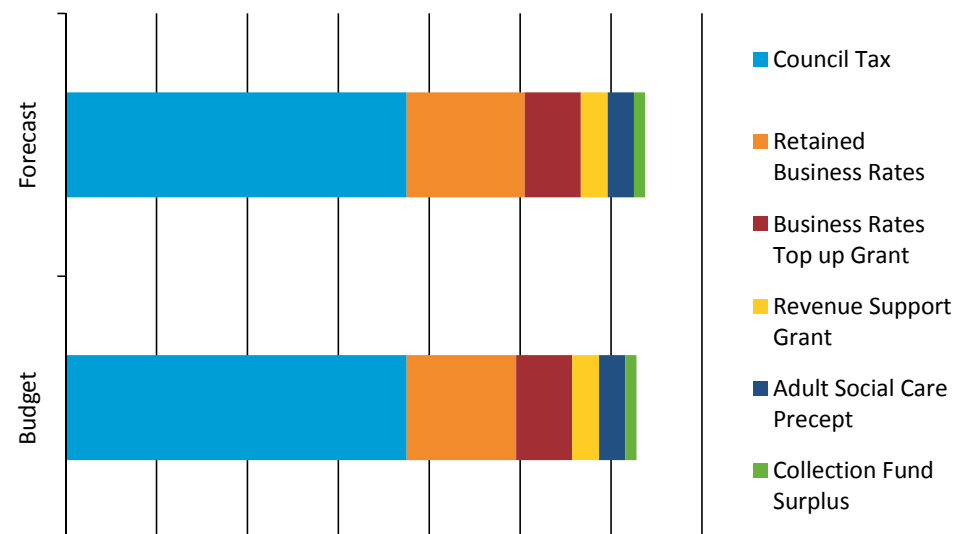
Revenue Budget Monitoring Position

2019/2020 - November 2019

Summary

Last Reported		Revised	Forecast	
Variance £M	Portfolio	Budget £M	Outturn £M	Variance £M
0.1	Leader	13.1	13.3	0.2
3.2	Deputy Leader	3.1	5.7	2.6
0.0	Business, Culture and Tourism	5.1	5.1	0.0
4.3	Children and Learning	29.7	34.5	4.8
(0.1)	Community Safety and Customer Contact	5.4	5.0	(0.4)
(0.9)	Environment and Planning	20.4	19.5	(0.9)
0.6	Health and Adult Social Care	37.1	37.8	0.7
7.2		113.9	120.9	7.0
(1.6)	Corporate Budgets	12.9	11.1	(1.8)
5.6		126.8	132.0	5.2
0.0	Earmarked Reserves	(2.6)	(2.6)	0.0
0.0	Revenue Contribution to Capital	5.1	5.1	0.0
0.0	Non Service Specific Grants	(3.9)	(3.9)	0.0
5.6	TOTAL	125.4	130.6	5.2
(2.0)	Funding	(125.4)	(127.4)	(2.0)
3.6	NET	0.0	3.2	3.2

Sources of funding (£s)



At period 8, increased service demand continues to place a strain on available resources, despite the additional investment that is being put into priority areas. After applying proposed mitigations, the Council is forecasting a revenue overspend of £3.2M against the approved budget, which in overall terms is an improvement on the previously reported position at Period 6.

Childrens Social Care and Highways continue to be the main areas of pressure, although this is partially offset by higher than budgeted income from business rates of £2M.

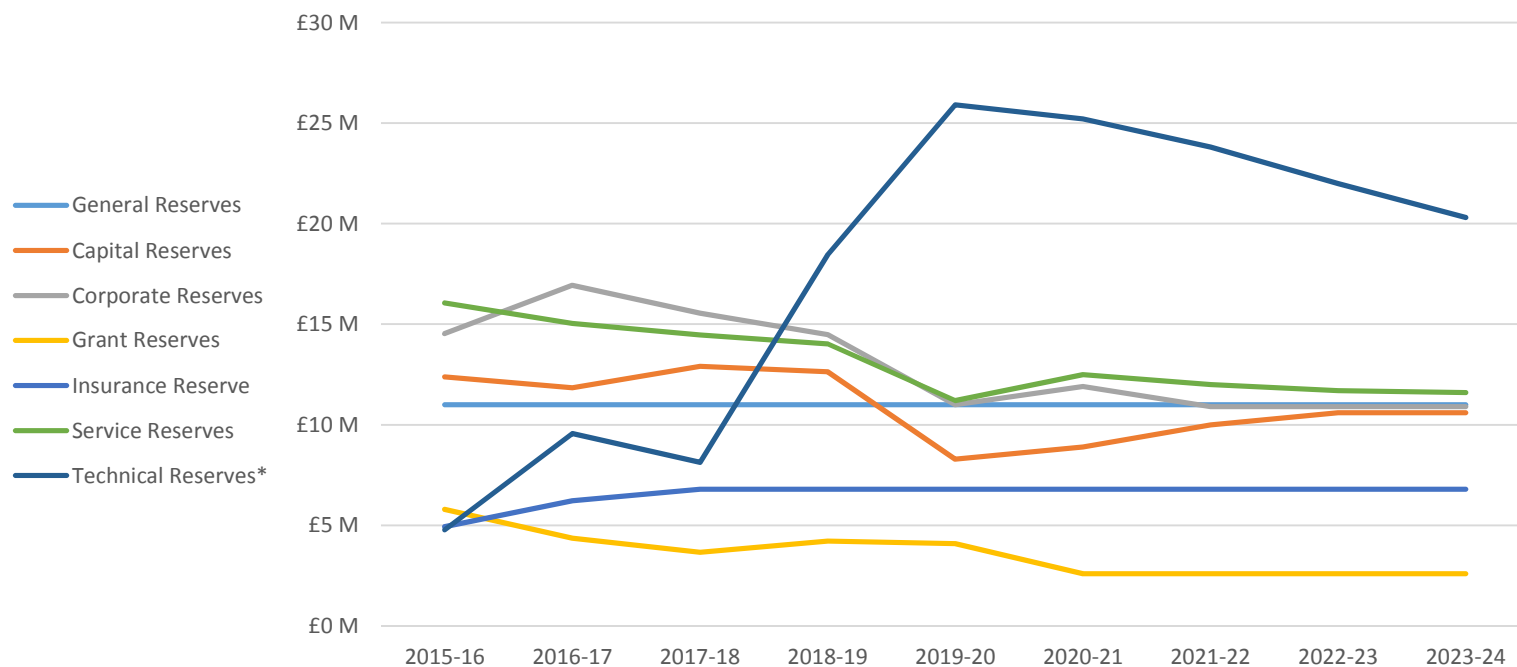
The General Fund budget has around £3M contingency remaining at this stage in the year and it is possible that a significant proportion of this may be available to help with the final outturn position at the end of the year. The table above does include the release of £2M from the Childrens Social Care reserve as recommended in setting the 2019/20 Council budget and the use of £0.5M of the Interest Equalisation Reserve to meet additional financing costs, as agreed earlier in the year.

In conclusion, and despite the current financial pressures being faced, the Council's level of sensible reserves, financial resilience and ability to cope with unexpected challenges remains robust.

Reserves

The Council maintains General Fund reserves at £11.0M in line with the Medium Term Financial Forecast. This provides a working cashflow balance and also allows a degree of financial security in the case of unexpected events or emergencies.

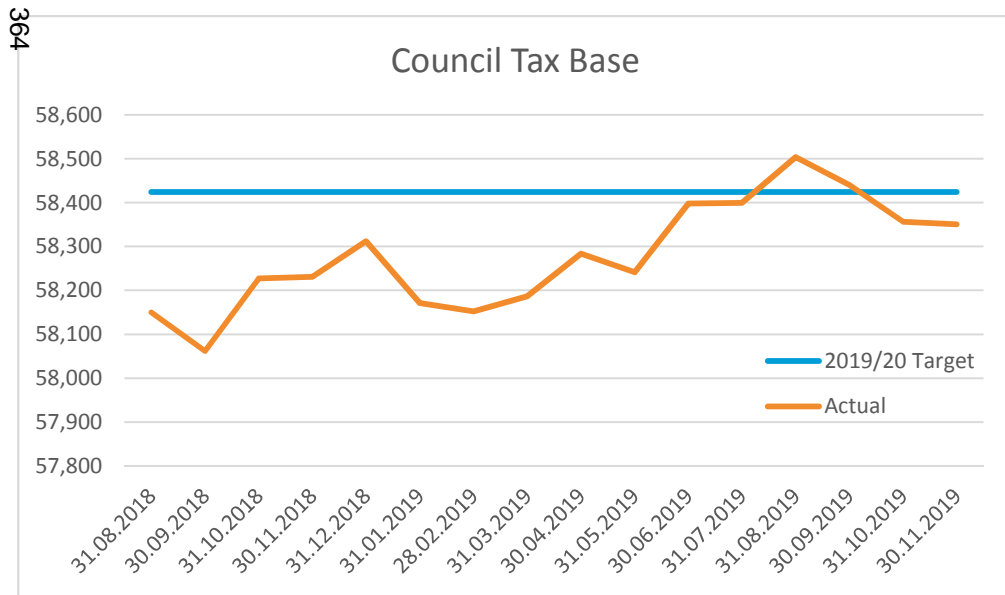
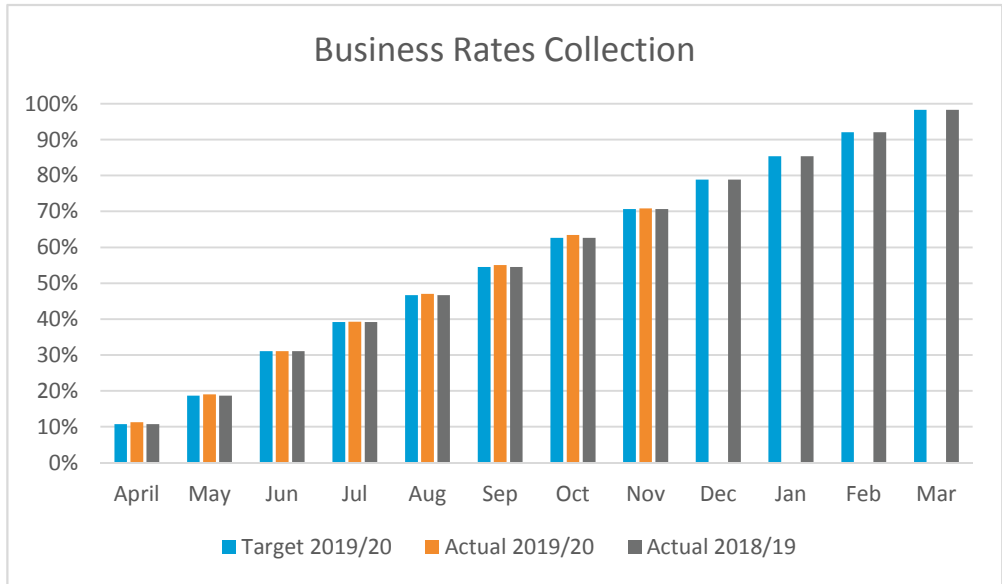
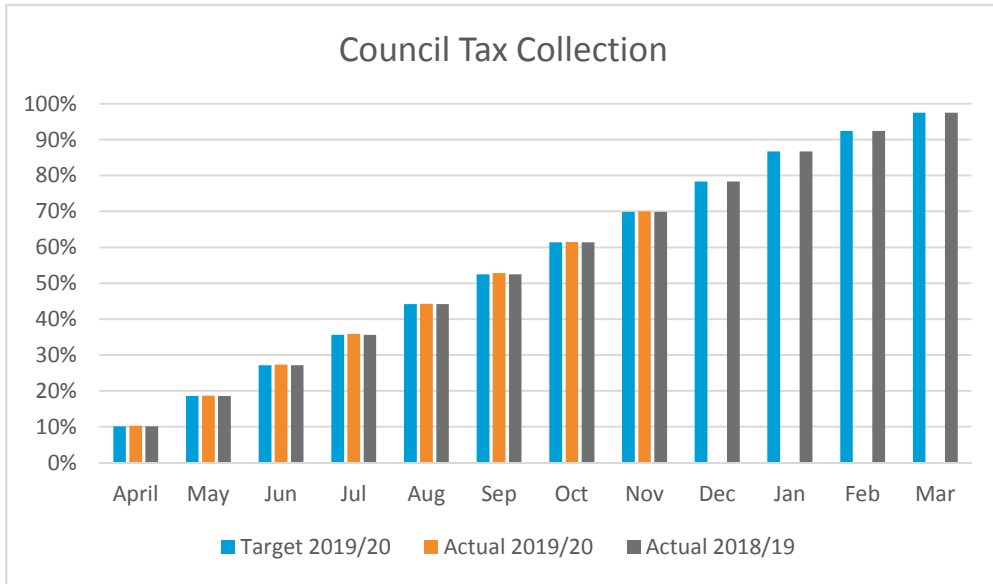
In addition, Earmarked Reserves are set aside to fund future projects and to mitigate specific risk. The level of these reserves will fluctuate as grants are received, risk is realised and projects progress.



Reserves in £M	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
General Reserves	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Capital Reserves	12.4	11.8	12.9	12.6	8.3	8.9	10.0	10.6	10.6
Corporate Reserves	14.5	16.9	15.5	14.5	11.0	11.9	10.9	10.9	10.9
Grant Reserves	5.8	4.4	3.7	4.2	4.1	2.6	2.6	2.6	2.6
Insurance Reserve	4.9	6.2	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Service Reserves	16.1	15.0	14.5	14.0	11.2	12.5	12.0	11.7	11.6
Technical Reserves*	4.8	9.6	8.1	18.5	25.9	25.2	23.8	22.0	20.3
	69.5	75.0	72.5	81.6	78.3	78.9	77.1	75.6	73.8

* Technical Reserves are held to even out the Council's finances and reduce in year volatility.

Collection Rates



Collection targets for the current financial year exceed the monthly target on both Council Tax (0.1% above target) and Business Rates (0.1% above target) for this month. Although this has no immediate impact of the financial situation for 2019/20, if maintained it will provide releasable surpluses for future year budget planning.

The total number of properties used to calculate the Council Tax Baseline is now 15 more than that used to set the target at the beginning of the year, however, overall the tax base has reduced by 74, primarily as a result of exemptions and single person discounts which have both seen a sharp rise.

Leader

27.80% of Total Gross Revenue
Service Budget

£0.2M Forecast Revenue
Overspend

0.22% Variance as % of Total Gross Budget
Envelope

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M	
0.1	Strategic Planning and Policy	1.7	1.7	0.0	
0.0	Revenues and Benefits	0.9	0.9	0.0	
(0.2)	Housing	3.3	3.2	(0.1)	
0.2	Legal and Democratic Services	2.7	2.9	0.2	
0.0	Other Services	4.5	4.6	0.1	
0.1	TOTAL	13.1	13.3	0.2	
<hr/>					
365	0.1	Gross Expenditure	92.1	92.3	0.2
	0.0	Gross Income	(79.0)	(79.0)	0.0
0.1	TOTAL	13.1	13.3	0.2	



Private Sector Housing is forecasting to underspend by (£120,000) as at the end of period 8. This is because of the vacant posts currently in the team, some of which are being temporarily covered by agency staff. There has recently been a recruitment drive to recruit on a permanent basis.

In 2018/19 there were £200,000 savings on Supporting People (SP) contracts. Following contracts re-negotiations, only £700,000 was delivered in 18/19, with the anticipation of a further £130,000 in 19/20. Two contracts are being extended in 19/20, and this extension will not deliver the anticipated savings. It is therefore recommended that £100,000 is drawn down the SP Reserve.

In line with the increase in numbers of looked after children, there is forecasted to be a pressure of £235,000 relating to barrister's fees for childcare cases. This continues to mirror last year's outturn.

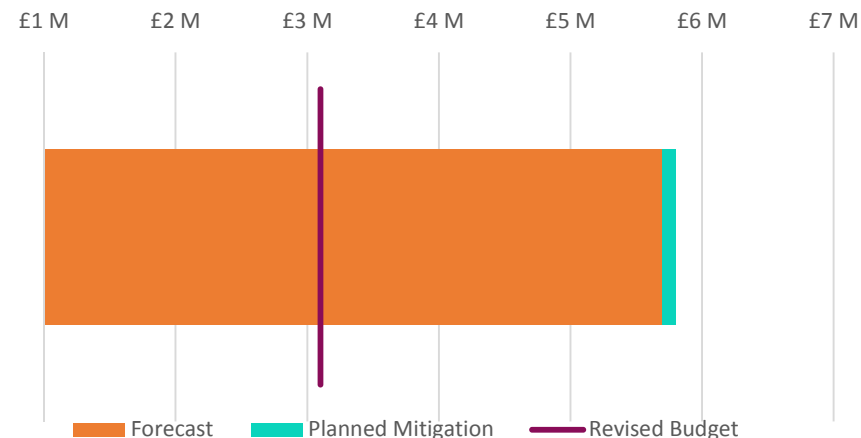
Deputy Leader

5.95% of Total Gross Revenue Service Budget

£2.6M Forecast Revenue Overspend

13.20% Variance as % of Total Gross Budget Envelope

Last Reported		Revised	Forecast	
Variance £M		Budget £M	Outturn £M	Variance £M
0.1	Asset and Facilities Management	(0.7)	(0.5)	0.2
0.0	Financial Services	3.5	3.3	(0.2)
3.1	Highways and Transport	0.3	2.9	2.6
3.2	TOTAL	3.1	5.7	2.6
2.2	Gross Expenditure	19.6	21.4	1.8
1.0	Gross Income	(16.5)	(15.7)	0.8
3.2	TOTAL	3.1	5.7	2.6



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Although the energy used by our new LED street lights is 50% lower than in 15/16, the average cost of electricity for our unmetered supply has risen by 25% over this time period. As a result, there is currently a forecast pressure of £90,000 for energy costs. Due to the need to maintain or replace damaged street lights and columns, in part due to road traffic collisions, there is a forecast maintenance pressure of £100,000. Processes are in place to attempt to recover these monies if there is any evidence to be followed up.

Tree maintenance costs on the highway in the first half of 19/20 are significantly higher than in the same time period in 18/19. This is likely to be due to the storms in March 2019 resulting in additional damage. The budget area is currently forecasting an overspend of £100,000.

Car parking tariffs are being amended to support businesses in the town centre and the cost impact has been provided for by the use of the contingency budget. University Square car park continues to cost more money than it collects in income. The overall income position across the car parking estate is a forecast deficit of £125,000. Due to instances of anti-social behaviour and managing risk, security costs across all car parks are expected to reach £240,000 at year end, contractor costs are forecast to exceed the budget by £30,000 due to ad-hoc works, and parking machine charges and systems are expected to cost an additional £120,000. Card transaction fees are also expected to cost a further £90,000. Management are seeking ways to reduce the use of the variable elements of the contract with an expectation that (£50,000) of costs can be avoided.

Deputy Leader (cont.)

Expenditure on highways maintenance has remained relatively consistent with 18/19 which means an overspend of £620,000 is expected. This was partly offset last year due to the award of the DfT pothole fund which isn't guaranteed for this year and no notification for this year has been received. The demand on the service due to potholes is weather dependant, and after cases of extreme hot and cold weather there is a risk that the infrastructure in places may not be as robust as expected. Additional capital investment in 19/20 and 20/21 has been made in an attempt to improve the quality of the most affected surfaces with the aim to reduce the ongoing maintenance requirement. Management are planning to reduce this pressure by (£80,000) by reviewing how category 2 defects (lower risk) are resolved.

Although the number of PCN's issued has increased by 13%, it is still forecast that the income collected from these notices will fall short of the income anticipated when the budget was set by £310,000.

After a transition year regarding the administration of streetwork permits which saw a significant income shortfall in 18/19, there is now a better understanding of the different elements of income anticipated in 19/20. Whilst the income received from permit applications has remained relatively consistent over the past 4 years, the income for penalties and section 74 charges has reduced considerably due to more coordinated works from utility companies and better reinstatements of the highway. The income shortfall is forecast to be £500,000 at the end of the year. An increase in staffing numbers to ensure a full inspection service was expected to be funded from income, however this isn't possible and is resulting in an additional staffing pressure of £170,000

Although there are a number of vacant roles in traffic and highways service areas, some are currently filled by interim staff which is expected to result in a net budget pressure of £120,000. Some staff are currently being deployed on a number of projects and initiatives which were not anticipated when the budget was set. This is expected to result in a pressure on the revenue budget of a further £260,000.

Although processes are in place to seek recovery of costs for works undertaken due to damages to street furniture and the income received is increasing year on year, there is still a shortfall in the number of works for which costs can be recovered. This, along with licences for works on the highway is resulting in an income shortfall of £140,000.

Deputy Leader (cont.)

Estimates from our concessionary fares support team are forecasting a reduction in the payments for the concessionary fares scheme. This is due to a reduction in the number of concessionary fare journeys to date in 2019/20. The current estimates suggest a forecast underspend of (£350,000).

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 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 has not materialised and the current pressure is now £110,000. Attempts have been made to reduce the service without a noticeable impact but this has not been possible. There is further pressure on the budget due to the increased costs of testing for Legionella's disease, the effect of job evaluations and recruitment at higher than budgeted scale points.

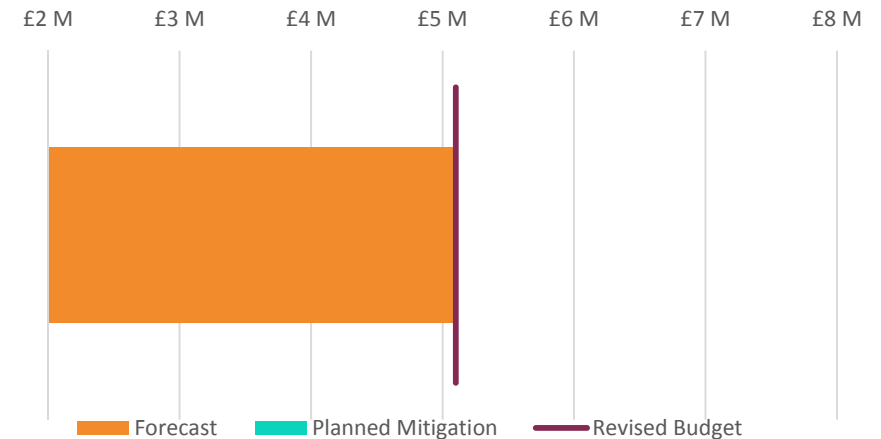
Business, Culture and Tourism

3.08% of Total Gross Revenue
Service Budget

£0.0M Forecast Revenue
Overspend

0.00% Variance as % of Total Gross Budget
Envelope

Last Reported		Revised	Forecast	
Variance £M		Budget £M	Outturn £M	Variance £M
0.1	Culture	3.6	3.7	0.1
0.0	Economic Development and Regeneration	0.8	0.8	0.0
(0.2)	Tourism	0.7	0.6	(0.1)
(0.1)	TOTAL	5.1	5.1	0.0
0.1	Gross Expenditure	10.2	10.3	0.1
(0.2)	Gross Income	(5.1)	(5.2)	(0.1)
(0.1)	TOTAL	5.1	5.1	0.0



In order to ensure that branch libraries have a contracted member of staff on site at all times there has been a requirement to pay for peak relief staff to cover periods of time when the library would only be staffed by volunteers. There have also been increased costs relating to the cleaning of branch libraries and a shortfall against the income target. All of this is contributing to a forecast budget overspend of £110,000. A peer review has recently been completed which will inform the best way to utilise our library network.

Due to the popularity of the pier, the income received for admissions and associated sales is forecast to be above the income budget by (£160,000). This summer saw the pier attract a record number of visitors and the new pier entrance was officially opened in June.

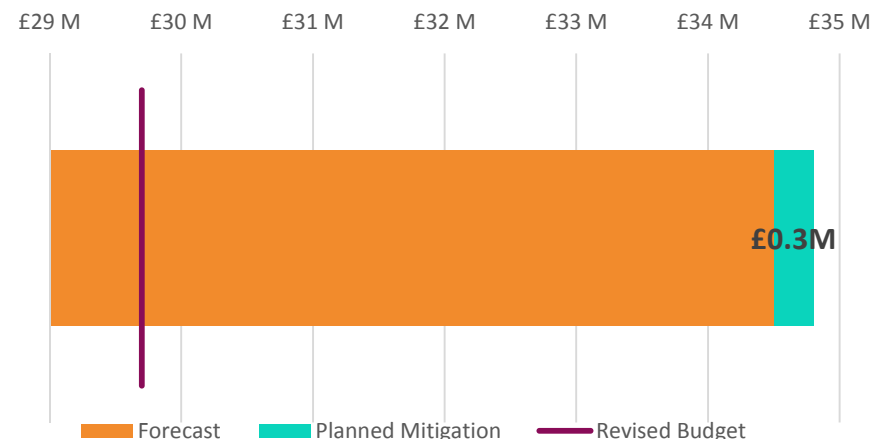
Children and Learning

25.84% of Total Gross Revenue Service Budget

£4.8M Forecast Revenue Overspend

5.61% Variance as % of Total Gross Budget Envelope

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
3.9	Childrens Social Care	21.4	26.2	4.8
0.1	Education and Schools	5.4	5.4	0.0
0.0	Maintained Schools Delegated	0.0	0.0	0.0
0.3	Youth and Family Support	2.9	2.9	0.0
4.3	TOTAL	29.7	34.5	4.8
4.3	Gross Expenditure	85.6	90.4	4.8
0.0	Gross Income	(55.9)	(55.9)	0.0
4.3	TOTAL	29.7	34.5	4.8



The total forecast overspend of £4.8M, has mainly been driven by an overall net increase in the required numbers of looked after children (LAC). Over the last 4 years this pattern has continued and has been recognised as a national funding challenge. There has also been an increased case load demand on Social Care teams.

The increased LAC numbers has resulted in an expenditure pressure on private looked after children care placements for both external foster care and residential. This has resulted in a forecast overspend of £2.8M (which includes the approved budget release of £2M from the Children Social Care reserve). The longer term strategy to assist with managing this demand is to continue to build further inhouse foster care capacity, source our own local residential care provision, and continue the work of the Edge of Care team, ensuring children can remain at home where safe.

The resulting increase in case load for our social workers has required the use of agency staff, additional newly qualified social workers (NQSW) and temporary additional posts. This has contributed to a forecast staffing pressure of £900,000. The medium to long term strategy is to increase the use of NQSW's and permanently employed Social Workers which should result in less reliance on agency staff and the removal of the current range of temporary posts.

Children and Learning (cont.)

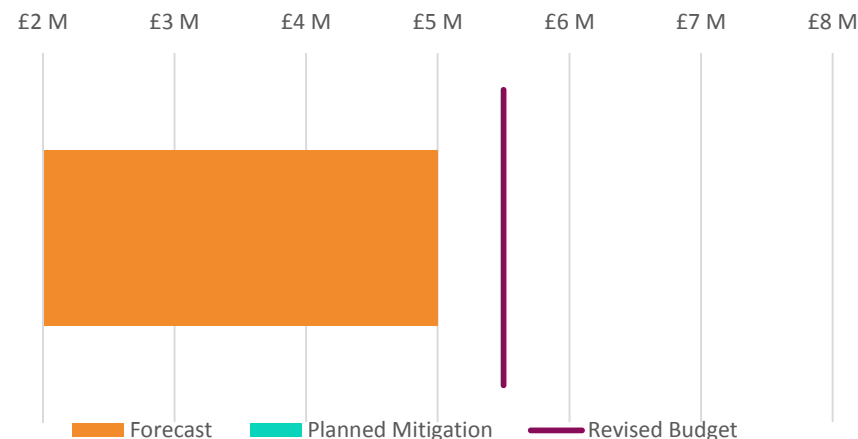
Other main spend pressure areas, although smaller are also contributing to the overall forecast overspend: Care package support has continued to grow for placements of children with disabilities creating a budget pressure of £120,000. There have been a number of leaving care supported accommodation payments (for children 16 +) totalling £150,000 due to the increase in Looked After Children numbers. The national issue of Unaccompanied Asylum Seeker care package support being inadequately funded by the Home Office grant is also contributing to a wider budget pressure of £180,000. There is also growing demand for temporary accommodation payments resulting in a forecast overspend of £200,000. This is used to support families, young people and required families under no recourse to public funds that need to be temporarily accommodated. The troubled families service continues to target increased payment by results, the fixed element of this grant funding has reduced, which is resulting in a shortfall of £200,000 against the total grant target this year.

Community Safety and Customer Contact

3.17% of Total Gross Revenue Service Budget **(£0.4M)** Forecast Revenue Underspend

-3.81% Variance as % of Total Gross Budget Envelope

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
0.1	Cemeteries and Crematorium	(1.6)	(1.4)	0.2
0.0	Community Safety	1.0	1.0	0.0
(0.2)	Customer Services	1.9	1.7	(0.2)
0.0	ICT	3.1	2.7	(0.4)
0.0	Regulatory Services	1.0	1.0	0.0
(0.1)	TOTAL	5.4	5.0	(0.4)
(0.2)	Gross Expenditure	10.4	10.0	(0.4)
0.1	Gross Income	(5.0)	(5.0)	0.0
372	(0.1) TOTAL	5.4	5.0	(0.4)



Income raised from Bereavement Services is lower than anticipated at period 8. This correlates with information provided by the Registrations team which is showing a decline in deaths registered during the first eight months of the year. A £100,000 pressure at the end of the year is expected. There have also been additional staffing costs due to improvements to the site. This has resulted in the purchase of additional tools and equipment which collectively is resulting in an additional pressure of £65,000.

The Customer Service team are implementing a restructure meaning that they are currently holding a number of vacancies. This will result in a one-off underspend at year-end of (£165,000).

Due to an increase in the statutory fee for certificates, income for the Registrations service is expected to be (£50,000) higher than anticipated when the budget was set.

There are a significant number of vacancies (£350,000) within the ICT department whilst the service is undergoing a redesign to ensure that the team are aligned as effectively as possible to assist the organisation in delivering its 2050 Vision.

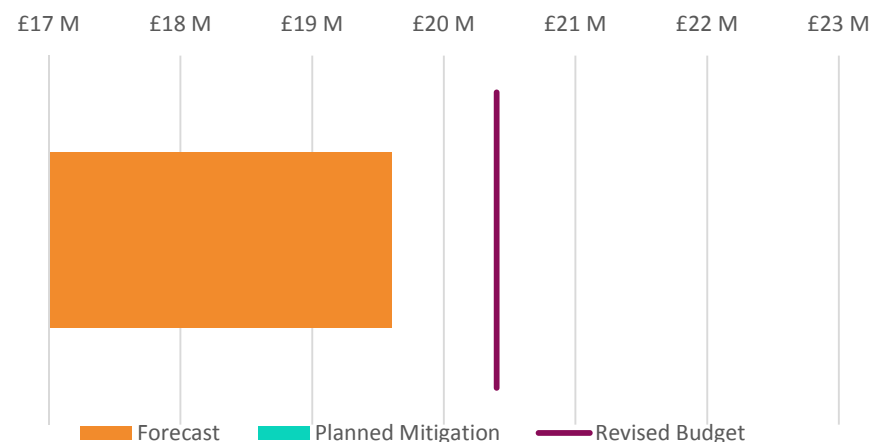
Environment and Planning

6.85% of Total Gross Revenue
Service Budget

(£0.9M) Forecast Revenue
Underspend

-3.96% Variance as % of Total Gross Budget
Envelope

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
0.0	Energy	(0.1)	(0.1)	0.0
0.0	Flooding	0.4	0.3	(0.1)
0.0	Parks and Open Spaces	4.4	4.4	0.0
0.0	Planning	1.0	1.0	0.0
(0.9)	Waste and Street Scene	14.7	13.9	(0.8)
(0.9)	TOTAL	20.4	19.5	(0.9)
(0.5)	Gross Expenditure	22.7	22.2	(0.5)
373 (0.4)	Gross Income	(2.3)	(2.7)	(0.4)
(0.9)	TOTAL	20.4	19.5	(0.9)



Staffing costs in relation to flood defence schemes are being funded from external EU grants or capital schemes in 2019/20 and as a result there is an expectation that (£70,000) can be funded via these means during this financial year.

Applications have been made for a number of significant development projects this year and as a result the income received in the Development Control team has been greater than expected, especially during the summer. The current forecast is that an additional (£150,000) will have been received by the end of the financial year. In order to cope with the increased demand of these projects some additional staff support is in place, and staffing supplements have been agreed to retain talented employees. This is expected to result in additional staffing costs of £160,000.

Due to the Mechanical Biological Treatment plant (MBT) in Basildon continuing to operate within a commissioning phase, SBC are able to dispose of residual waste at a lower cost than the original business case. However, due to uncertainty regarding the availability of the plant, alternative disposal methods need to be utilised during periods of closure. The current average cost of disposal at the MBT is £102 per ton, whereas the cost of landfill (including haulage) is £118 per ton. Estimates have been made regarding the probability of disposing of waste at the MBT and at landfill and this is resulting in a forecast underspend of (£550,000). 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 2019/20 is forecast to be (£230,000).

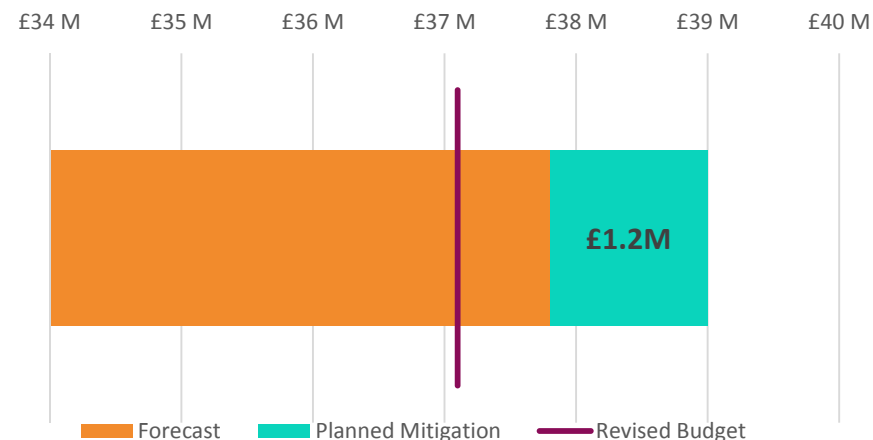
Health and Adult Social Care

22.25% of Total Gross Revenue Service Budget

£0.7M Forecast Revenue Overspend

0.95% Variance as % of Total Gross Budget Envelope

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
0.6	Adult Social Care	36.4	37.1	0.7
0.0	Health	0.0	0.0	0.0
0.0	Voluntary and Community Services	0.7	0.7	0.0
0.6	TOTAL	37.1	37.8	0.7
0.9	Gross Expenditure	73.7	75.0	1.3
(0.3)	Gross Income	(36.6)	(37.2)	(0.6)
0.6	TOTAL	37.1	37.8	0.7



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Learning Disabilities (LD) is forecasting a year end overspend of £280,000 assuming delivery of the planned management mitigation actions. The overspend is mainly on LD Supported Living placements, where we have seen an increase in the demand, as well as the price paid for new placements. There is also a pressure on LD passenger transport and this will be mitigated once the Joint Venture goes live from January 2020. The management actions relate to Supported Living contracts which are being reviewed for the remainder of the year with a targeted saving of (£200,000).

Older People is forecasting to be £160,000 overspent, assuming the delivery of management actions totalling (£820,000). The pressure is mainly on interim residential placements and the planned mitigation is to reduce the length of time clients are spending in this setting, Clients will benefit from returning home quicker with a tailored package of support. The pressure highlighted in 2018/19 has continued into 2019/20.

There is also a pressure of £160,000 on Physical and Sensory Impairment due to an increased demand on the equipment service. Over the last 3 quarters there has been a steady increase on the demand for equipment as more people are supported at home for longer, rather than in a residential setting. Investment in equipment is essential to help them with their continuing independence. An in depth review is being undertaken of all expenditure within Adult Social Care with a view to mitigating the overspend as far as possible by the end of the financial year.

Health and Adult Social Care (cont.)

There is currently a £60,000 pressure on Workforce Commissioning and Development staffing. The service are working on the delivery of innovative solutions to roll out self-serve management capabilities of the Learning and development process and this will reduce the pressure into 2020/21.

Public Health are forecasting a year end underspend of £250,000 for 2019/20 and this is all due to staffing vacancies in the school nursing and Health visiting services. Because the Public Health grant is currently ring fenced, it is recommended that this is transferred to the Public Health Reserve.

Housing Revenue Account

(£0.3M) Forecast Revenue Underspend **-1.21%** Variance as % of Total Gross Budget Envelope

Last Reported Variance £M		Revised Budget £M	Forecast Outturn £M	Variance £M
0.0	Gross Expenditure	24.7	24.7	0.0
(0.3)	Gross Income	(28.0)	(28.3)	(0.3)
(0.3)	NET OPERATING EXPENDITURE	(3.3)	(3.6)	(0.3)
0.0	Revenue Contribution to Capital	2.3	2.3	0.0
0.3	Contribution to / (from) Earmarked Reserves	1.0	1.3	0.3
0.0	TOTAL	0.0	0.0	0.0

The HRA budget for 2019/20 anticipated an operating surplus of £3,328,000.

The latest forecast as at period 8 indicates that the HRA will have an operating surplus of £3,612,000, an increase of (£284,000) in 2019/20. The approved budget for housing rental income assumed a 4% void allowance across all properties. The actual rental income received up to end of November has been (£325,000) higher due to a lower level of voids. It is anticipated that this strong performance continues for the rest of the year.

This surplus has been reduced by a £41,000 increase in the depreciation charge for 2019/20. It is planned that any surplus is transferred into the HRA Capital



**Capital Investment Programme
Budget Performance 2019/20**

Period 8

**as at 30th November 2019
Summary by Investment Area**

Capital Investment Programme Performance Report – November 2019

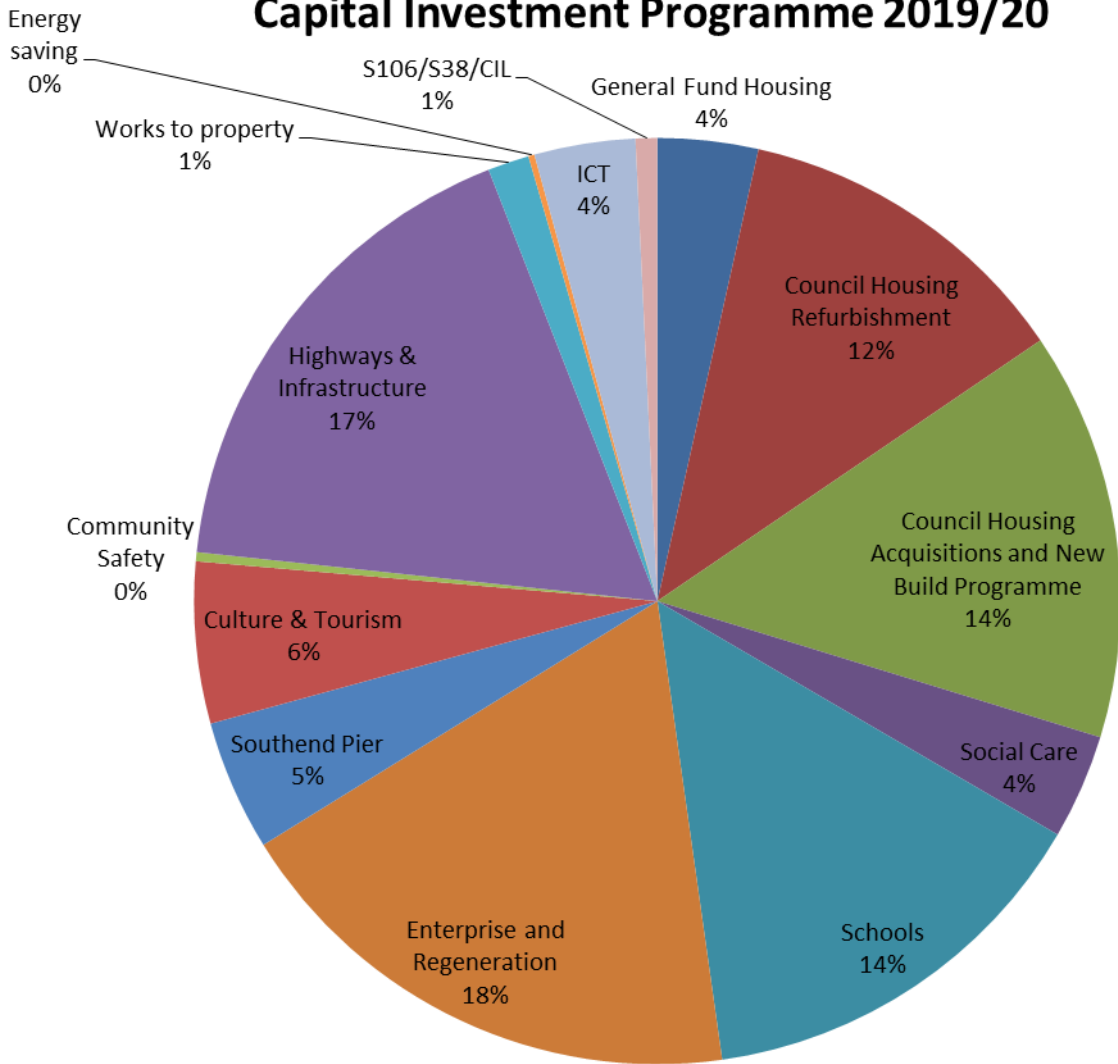
1. Overall Budget Performance by Investment Area

The revised Capital budget for the 2019/20 financial year is £79.826million which includes all changes agreed at November Cabinet. Actual capital spend at 30th November is £32.679million representing approximately 41% of the revised budget. This is shown in Section 4. (Outstanding creditors totalling £0.162million 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:

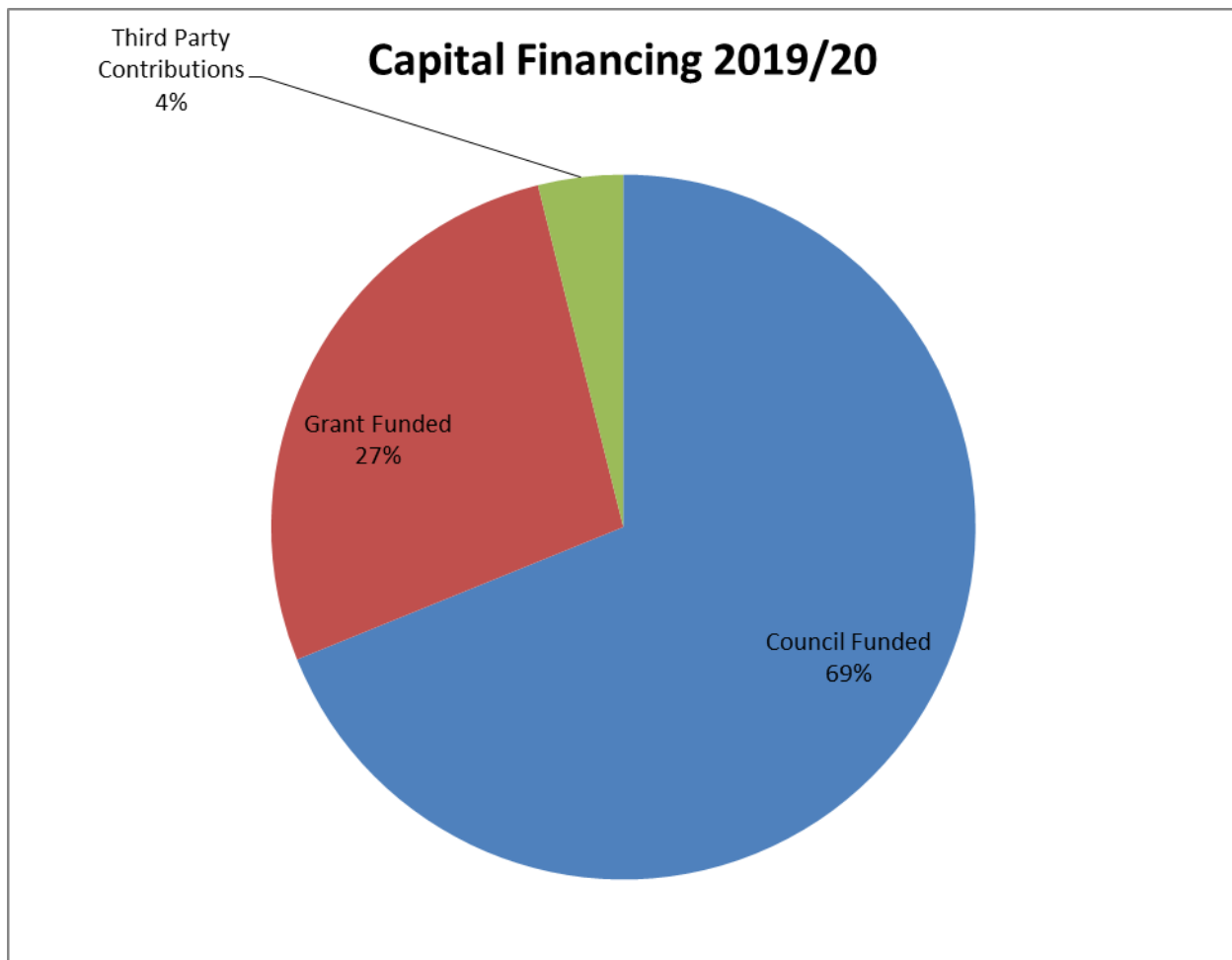
Investment Area	Revised Budget 2019/20 £'000	Outturn to 30 th November 2019/20 £'000	Expected outturn 2019/20 £'000	Latest Expected Variance to Revised Budget 2019/20 £'000	Amended Budget 2020/21 to 2023/24 £'000
General Fund Housing	2,458	554	2,458	-	1,952
Council Housing Refurbishment	8,758	2,912	8,558	(200)	26,685
Council Housing Acquisitions & New Build Programme	9,862	4,390	9,862	-	11,876
Social Care	6,340	227	2,568	(3,772)	11,872
Schools	9,217	6,331	10,076	859	3,174
Enterprise & Regeneration	13,421	5,014	12,921	(500)	22,105
Southend Pier	3,325	2,291	3,198	(127)	13,424
Culture & Tourism	4,756	1,970	3,957	(799)	23,247
Community Safety	880	85	220	(660)	2,566
Highways & Infrastructure	13,634	7,144	12,193	(1,441)	26,743
Works to Property	2,013	279	1,014	(999)	3,584
Energy Saving	663	20	149	(514)	2,062
ICT	2,929	1,379	2,472	(457)	240
S106/S38/CIL	1,570	83	531	(1,039)	326
Total	79,826	32,679	70,177	(9,649)	149,856

Capital Investment Programme 2019/20



*Energy saving percentage has been rounded from 0.18%

The capital investment for 2019/20 is proposed to be funded as follows:



* Third party contributions are non-grant funding from external sources such as S106 contributions.

Of the £24.851million of external funding expected, £16.314million had been received by 30th November. The outstanding amounts mainly relate to Schools, Forum II, Airport Business Park and A127 Growth Corridor and these are expected to be received by year end.

Progress of Strategic schemes

Successful and timely delivery of the capital investment programme is a key part of achieving the Southend 2050 ambition and delivering the outcomes.

Although the revised capital investment programme is £79.826million, £45.046million of this relates to strategic schemes and approximately 47% spend has been achieved to date.

Investment Area	Scheme	Revised Budget 2019/20 £000	Outturn to 30th November 2019/20 £000	Expected outturn 2019/20 £000	Latest Expected Variance to Revised Budget 2019/20 £000	Budget 2020/21 to 2023/24 £000
Strategic schemes						
Council Housing Acquisitions	HRA Affordable Housing Acquisitions Programme	6,656	4,182	6,656	-	-
Council Housing New Build Programme	Construction of New Housing on HRA Land	2,577	207	2,577	-	11,876
Social Care	Delaware and Priory New Build	5,000	97	2,300	(2,700)	10,800
Schools	School Improvement and Provision of School Places	8,300	5,842	9,200	900	1,762
Enterprise and Regeneration	Airport Business Park (including Local Growth Fund)	11,380	4,743	11,380	-	13,755
Enterprise and Regeneration	Better Queensway - Regeneration	2,041	271	1,541	(500)	6,900
Southend Pier	Southend Pier schemes	3,325	2,291	3,198	(127)	13,424
Culture and Tourism	Forum II – SBC Match Funding to LGF	1,030	400	1,030	-	17,450
Highways and Infrastructure	Local Growth Fund - A127 Growth Corridor	2,737	2,002	2,437	(300)	9,669
Total Strategic		43,046	20,035	40,319	(2,727)	85,636
Other schemes						
Other Capital Investment schemes		36,780	12,644	29,858	(6,922)	64,020
TOTAL SCHEMES		79,826	32,679	70,177	(9,649)	149,656

Council Housing Acquisitions and New Build Programme

The acquisition programme is progressing well and 16 properties have been purchased as at the end of November.

Phase 2 of the New Build Programme is now complete and delivered 16 units in St Laurence (12 flats, 3 houses and 1 bungalow).

Phases 3 and 4 of the New Build Programme are progressing with the start of the tender process to engage an Arboricultural Consultant to carry out a British Tree Survey now underway. The Employer's Agents and Topographical Surveyor have also now been appointed.

The Modern Methods of Construction (MMC) pilot is underway across three sites in Shoebury and Southchurch with the planning to be submitted shortly and tending for a MMC contractor being discussed with procurement.

The process to appoint a Topographical Surveyor for a number of sites for phases 5 and 6 has been completed. This will aid discussions to evaluate each site potential for the delivery of affordable housing.

Social Care

Building works have commenced on the Delaware and Priory new build however a carry forward request of £2.7million has been included in this report following a delay due to issues with the identification and subsequent diversion of the gas main. The diversion has now been completed and works have resumed.

Schools

The secondary expansion programme is progressing into its third year. 120 permanent year seven secondary places were created for September 2018, 80 for September 2019 and a further 60 will be available for 2020 onwards as needed. This expansion is across eight of the twelve Southend secondary schools and will result in an additional 1,250 places across years seven to eleven for 11-16 year old pupils once completed. These expansions are to ensure that the Local Authority can meet its statutory duty of supplying a good school place to any local resident that requests one. Works at the Eastwood Academy, Southchurch High School, Shoeburyness High School and Wentworth Road have been completed. St Thomas More High School is in the final fit out stage of their new building. Belfairs Academy, Chase High School and St Bernards High School are progressing with works at Chase and St Bernards slightly ahead of schedule. An accelerated delivery request of £900k has therefore been included in this report.

Enterprise and Regeneration

There is continued good progress on the Airport Business Park. Phase 1 utilities are nearing completion allowing the relocation of Westcliff Rugby Club on 18 December. Following relocation, the old clubhouse will be demolished with the site to be used as car parking. Phase 2 works are on schedule and due to complete in May 2020. Phase 3 works have been reprofiled slightly due to re-specification of requirements by Ipeco. As a result of good progress delivery has been accelerated and the current profile is reflective of this. Procurement for construction of The Launchpad will commence shortly.

The contract with Homes England for Better Queensway for £15million of HIF funding was agreed in final form on 29 November. Contracts are now being processed for engrossment with signing to be completed on or before 16 December 2019. A number of pre-drawdown conditions remain to be satisfied and the period for spending the HIF has been extended to 31 March 2023. Work continues on developing the LLP and identifying a delivery programme. Spend on the programme team is on track and the LLP is expected to draw down the first tranche of loan funding during the current year in line with the business plan. The current budget profile has been considered and £500k has been included as a carry forward request in this report with further reprofiles in future years.

Southend Pier

Southend pier condition works are on schedule with programmed deck replacements predominantly completed. The winter programme will focus on essential electrical works, further works to guard rails and works to the pier head. The contractor for the phase 2 anchor bay works is due to be appointed imminently.

The scheme for the Southend Pier Pavilion Platform detailed design is currently on hold following the conclusion of RIBA Stage 3. The remaining 2019/20 budget of £127k has therefore been included as a carry forward request in this report.

Culture and Tourism

The Forum II received planning permission on 6 November. Focus is now on procurement of a contractor for construction and tender packs have been distributed via an existing framework. The forecast spend profile is as set at the beginning of the year.

Highways and Infrastructure

Detailed design is now complete for the Bell as part of the A127 Growth Corridor scheme. Tender documents for the main contractor were submitted on 2 December via the Eastern Highways Alliance Framework and utility diversion programmes are being sought from utilities companies.

Investigations into the proposed treatment for the A127 Carriageway are complete as part of the Bridge and Highway Maintenance Programme. Tender documents were submitted along with the Bell documents on 2 December and works will commence from April 2020. A review of utility costs has concluded in a further carry forward request of £300k which has been included in this report.

2. Progress of other schemes for 2019/20

General Fund Housing

The Disabled Facilities Grant programme is progressing well with 54 grants paid in regards to adult adaptations and 4 grants paid in regards to children's. Some examples of works carried out include level access showers, stair lifts, access ramps, sensory equipment and garden safe play areas.

Council Housing and New Build Programme

The Decent Homes capital works for 2019/20 is progressing in accordance with the programme of works with a number of new contracts commencing in January 2020 which will increase expenditure considerably. However, due to long lead times and obtaining approvals, the contract to install an Annunciation system in a tower block is unlikely to be completed by the end of March and a carry forward request of £200k has therefore been included in this report.

Social Care

Plans are progressing for various Social Care schemes but further expenditure is not expected before year end. Carry forward requests have therefore been included in this report for £125k on Community Capacity, £64k on AHDC Short Breaks for Disabled Children, £36k on Mental Health Funding Stream, £162k on Transforming Care Housing and £685k on Children's Residential Care Provision.

Schools

The allocation for Condition Schemes is used to address larger condition items in schools where the cost is over the schools capabilities to fund. Most of these works took place over the summer holidays to minimise disruption. Projects being carried out this year include a new boiler for West Leigh Infants School, roof replacement at Eastwood Primary School and three Health and Safety projects. Carry forward requests totalling £41k have been included in this report for schemes at Fairways Primary School as these are currently on hold.

The Devolved Formula Capital grant is an annual devolution of dedicated capital grant to all schools and is distributed via the local authority for maintained schools. The notified budget for 2019/20 is £101k.

Enterprise and Regeneration

£1.2million has been transferred from the subject to viable business case section to the main capital investment programme in this report as part of a new development at the Airport Business Park.

Culture and Tourism

The Allotments Water Supply Upgrade scheme is a rolling project working on a number of allotments each year. The current year budget has been reprofiled across future years in-line with planned spend therefore a request to carry forward £113k has been included in this report.

There is currently budget of £40k in the capital investment programme to upgrade the kiosks in Libraries across the borough. It has become apparent that these funds will not be sufficient therefore a request for more budget has been submitted and the scheme will not go ahead until next financial year. The £40k budget has therefore been included as a carry forward in this report.

Procurement for the new chiller at the Cliffs Pavilion will commence in January 2020 for installation by year end therefore an accelerated delivery request of £25k has been included in this report.

Various Culture and Tourism schemes have either finished or are no longer going ahead and budgets totalling £42k have been removed from the capital investment programme in this report.

The scheme to replace the playground gates in several parks across the borough is due to go out to tender in the new year. The current budget of £123k is included as a carry forward request to begin works in 2020/21.

It is expected that adverse weather conditions will delay the installation of surface areas as part of the Sidmouth Park play equipment scheme therefore this is not expected to continue until the spring. Budget of £50k has therefore been included as a carry forward request in this report.

Orders have been placed for the next batch of replacement handrails on Southend Cliffs however installation has been slightly delayed. The remaining £16k budget has therefore been included as a carry forward request in this report.

The planning application for the play area as part of the Shoebury Common Regeneration scheme has been called to committee for review therefore delivery has been delayed. The remaining budget of £236k has been carried forward in this report.

Works on the windows at Leigh Library are subject to listed building consent and therefore are not expected to take place until next financial year. The full budget of £179k has been included as a carry forward request in this report.

Design works are underway for the power supply equipment at the Palace Theatre and procurement will commence in March. The main phase of works are scheduled for August 2020 therefore a carry forward request of £25k has been included in this report.

Community Safety

Market testing has commenced on the CCTV Equipment Renewal scheme and it is expected that procurement will begin before Christmas. Due to the time it takes for the procurement process to complete, most of the spend is not anticipated until next financial year therefore a carry forward request of £660k has been included in this report.

Highways and Infrastructure

An extension and update to the Southend Transport Model system is underway to ensure compliance with Department for Transport guidance and to support funding bids, evaluate junction improvements and proposed developments. There has been a slight delay in procuring the consultant and part of the 2019/20 budget will now be required in future years. A carry forward request of £266k has therefore been included as a carry forward request in this report.

The scheme to Improve Resilience of the Borough to Flooding from Extreme Weather Events will continue into 2020/21 therefore a carry forward request of £35k has been included in this report.

Part of the scheme for Flood Prevention Works is being carried out in 2019/20 and an accelerated delivery request of £110k has been included in this report.

Local Transport Plan schemes have been reviewed and some carry forwards have been identified as part of this report. This includes £50k as part of the Better Networks scheme for Leigh old town wayfinding which will not commence until the new financial year. £335k has also been identified for Better Sustainable Transport as part of the National Productivity Investment Fund plus electric vehicle charging points which will both continue into 2020/21. There is also £200k for Traffic Control Systems which includes £100k for Real Time Passenger Information signs and £100k for the Travel Centre review which will both be carried out next financial year.

The parking strategy is in the process of being developed but in the meantime some other schemes are dependent on the outcome. Carry forward requests have been included in this report for Improved Car Park Signage and Guidance Systems for £215k, Traffic Signs Upgrade for £100k and Parking Strategy for £50k.

Works to Property

All works have now been completed at Belfairs Park Restaurant and Golf Club except for the windows which require a planning and tender process. The works are unlikely to commence during 2019/20 therefore £55k has been included as a carry forward request in this report.

Demolition of the old Futures building is in the process of being specified for tender. The full budget will not be utilised in 2019/20 therefore £35k of the current budget has been included as a carry forward request in this report.

Various schemes have completed under budget and budgets totalling £30k has been removed from the capital investment programme in this report.

Priority works transfers approved include New Beach Huts for £3k, Southend Adult Community College Access Control System for £24k and Reception Area Security Works for £15k, Clearing and Fencing for Land off Sutton Road for £5k and Lighting on Bridges for £2k.

Some of the Crematorium capital schemes are currently on hold pending full refurbishment. £620k of the current budget has been transferred from the main capital investment programme to the subject to viable business case section in this report.

A mechanical engineer vacancy in the Property Team has delayed the Civic Centre boilers scheme therefore the remaining £259k budget has been included as a carry forward request in this report to continue works in 2020/21.

Energy Saving

A project to install LED lighting across all floors in Civic 1 is currently awaiting approval from the Energy Efficiency budget and is unlikely to be delivered by March 2020. £78k of the current year budget has therefore been included as a carry forward request in this report.

Sensors are in the process of being trialled as part of the Real Time Air Quality Measurement Feasibility scheme to inform a way forward to create a monitoring system to be used for decision support. An accelerated delivery request of £2k has been included in this report to allow for additional spend in 2019/20.

There are procurement delays for the Solar PV scheme to install solar panels on buildings owned by the council therefore £438k of the current year budget has been included as a carry forward request in this report.

ICT

Following a review of the ICT capital investment programme, various schemes totalling £257k for 2019/20 and £132k for 2020/21 have been removed. Further bids have been received to bring the programme in line with current and future ICT requirements. £200k for the Liquid Logic scheme has been included as a carry forward request in this report to continue the scheme in 2020/21.

S106

Various S106 Housing contributions are being used to finance the HRA housing construction scheme and therefore budgets totalling £1.041million have been removed from the capital investment programme in this report as they are already accounted for in the HRA.

Other S106 schemes have been reviewed and various reprofiles have been requested including a carry forward of £18k, accelerated deliveries of £31k plus the removal of budgets totalling £11k due to the repayment of S106 monies.

3. Requested Changes to the 2019/20 Capital Programme

Carry Forwards to Future Years

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Common Areas Improvements	(200)	200			
Children's Residential Care Provision	(685)	685			
Community Capacity	(125)	125			
Delaware and Priory New Build	(2,700)	2,500	200		
AHDC Short Breaks for Disabled Children	(64)	64			
Mental Health Funding Stream	(36)	36			
Transforming Care Housing	(162)	162			
Fairways Primary Roof	(15)	15			
Fairways Primary Pipe Works	(26)	26			
Southend Pier – Pier Pavilion Platform Design	(127)	127			
Better Queensway	(500)	(12,600)	2,000	2,000	9,100
Allotments Water Supply Upgrade	(113)	57	56		
Playground Gates	(123)	123			
Sidmouth Park Replacement Play Equip	(50)	50			
Southend Cliffs Replacement of Handrails	(16)	16			
Palace Theatre – Power Supply Equipment	(25)	25			
Kiosks in Libraries	(40)	40			
Library Review	(179)	179			
Shoebury Common Regeneration	(236)	236			
Improved Car Park Signage and Guidance Systems	(215)	215			
Traffic Signs Upgrade	(100)	100			
LTP – Better Networks	(50)	50			
LTP – Better Sustainable Transport	(335)	335			
LTP- Traffic Control Systems	(200)	200			
Parking Strategy	(50)	50			
Southend Transport Model	(266)	56	105	105	
LGF – A125 Growth Corridor	(300)	300			
Improving Resilience of the Borough to Flooding from Extreme Weather Events	(35)	35			
CCTV Equipment Renewal	(660)	(106)	700	66	
S106 Avenue Works	(15)	15			
S106 Sunlight Dry	(3)	3			
S278 Bellway Homes		(8)	8		
Belfairs Park Restaurant/Golf Club Works	(55)	55			
Civic Centre Boilers	(259)	259			
Liquid Logic Case Management System	(200)	200			
Energy Efficiency Projects	(78)	78			
Solar PV Projects	(438)	438			
Futures Demolition	(35)	35			
Total Carry Forwards	(8,716)	(5,624)	3,069	2,171	9,100

Accelerated Deliveries from Future Years

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
School Improvement and Provision of School Places	900	(900)			
Cliffs Pavilion – Chiller	25	(25)			
Flood Prevention Works	110		(110)		
Carriageways and Footways Improvements		1,000	(1,000)		
Real Time Air Quality Measurement – Feasibility	2	(2)			
S38 Bellway Homes	25	(71)	46		
S38 Fossetts (const&maint fee)	6	(6)			
Total Accelerated Deliveries	1,068	(4)	(1,064)	-	-

Removed Schemes

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Southchurch Park Tow Path	(4)				
Make Southend Sparkle	(18)				
Shoeburyness Leisure Centre Building Management	(18)				
Palace Theatre Asbestos Safety Curtain	(2)				
Commercial Property Investment	(9)				
Herbert Grove Security	(4)				
Relocation of START	(17)				
ICT – Central Government IT Security Compliance	(139)				
ICT – Health and Social Care GovRoam	(20)				
Mobile Device End Point Protection Replacement	(1)				
Northgate – Revenues & Benefits Application	(15)				
IoT Smart City Delivery	(82)	(132)			
S106 Albany Court	(9)				
S106 Teksol Kenway	(2)				
S106 St Hildas - affordable housing	(11)				
S106 3 Acacia Drive - affordable housing	(177)				
S106 Essex House - affordable housing	(320)				
S106 32-36 Valkyrie Rd - affordable housing	(218)				
S106 845-849 London Rd – affordable housing	(143)				
S106 3-5 High Street - affordable housing	(172)				
Total Removed Schemes	(1,381)	(132)	-	-	-

Virements

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Priority Works	(49)				
New Beach Huts	3				
SACC – Access Control System	24				
SACC – Reception Area Security Works	15				
Clearance & Fencing – Land off Sutton Road	5				
Street Lighting Infills (Lighting on Bridges)	2				
Acquisition of Leasehold Property	(115)				
Acquisition of Tower Block Leaseholds – Queensway	115				
Southend Pier Structural Works		(500)			
Southend Pier – Condition Works		500			
Sutton Road Cemetery Road Repairs		(40)			
Cemetery & Crematorium Road & Path Resurfacing		40			
Total Virements	-	-	-	-	-

Transfer from ‘Subject to Viable Business Case’ to main Capital Investment Programme

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Airport Business Park – New Development		1,200			
Total Transfers	-	1,200	-	-	-

Transfer to ‘Subject to Viable Business Case’ from main Capital Investment Programme

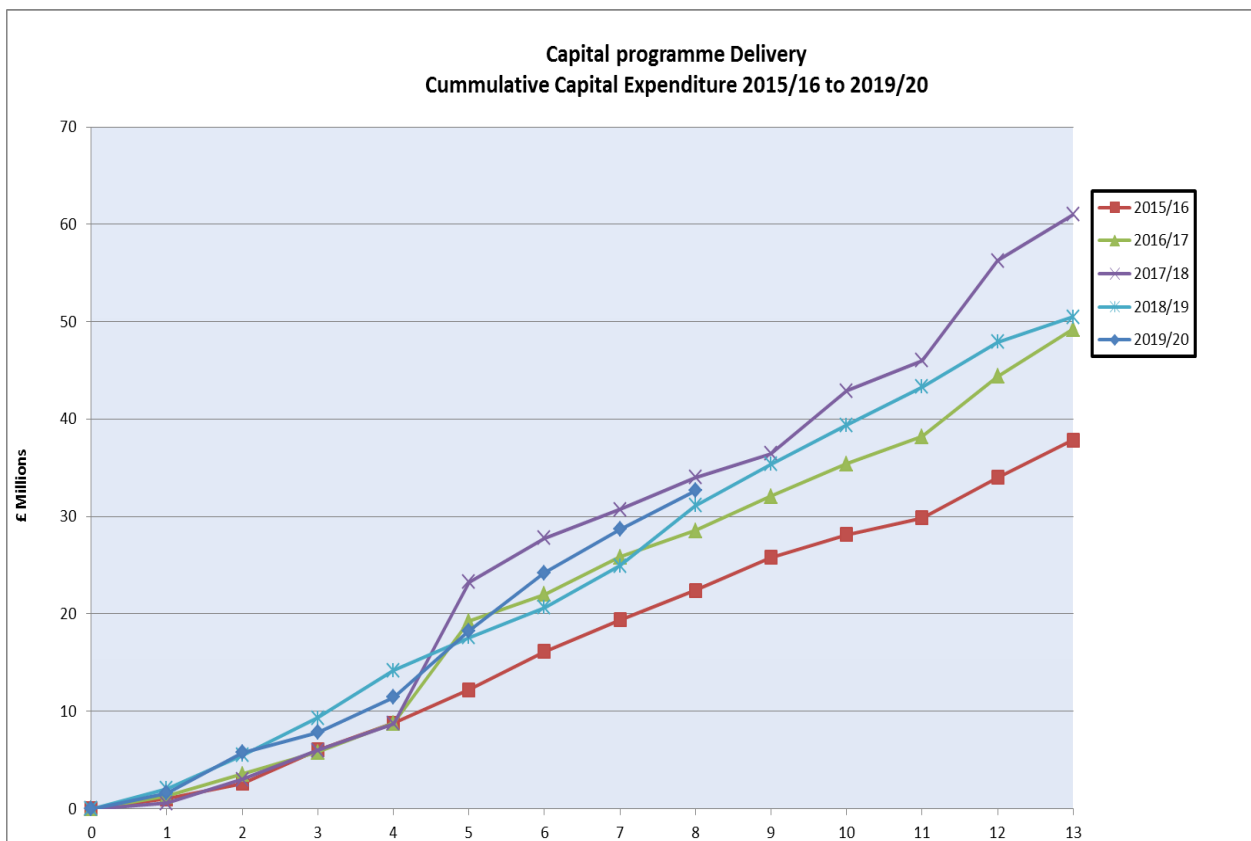
Scheme	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Crematorium – Urgent Structural Repairs to Chimney	(500)				
Replacement Boiler at Southend Crematorium	(120)				
Total Transfers	(620)	-	-	-	-

4. Summary of Capital Expenditure at 30th November

	Original Budget 2019/20 £000	Revisions £000	Revised Budget 2019/20 £000	Actual 2019/20 £000	Forecast outturn 2019/20 £000	Forecast Variance to Year End 2019/20 £000	% Variance
General Fund Housing	1,695	763	2,458	554	2,458	-	23%
Council Housing Refurbishment	8,049	709	8,758	2,912	8,558	(200)	33%
Council Housing Acquisitions and New Build Programme	4,511	5,351	9,862	4,390	9,862	-	45%
Social Care	1,016	5,324	6,340	227	2,568	(3,772)	4%
Schools	14,218	(5,001)	9,217	6,331	10,076	859	69%
Enterprise & Regeneration	15,000	(1,579)	13,421	5,014	12,921	(500)	37%
Southend Pier	2,468	857	3,325	2,291	3,198	(127)	69%
Culture & Tourism	5,218	(462)	4,756	1,970	3,957	(799)	41%
Community Safety	1,741	(861)	880	85	220	(660)	10%
Highways & Infrastructure	13,548	86	13,634	7,144	12,193	(1,441)	52%
Works to Property	1,969	44	2,013	279	1,014	(999)	14%
Energy Saving	1,426	(763)	663	20	149	(514)	3%
ICT	2,559	370	2,929	1,379	2,472	(457)	47%
S106/S38/CIL	943	627	1,570	83	531	(1,039)	5%
	<u>74,361</u>	<u>5,465</u>	<u>79,826</u>	<u>32,679</u>	<u>70,177</u>	<u>(9,649)</u>	<u>41%</u>
Council Approved Original Budget - February 2019	74,361						
General Fund Housing amendments	335						
Council Housing & New Build Programme amendments	5,831						
Social Care amendments	5,000						
Schools amendments	(3,060)						
Enterprise & Regeneration amendments	(485)						
Culture & Tourism amendments	492						
Community Safety amendments	(906)						
Highways & Infrastructure amendments	(2,018)						
Works to Property amendments	(321)						
Energy Saving amendments	(705)						
ICT amendments	(183)						
S106/S38/CIL amendments							
Carry Forward requests from 2018/19	7,445						
Accelerated Delivery requests to 2018/19	(4,386)						
Budget re-profiles (June Cabinet)	(2,701)						
New external funding	1,127						
Council Approved Revised Budget - June 2019	<u>79,826</u>						

Actual compared to Revised Budget spent is £32.679M or 41%

5. Capital Programme Delivery



Year	Outturn €m	Outturn %
2015/16	37.9	97.0
2016/17	48.8	89.0
2017/18	61.0	95.0
2018/19	50.9	96.7

Southend-on-Sea Borough Council

Report of Chief Executive and Town Clerk
To
Cabinet
On
16 January 2020

Agenda
Item No.

13

Report prepared by: Andrew Barnes – Head of Internal
Audit

2019-20 Corporate Risk Register – mid-year update

**Relevant Scrutiny Committee(s): Policy & Resources, People and Place
Scrutiny Committees**

**Cabinet Member – Cllr Woodley
A Part 1 Public Agenda Item**

1 Purpose of Report

- 1.1 To consider the 2019/20 Corporate Risk Register mid-year update.

2 Recommendations

That Cabinet considers the 2019/20 Corporate Risk Register and the mid-year updates outlined in Appendix 2.

3 Corporate Risk Register 2019/20

- 3.1.1 The Council's Corporate Risk Register sets out the key risks to the successful delivery of the Council's corporate ambition and outcomes 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 Corporate Management Team (CMT) quarterly and to Cabinet twice a year in June and January. The mid-year comments on each risk and action are included in Appendix 2.
- 3.1.3 CMT and other Directors have undertaken a review of the current content. This in the context of the ongoing 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 CMT and other Directors have identified the following areas to be included in, and then monitored and reviewed, as part of the Corporate Risk Register for 2019/20:
1. Council Budget / financial sustainability
 2. Recruiting and retaining staff
 3. Key external challenges
 4. Housing
 5. Local Infrastructure

6. Secondary School Places
7. Health and Social Care
8. Information management and cyber security
9. Children's Services Improvement Plan
10. Waste Management
11. Flooding / cliff slip
12. Major developments
13. Local Plan
14. Climate Change Emergency

3.1.5 The Directors have considered and agreed the following changes to the corporate risks in this period:

- Risk 2: Recruiting and retaining staff has been broadened to become about the Workforce more generally
- Risk 6: Secondary School Places has been de-escalated from the corporate risk register and the risk will be managed by the service moving forward
- Risk 7: Health and Social Care has been broadened to encompass the challenge of addressing health inequalities
- Risk 9: Children's Services Improvement Plan has been broadened to encompass the delivery of effective Children's Services to achieve the Council's outcomes in the context of the current financial position, rather than focussing on the Improvement Plan specifically
- Risk 14: Climate Change Emergency has been added to the corporate risk register following the Council's declaration of a climate emergency.

3.1.6 The format of the Corporate Risk Register currently 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.

3.1.7 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 CMT where applicable.

4 Corporate Implications:

4.1 Contribution to the Southend 2050 Road Map

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 the 2050 Ambition and Outcomes.

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 2015 require that:

A relevant authority must ensure it has a sound system of internal control which facilitates the effective exercise of its function and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective 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 of the corporate risk register.

4.7 Equalities and Diversity 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 ambition and outcomes 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 - 2019/20 Corporate Risk Register mid-year position

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Corporate Assurance Risk Register Update

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			

2019-20 Corporate Risk Register - Appendix 2


Generated on: 9 December 2019

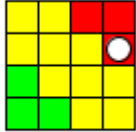
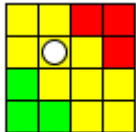

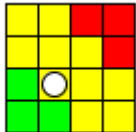


Risk Title	1. Council Budget/Financial Sustainability						
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact	Likelihood
1920CRR01401	Risk that failure to address the financial challenge by effectively managing the growing demand for services and enhancing local income streams will threaten the medium to long term financial sustainability of the Council, leading to a 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 resource position through: budget proposal reports to Service and Corporate Management Teams; member seminars; Cabinet; Scrutiny Committees; Council Assurance: Reports to and minutes of meetings.</p> <p>2. Control: Move to outcome based budgeting to re-align resources and management oversight of a longer terms budget setting process through: reports to CMT and Cabinet Assurance: Reports to and minutes of meetings.</p> <p>3. Control: Senior member and management challenge to services on realignment of budgets Assurance: Reports to and minutes of meetings.</p> <p>4. Control: Budget challenge through Getting to Know our Business process Assurance: Minutes of 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 to and minutes of meetings.</p> <p>6. Control: Regular budget monitoring outlining causes for variances and proposed actions to address reported to CMT, Cabinet and Council Assurance: Reports to 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
1920CRA0101	Budget Timeline outlining key milestones to be agreed with the Administration and Senior Leadership	Joe Chesterton	31-May-2019	Quarter 2 - Timeline in place with key deadlines.		4	

	Team.							
1920CRA01 03	Continual monitoring, risk assessment and reporting of progress on options to meet the budget reductions required to set balanced budgets for 2020/21 to 2025/26.	Joe Chesterton	30-Jun-2020	<p>Quarter 2 - Budget reductions approved for 2019/20 are continually monitored through monthly budget monitoring and are being reported to each Cabinet throughout the year. The final position for the year will be prepared for the June Cabinet.</p> <p>Options for budget reductions and investments are being approved as part of the budget setting process for 2020/21 to 2024/25. The Medium Term Financial Plan will be refreshed to extend to cover 5 years to 2025/26 and will continue to be updated.</p>				
1920CRA01 04 402	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-2020	<p>Quarter 2 - Executive Director (Finance and Resources) and finance team horizon scan all Government announcements, including the Spending Round announcement and Local Government Settlement for inclusion in the final budget and in preparation for future budgets.</p> <p>Preparing for financial self-sustainability by identifying additional income sources in readiness for significant funding changes being anticipated from 2021/22.</p>				

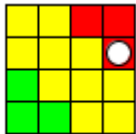
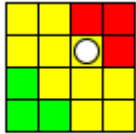

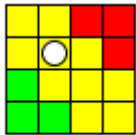
Risk Title		2. Workforce						
Stage 1 - Risk without controls (Inherent risk)								
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact	Likelihood	
1920CRR02	Risk that the Council will not have the appropriate staffing resources, with the right skills working in the right places within collaborative teams, resulting, in part, from a failure to effectively embed the arrangements with the new recruitment partner, leading to a lack of workforce capacity resulting in a failure to achieve the Council's ambitions.	Joanna Ruffle	Strategic	Service Provision	12			
Stage 2 - Risk with Controls and Assurances (current risk)								
List of controls and associated assurances to ensure controls are working					Current risk score	6		
<p>1. Control: Managing Organisational Change Policy; Redeployment Policy & Procedure; Redundancy Policy & Procedure Assurance: Policy documents available to all staff 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 via Business World Assurance: Reports to and Minutes of meetings.</p> <p>3. Control: All staff vacancies, redeployments and redundancies are assessed by HR and Finance in partnership with managers and signed off by Directors via Business World Assurance: HR and Finance reporting.</p> <p>4. Control: Recruitment provider to identify recruitment hotspots and plan effective recruitment campaigns Assurance: Service Level Agreement, Contract management.</p> <p>5. Control: Updated Values and Behaviours framework being used to drive recruitment through Behaviour based recruiting Assurance: Training being provided to all recruiting managers who will not be allowed to recruit without having the training.</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
1920CRA0201	Continue to embed Talent Management Strategy (including apprenticeships, graduate traineeships, graduate sponsorships and career progression)	Joanna Ruffle	31-Mar-2020	Quarter 2 - This work is now incorporated into the Transforming Together outcomes and delivery plan.	✓	2		
1920CRA0202	Participate in regional Children's Social Care Workforce project	Joanna Ruffle	31-Mar-2020	Quarter 2 - Collaborative and focused work with HR and the service area continues.	✓			
1920CRA0204	Develop a framework to deliver professional recruitment resources, including a robust implementation plan which is jointly owned by SBC	Joanna Ruffle	31-Mar-2020	Quarter 2 - The new recruitment partnership is now implemented and work continues to deliver on recruitment priorities.	✓			



	and Hays and which is appropriately managed							
1920CRA0205	Resourcing Manager to drive talent management initiatives across the organisation	Joanna Ruffle	31-Mar-2020	Quarter 2 - Strengthened the strategic capacity in HR. Strategic lead for resourcing has been established. The recruitment service has been reviewed and the new recruitment partner is in place and operational.				
1920CRA0206	Deliver behaviour based recruiting training to all recruiting managers	Joanna Ruffle	31-Mar-2020	Quarter 2 – behaviour based recruiting training being delivered to all recruiting managers through November.				

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	
1920CRR03	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	Impact	Likelihood	
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 2. Control: Corporate Management Team - oversight of Key Projects Assurance: Minutes/ Project Management Reports to CMT 3. Control: Success For All Children Group Assurance: Children and Young People Plan/Reports/Minutes 4. Control: Health and Wellbeing Board Assurance: Joint Health and Wellbeing Strategy/Report/Minutes 5. Control: Association of South Essex Local Authority Assurance: Report/Minutes					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
1920CRA0301	Maintaining, renewing and building relationships with key partners	Alison Griffin	31-Mar-2020	Quarter 2 - The South East Essex Locality Partnership Group has developed relationships across the SEE system, a shared Locality Strategy and MoU. The Town Centre Action Group has developed an action plan to lead on enforcement action to deal with the most prolific individuals plus support and outreach work under the Rough Sleeper Initiative. Violence and Vulnerability partnership approach, campaign launched and action plan agreed at the four strategic partnerships boards. The 'See the Signs' campaign with Essex Police has raised awareness of the implications of County Lines, been viewed more than 700,000 times electronically as well as the poster distribution, and recognised by the Home		4		Likelihood

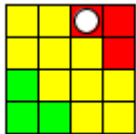
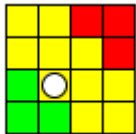
				Office. Partners have been engaged in the development of Southend 2050, including through a series of stakeholder events to develop a partners timeline and roadmap.			
1920CRA03 02	Continue to undertake horizon scanning of key developments in relation to new government legislation, policy and Brexit negotiations	Alison Griffin	31-Mar-2020	Quarter 2 - 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 considered the implications and preparation report in January and was further updated in September 2019.			
1920CRA03 03	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-2020	Quarter 2 - Southend Council (via operational staff, SEE Partnership Group, formal committees and HWB) 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. The referral of the STP to the SoS was responded to during this quarter and the SoS has rejected the council's referral.			
1920CRA03 04	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-2020	Quarter 2: Submission made in regards to extension of the SEBB programme, to be first considered by the ESIF committee in November. Indications are that the fund is oversubscribed thus presenting an increased risk of not being successful or a reduced amount of funding being made available. Additional funding has been secured by BEST to deliver Brexit support. This is a combination of different funding sources. No further information about the shared prosperity fund, indications are that this is not likely to be published until closer to end of the current EU funding round (March '21)			




1920CRA03 05	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-2020	Quarter 2 - Continued close working with SELEP reporting on existing schemes and managing delivery of live projects. New business case submitted to LGF 3b round for the town centre, to be considered by the board in November. Also currently exploring the Growing Places Fund (revolving loan fund) which will be looking for bids by early 2020	✔			
1920CRA03 06 407	To continually review the risks and opportunities for the Council of Brexit, identifying and implementing required actions.	Alison Griffin	31-Mar-2020	Quarter 2 – Cabinet report outlining actions taken by the Council to date in its preparations for Brexit agreed by Cabinet Sept 2019. This reflected the Secretary of State request for Councils to have a Brexit lead officer and the sort of activities they should be undertaking. Internal working group meeting on a weekly basis with weekly organisation-wide reporting in place. Information then used to inform ERF and EELGA weekly reports. Awareness raising through BEST Growth Hub, schools, care providers network, main suppliers and partners. ERF Brexit specific plans in place and SCG is stood up.	✔			

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		
1920CRR04	Risk that a failure to implement plans to address rising homelessness and failure to implement the Housing, Homelessness and Rough Sleeping 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		
1. Control: Core Strategy and Local Development Plan Assurance: Strategy documents to provide direction 2. Control: Cabinet/Scrutiny Assurance: Reports to and minutes of meetings 3. Control: Housing, Homelessness and Rough Sleeping Strategy Assurance: Strategy document to provide direction 4. Control: Housing Working Party: Assurance: Reports to 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	
1920CRA0401	Progress delivery of plans contained in the new Housing, Homelessness and Rough Sleeping Strategy for the borough aimed at ensuring the appropriate level of accommodation in the borough and reduce the need for temporary accommodation	Glyn Halksworth	31-Mar-2020	Quarter 2: work is underway on several aspects of the Housing, Homelessness and Rough Sleeping Strategy to deliver on its objectives and ambitions. Reporting of progress around allocations policy, South Essex Homes agreement and the housing and regeneration pipeline has been regularly provided since the strategy was adopted. The housing pipeline work is reporting to each Cabinet and a number of sites are currently progressing that will form the first phase of the pipeline. HRA land review project has identified two sites that will potentially lead to 56 affordable homes. The acquisitions programme for council housing has continued and a number of		6	 Likelihood



				properties have been purchased from the open market.			
1920CRA04 02	Progress the Council's bid for additional resources from the Government's new street homelessness fund to tackle the issue in the borough	Glyn Halksworth	31-Mar-2020	Quarter 2 – Work continues across Southend Council and with partner services (HARP, STARS, Peabody, Love Southend) to offer support and accommodation to rough sleepers. Work is now underway in preparation for Winter 19-20. Additional resources were successfully bid for to augment this scheme and staff have been recruited to new roles such that an even broader and more sustainable offer will be in place during Q3.			
1920CRA04 03 409	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; Glyn Halksworth	31-Mar-2020	Quarter 2 - Collaborative work is on-going as the local plan and its supporting evidence base continues to move forward. 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. Collaborative work will continue beyond the Local Plan issues and options stage to ensure the documents are aligned and address anticipated housing demand.			

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		
1920CRR05	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		
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		
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	
1920CRA0502	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-2020	Quarter 2 - Business case submitted for Cliff stabilisation works at Leigh and Expression of Interest submitted for Bridge Structure upgrade.	✓	4	
1920CRA0503	Conduct detailed self-assessment to support Challenge Fund bid	Neil Hoskins	31-Mar-2020	Quarter 2 - This is submitted annually and will be done in Quarter 4.	✓		
1920CRA0505	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-2020	Quarter 2 - SELEP monitoring and reporting is up to date. Year to date Airport Business Park spend is ahead of profile demonstrating good progress on site.	✓		

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	Impact	Likelihood	
1920CRR07	Risk that the implementation of the Mid and South Essex Sustainability and Transformation Partnership (STP) proposals and implementation of the Localities Model does not result in effective health and social care outcomes for residents resulting in increased health inequalities, worsening health outcomes and significant cost increases.	Simon Leftley	Strategic	Financial, Service Provision	12			
Stage 2 - Risk with Controls and Assurances (current risk)								
List of controls and associated assurances to ensure controls are working								
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 (being replaced with sub-groups). Assurance: Reports/Meeting Minutes. 4. Control: Corporate Management Team. Assurance: Reports/Meeting Minutes. 5. Control: Joint SBC CMT and CCG CMT meetings. Assurance: Reports/Meeting Minutes.					Current risk score	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
1920CRA0701	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-2020	Quarter 2 - Southend Council (via the SEE Partnership Group, formal committees and HWB) continues to engage with the STP. Influence with this regard is limited, however, the STP have begun to engage with the 3 LAs more comprehensively to enable greater involvement in planning. SBCs influence on the direction for the STP rests mainly in the development of Localities and Primary Care Networks (PCNs) which we are taking a lead on within the Southend system.	✔	4		
1920CRA0702	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-2020	Quarter 2 - HWB hold regular discussions regarding the development of the STP proposals and the Southend Locality development. A South East Essex governance approach to developing Localities is operational	✔			


				and leads the delivery. This partnership is accountable to HWB and is responsible for the activity of the STPs strategic plans through its local business plan. The Locality Strategy 'Living Well In Thriving Communities' is agreed and is now being implemented through the Partnership. Primary Care Networks present a significant risk to the geography of the Southend Localities and the Partnership has now agreed approach to inclusion.				
1920CRA0703	Reshaping the mandate 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-2020	Quarter 2 - The SEELP continues to operate monthly and is a partnership formed across Essex CC, SBC and the two CCGs. The partnership also includes providers, the voluntary sector, public health and patient representative. A revised MoU is in development to support the partnership and the relationships being built and work being progressed through the partnership is widely considered to be the foundation to the integrated care systems being developed.				
41920CRA0704	Production of annual Joint Strategic Needs Assessment to provide a clarified understanding of the issues to be focussed upon and addressed using the JSNA to provide evidence-based priorities for commissioning.	Krishna Ramkhelawon	31-Jan-2020	Work in progress to prepare the JSNA and the summary report for the Health & Wellbeing Board.				
1920CRA0705	Production of the Annual Public Health Report 2019/20 that provides an opportunity to focus attention on particular issues that impact on the health and wellbeing of the local population, highlight any concerns and make recommendations for further action.	Krishna Ramkhelawon	30-Jun-2020	The Annual Public Health Report 2019/20 will be prepared by the interim Director of Public Health and presented to the Health & Wellbeing Board.				


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	Impact	Likelihood
1920CRR08	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 a data breach or cyber-attack, leading to significant financial and reputational damage to the Council	John Williams	Strategic	Reputational, Financial	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: Mandatory Data Protection and Cyber Security Training for all staff - Assurance: Completion of training by all staff</p> <p>2. Control: Senior Leadership Team participating annually in Cyber Security Exercise - Assurance: Successful completion of exercise</p> <p>3. Control: Senior Information Risk Owner - Assurance: Annual SIRO report to Cabinet</p> <p>4. Control: Annual IG Toolkit assessment - Assurance: Report from independent assessment</p> <p>5. Control: Regular reports to Good Governance Group. Assurance: Reports/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
1920CRA0801	Ensure the Good Governance Group continues to oversee the Council's approach to information management, including compliance with data protection legislation.	John Williams	31-Mar-2020	Quarter 2 - The Good Governance Group reviews this as a standing item on its agenda. The group is chaired by the Senior Information Risk Owner (SIRO).		9	
1920CRA0802	Ensure the Council's project plan, and associated officer group, for embedding of the General Data Protection Regulations (GDPR) is fit for purpose to deliver continued compliance with data protection legislation.	Lysanne Eddy	31-Mar-2020	Quarter 2 - DP/GDPR continues to be embedded as BAU, referrals for advice remain high, indicating good awareness. New e-learning has been made mandatory for all staff and rolled out across the organisation. During the training roll out intelligence has been gathered about potential additional training requirements. The GDPR Group has been realigned into the Good Governance Group.			
1920CRA0803	Ensure information management is a key part of the Council's transformation agenda.	Joanna Ruffle	31-Mar-2020	Quarter 2 - Digital enablement is a key condition for Transformation. The Insights team in the Corporate Strategy unit is fully staffed and now operating as BAU.			


1920CRA08 04	Ensure the Council's cyber security arrangements are up to date and robust enough to withstand attacks.	Sandeep Thakrar	31-Mar-2020	Quarter 2 – Risk assessed and impact and likelihood of cyber-attack remains high. A Head of IT Security and Compliance role has been created and is currently being recruited to, as part of the restructure of ICT. They will be focussed on the cyber security challenge. The current team have created a Cyber Security Baseline assessment that will inform next steps, as will the National Cyber Security Centre top 10 steps.				
1920CRA08 05	Review the Council's approach to the use and sharing of, information and data	Joanna Ruffle	31-Mar-2020	Quarter 2 - This work continues and is overseen by the Good Governance Group, this work is also picked up by the JSNA group.				

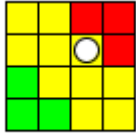
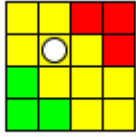
Risk Title		9. Children's Services						
Stage 1 - Risk without controls (Inherent risk)								
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact	Likelihood	
1920CRR09	Risk that the actions and expected outcomes from the Children's Services Improvement Plan are not achieved within expected timescales, resulting in a failure to deliver the outcomes anticipated by the Council's roadmap for the children in need of support.	Simon Leftley	Strategic	Reputational	12	High		
Stage 2 - Risk with Controls and Assurances (current risk)								
List of controls and associated assurances to ensure controls are working								
<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>					Current risk score	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
1920CRA0901	Develop and enhance the resourcing available to the Council's Children's Service, with the recruitment of additional social workers; embedding the work of the recently appointed 'Practise Lead' to promote good practice and 'Participation Lead' to enhance participation.	John O'Loughlin	31-Mar-2020	Quarter 2 - Following the ILACS inspection the improvement plan is being revised to take account of their findings. We have a commitment to continuing the control measures and the introduction of the performance board during Q4 is supporting the improvement actions and outcomes being driven forward.	Green	6	High	
1920CRA0902	Embed the 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	John O'Loughlin	31-Mar-2020	Quarter 2 update for Edge of Care Requests for Emergency Visits prior to placement panel and allocation: - 34. Family/Fostering visits of cases coming to us in	Green			

	placements.		<p>crisis before being presented at panel.</p> <p>Requests for Welfare Visits without allocation: -52. Emergency welfare visits to support social care, where case is not and does not open to us.</p> <p>Duty welfare visits completed to families already open to Edge of Care: - 134</p> <p>Crisis calls from allocated cases: - 150. Of the 26 reunifications that the team have had: - 9 were negative assessments with recommendations – children to remain in current placement and reunification isn't recommended - 10 were positive assessments with recommendations and support plans - reunification recommended children to return to family care - 7 are still being completed.</p> <p>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.</p> <p>In Quarter 2 Edge of Care have closed 35 cases. 12 Remain in the family home 2 Alternative Family arrangements 4 Placed into Care 2 Stabilised placements 2 Foster placements broken down 1 Successful reunification 1 Negative reunification 0 From Foster Care to Residential Care 8 Welfare Visits only 3 Cases found no service required from Edge of Care</p>			
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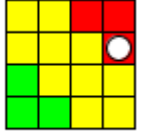
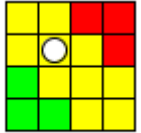
				<p>In quarter 2 Edge of Care have had 32 cases referred.</p> <ul style="list-style-type: none"> 6 CP plans only 3 CP plan and PLO 5 CIN only 6 LAC 5 Reunification 7 Families requiring Welfare Visits 				
417	1920CRA0903	Implement and embed the Early Help Phase 2 programme, which, working in partnership with other care professionals will aim to improve the first contact service for vulnerable children.	John O'Loughlin	31-Mar-2020	<p>Quarter 2 - Early Help Family Support has recently introduced a new parenting programme that has just successfully finished working with its second cohort of families. Early Help Family Support is working closely with Social Care to ensure a smooth transition for families who step down from Social Care intervention. Families are now contacted within 5 days of referral by a new duty team within the service.</p> <p>We have met the TF attachment target of 1480, however 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. Southend have currently claimed 48% of PBR's and a robust plan is in place to assist in ensuring we are able to optimise PBR's.</p> <p>The Family Researcher is continuing to work with Social Care to ensure we capture successful CN closures with our PBR outcomes. The Family Support team are working closely with the Data Team to look at different data sources which evidence positive outcomes to enhance PBR payments. This will be supported by the Family researcher.</p> <p>Adolescent Intervention and Prevention team are offering an Early Help response to all those that deemed to be at risk of exploitation / gangs / missing. All intelligence reports result in joint home visits between AIP Team and Police. A raft of Early Intervention programmes are being offered in schools.</p>			

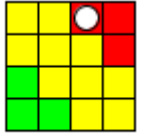
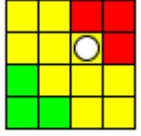
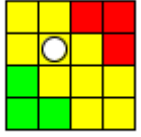
<p>1920CRA09 04 418</p>	<p>Undertake a full budget and performance review of Children's Services to assess levels of resourcing against the demand for services, to address the forecast budget overspend currently being experienced.</p>	<p>Simon Leftley</p>	<p>31-Mar-2020</p>	<p>Quarter 2 - Early Help Family Support has recently introduced a new parenting programme that has just successfully finished working with its second cohort of families. Early Help Family Support is working closely with Social Care to ensure a smooth transition for families who step down from Social Care intervention. Families are now contacted within 5 days of referral by a new duty team within the service.</p> <p>We have met the TF attachment target of 1480, however 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. Southend have currently claimed 48% of PBR's and a robust plan is in place to assist in ensuring we are able to optimise PBR's.</p> <p>The Family Researcher is continuing to work with Social Care to ensure we capture successful CN closures with our PBR outcomes. The Family Support team are working closely with the Data Team to look at different data sources which evidence positive outcomes to enhance PBR payments. This will be supported by the Family researcher.</p> <p>Adolescent Intervention and Prevention team are offering an Early Help response to all those that deemed to be at risk of exploitation / gangs / missing. All intelligence reports result in joint home visits between AIP Team and Police. A raft of Early Intervention programmes are being offered in schools.</p> <p>The service continue to plan to manage the increase in placement demand, by building our local in-house foster care capacity and sourcing local residential care provision. From a staffing perspective the medium to long term strategy is to increase the use of Newly Qualified Social Workers and permanently</p>	<p></p>			
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				<p>employed Social Workers, which should result in less reliance on agency staff and the removal of the current range of temporary posts.</p> <p>Mitigation actions of £0.8m have been identified and additional work is being undertaken to try to reduce the forecast overspend further whilst still meeting the needs of children and families.</p>				
1920CRA0905	Review the use of Children's Centres to deliver an improved Children's wellbeing pathway	Brin Martin	31-Mar-20	<p>Birth, attendance and footfall data is being used to assess the effectiveness of the provision to support young families. This includes close working with stakeholders and partners including A Better Start Southend, SAVS and schools and settings so that relevant and high quality services operate from the Children's Centres.</p>				

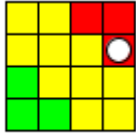
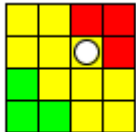
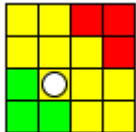
Risk Title		10. Waste Management					
Stage 1 - Risk without controls (Inherent risk)							
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score		Impact Likelihood
1920CRR10	Risk of contractor failing to meet contractual requirements to effectively manage waste arrangements results in a loss of service quality and additional financial liability for the Council.	Larissa Reed	Strategic	Reputational, Financial	9		
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
<p>1. Control: Regular contract management meetings with suppliers Assurance: Reports to and minutes of meetings</p> <p>2. Control: Data set monitored by DMT and senior managers Assurance: Reports to and minutes of meetings</p> <p>3. Control: Reporting to and challenge by Cabinet / Scrutiny Assurance: Reports to and minutes of meetings</p> <p>4. Control: Procurement plan in place for delivery of the next waste management contract Assurance: Procurement supporting the delivery of the next contract</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
1920CRA1001	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	Imran Kazalbash	31-Mar-2020	Quarter 2 - Contractor continues to be performance managed and steered through regular contract meetings. Financial remedies can be applied through performance deduction mechanism in accordance with the contract.	✓	6	
1920CRA1002	Ensure SBC have access to waste disposal and treatment facilities that deliver value for money for the Council.	Imran Kazalbash	31-Mar-2020	Quarter 2 - SBC continues to deliver residual waste to Essex Facility under Joint Working Agreement, (JWA) which is in place until 5/10/23. The JWA variation allows for negotiation to continue to use the site past this end date. Contingency arrangements are in place to send residual waste to landfill (Under partnership Framework with Essex CC) if Essex plant is not available.	✓		
1920CAR1003	Ensure SBC have an effective plan in place for the procurement of the next	Imran Kazalbash	31-Mar-2020	Quarter 2 - The service is working with procurement to identify and prepare a range of			

	waste management contract that is due to commence on 5 October 2023.			options for consideration. This has included visiting other Councils that are utilising alternative arrangements. Consultancy support is planned to be identified to work up business case models for different service delivery models, that should lead to a preferred option by the second quarter of 2020 being presented for consideration.				
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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	Impact	Likelihood	
1920CRR11	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	Impact	Likelihood	
<p>1. Control: Flooding Reports considered by Cabinet Assurance: Reports to and minutes of meetings</p> <p>2. Control: Gully cleaning programme in place Assurance: Programme documents.</p> <p>3. Control: Regular monitoring of Met Office weather alerts Assurance: Alerts/Reports</p> <p>4. Control: Cabinet/Scrutiny Assurance: Reports to and minutes of meetings</p>								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
1920CRA1101	Ensure compliance with the requirements of the Floods and water Management Act 2010 with regard to Sustainable Drainage Systems (SuDS).	Neil Hoskins	31-Mar-2020	Quarter 2 - Current projects with SuDS elements programmed to start December 2019 - January 2020	✓	6		Likelihood
1920CRA1102	Jointly investigate with Anglia Water Services, possible improvements to drainage system.	Neil Hoskins	31-Mar-2020	Quarter 2 - Anglian Water, Environment Agency and SBC discussions regularly scheduled to investigate joint working and potential future projects and funding allocation.	✓			
1920CRA1103	Development of a Cliff Slip Strategy based on a risk minimisation approach	Neil Hoskins	31-Mar-2020	Quarter 2 - Contract awarded to Campbell Reith	✓			
1920CRA1104	Progression of Sea Defence Scheme at Shoebury Common - consultation options leading to business case	Neil Hoskins	31-Mar-2020	Quarter 2 - Outlined business case being progressed following consultation	✓			
1920CRA1105	Shoreline Management Strategy - adoption	Neil Hoskins	31-Mar-2020	Quarter 2 - Shoreline Management Strategy now adopted by Environment Agency	✓			

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		
1920CRR12	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		 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: 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		 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	
1920CRA1201	Delivery of Better Queensway through Porters Place LLP (joint venture) 2019/20 actions: <ul style="list-style-type: none"> - Approval of updated business plan - Consultation - Council approval of final proposals - Submission of planning application 	Emma Cooney	31-Mar-2020	Quarter 2 - Porters Place Southend-on-Sea LLP is now the delivery vehicle for Better Queensway following approval of the JV. Revised business plan considered at the Council's October Shareholder Board meeting following approval by the JV Board. Resident event to introduce the new JV held 26 th September. Project Director appointed from November, Community Officer appointed and in post. Housing and highways highlighted as matters to be worked through.	✓	6	 Likelihood
1920CRA1202	Airport Business Park 19/20 actions: <ul style="list-style-type: none"> - Launchpad planning consent - Launchpad construction procurement - Commence procurement of Launchpad operator - Relocation of Westcliff Rugby 	Andrew Lewis	31-Mar-2020	Quarter 2 - Phase 1 utility works moving towards completion. Phases 2 and 3 underway with Ipeco structure now out the ground. Launchpad planning application was due to be determined at the end of September but Rochford DC meeting cancelled.	✓		

	<ul style="list-style-type: none"> - Club - Construction of Ipeco premises - Phase 1 completion 							
1920CRA1203	<p>Seaway Car Park 19/20 actions:</p> <ul style="list-style-type: none"> - 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-2020	Quarter 2 - Turnstone Planning Application submitted, but is currently on hold pending the Secretary of State decision on the challenge in respect of the EIA.				

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		
1920CRR13	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: Project plan and timetable for the delivery of the updated Local Plan Assurance: Project monitoring and reporting of progress 2. Control: Reports to Cabinet Assurance: Reports to and minutes of meetings 3. Control: Regular reports to Corporate Management Team Assurance: Reports to and minutes of meetings 4. Control: Member Environment and Planning Working Party Assurance: Reports to 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	
1920CRA1302	Undertake consultation with community and stakeholders on issues and options in line with 'Regulation 18'	Peter Geraghty	31-Mar-2020	Quarter 2 - Update Local Plan Issues and Options consultation stage completed. The results of the consultation have been analysed and reported.	✓	4	 Likelihood
1920CRA1303	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, Climate Change Emergency).	Peter Geraghty	31-Mar-2020	Quarter 2 - A joint South Essex policy team, including officers from Southend, has been established under an informal arrangement and work on key evidence documents and a Statement of Community Involvement is progressing. Officers working on the Local Plan continue to work with those involved in the Joint Strategic Plan and other Council strategies to ensure alignment as they progress.	✓		

Risk Title		14. Climate Change Emergency						
Stage 1 - Risk without controls (Inherent risk)								
Code	Risk - CAUSE, EVENT, EFFECT	Risk Owner	Risk type	Risk category	Inherent risk score	Impact	Likelihood	
1920CRR14	Risk that failing to implement changes needed to reduce the Borough's carbon footprint will cause an inadequate contribution to the reduction in carbon emissions required. This will result in significant adverse impact on the Borough, and if the climate adaptation measures being implemented are also inadequate, there will be further implications for the Council in needing to respond to climate events in the Borough.	Andy Lewis	Strategic	Environmental / Financial / Business Continuity / 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: Low Carbon Energy and Sustainability Strategy 2015-20; member seminars; Cabinet; Scrutiny Committees; Council Assurance: delivery of strategy, reports to and minutes of meetings.</p> <p>2. Control: Management oversight of Green City Southend 2050 outcome that includes carbon reduction activity through: reports to CMT and Administration Assurance: Reports to and minutes of meetings.</p> <p>3. Control: Member Environmental Working Party Assurance: Reports to and minutes of meetings.</p> <p>4. Control: Council declaration of a climate emergency Assurance: Reports to and minutes of meetings.</p>								12
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
1920CRA1401	Update the Low Carbon Energy and Sustainability Strategy to reflect the plan of action that needs to be taken over the next 10 year period.	Carl Robinson	31-Mar-2020	Quarter 2 - Timeline in place with key deadlines. The updated strategy is due to be approved in advance of the 2020/21 year.		9	Impact	Likelihood
1920CRA1402	Delivery of the agreed actions outlined in the Green City outcome delivery plan.	Elizabeth Georgeou / Andrew Barnes	31-Mar-2020	Quarter 2 - The Green City outcome has 5 key elements of delivery: <ul style="list-style-type: none"> - Carbon neutral buildings - Green streets - Green transport - Recycling - Southend BC leading by example Specific actions to improve these issues are				

				being delivered through the Green City outcome delivery plan.				
1920CRA1403	Continue the work of the Energy and Sustainability Team (which includes engagement with key stakeholders) to identify and manage the implementation of projects and actions that will reduce carbon emissions and adapt to climate change.	Carl Robinson	31-Mar-2020	Quarter 2 – The Energy and Sustainability Manager has reported to Cabinet in November outlining all of the projects and actions that are currently underway. Cabinet to maintain a watching brief over the delivery of these projects and actions to ensure that they are delivered and achieve the anticipated impact.				

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Southend-on-Sea Borough Council

Agenda

Item No.

14

Report of Executive Director
(Finance & Resources)

To

Cabinet

on

16th January 2020

Report prepared by: Bridgette Cowley
Revenues Group Manager

Debt Management - Position to 30th November 2019

**Policy and Resources Scrutiny Committee
Cabinet Member : Councillor Gilbert**

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 2019;
- Debts that have been written off, or are recommended for write off, in the current financial year as at 30th November 2019;
- 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 2019 and the position of debts written off to 30th November 2019 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 S151 Officer 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 2019/20.

- 3.2 Southend-on-Sea Borough Council 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 Section 4.5) and statutory levies such as Council tax and Non Domestic Rates (Business Rates).

There are also 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 was detailed in the report to Cabinet on 17th September 2013. It is worth highlighting that the Council has a good success rate in collection of debt. The collection targets are agreed annually as part of the Councils service and financial 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

£100m of Council Tax is due to be collected in 2019/20, with a collection target of 97.5%. Of this sum the Council has collected £70m (70%) of this debt during the first eight months of the year. This is slightly ahead of the target at this stage of the year so the end of year target for Council Tax is likely to be achieved.

Collection also 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 2019
1st April 2015 - 31st March 2016	97.2%	99.6%
1st April 2016 - 31st March 2017	97.5%	99.4%
1st April 2017 - 31st March 2018	97.5%	99.2%
1st April 2018 - 31st March 2019	97.5%	98.5 %

4.2 Non Domestic Rates (Business Rates)

£45.6m of Non Domestic rates is due to be collected in 2019/20, with a collection target of 98.3%. Of this sum the Council collected £32.3m of this debt in the first eight months of the year, equating to 70.8%. This again means that the end of year collection target for Business Rates is on course to be achieved.

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 31 st July 2019
1st April 2015 - 31st March 2016	97.8%	99.9%
1st April 2016 - 31st March 2017	98.0%	99.9%
1st April 2017 - 31st March 2018	98.6%	99.8%
1st April 2018 - 31st March 2019	98.3%	99.2%

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 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 31/11/19 was £4,583,287

It should be noted that of the total amount outstanding;

£2.27m is debt deferred against property;
£0.68m is under 30 days old.

4.6 **Parking**

The recovery of unpaid Penalty Charge Notices is undertaken by a semi-judicial process under the current Traffic Management Act 2004.

From 1st April 2019 to 31st 30th November 2019 a total of 35,702 Penalty Charge Notices (PCNs) have been issued resulting in a projected income of £1,151,078. 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. Historically, 75% of paid PCN's are paid at the discounted payment.

The value of cancelled notices is £189,898 and cases written off where no keeper has been identified totals £23,916.

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

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 30/11/19)

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 that is left 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 could 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 undertaken to either bring the situation back under control, or to make appropriate adjustments to the bad debt provision.

Relevant service areas are aware that they have to bear the cost of any 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 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 consistent 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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Summary of Outstanding Debt**Outstanding Debt pre 1st April 2019 (arrears)**

Debt pre 1/4/2019	Council Tax (a)	Business Rates (a)	Housing Benefit Overpayments (b)	Adult Services	Miscellaneous Income	HRA (Care Line/Service Charges)	Parking (c)	Libraries (d)	HRA Current Tenants (e)	HRA Former Tenants (e)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Collectable Debt	6,299	1,357	6,191	5,486	3,290	142	14,203	n/a	-	308
Amount Paid @ 30.11.2019	1,726	671	2,348	2,824	2,288	58	12,590	555	-	109
Number of Accounts	12,618	213	1760	1,101	804	181	n/a	n/a	-	372
Total Outstanding	4,573	686	3,719	2,662	1,002	84	1,613	n/a	-	199

Current Year Debt (Debt raised in respect of 2019/20)

Debt post 1/4/2019	Council Tax (a)	Business Rates (a)	Housing Benefit Overpayments (b)	Adult Services	Miscellaneous Income	HRA (Care Line/Service Charges)	Parking (c)	Libraries (d)	HRA Current Tenants (e)	HRA Former Tenants (e)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Collectable Debt at 30.11.2019	100,017	45,606	1,477	8,729	22,761	2,632	1,336	n/a	21,558	176
Amount Paid @30.11.2019	70,006	32,310	2,348	6,808	20,416	2,334	820	21	21,453	41
Number of Accounts	73,827	2,558	1,155	1,363	1,110	2,937	n/a	n/a	1,714	238
Total Outstanding	30,011	13,296	1,213	1,921	2,345	298	516	n/a	662	135

NOTES

- (a) Council Tax and Business Rates includes adjustments for write offs, credits and outstanding court costs.
- (b) HB Overpayment is not attributable to a financial year in the same way that Council Tax or NDR are i.e. a yearly debit is not raised. It is also not feasible to state when a payment is made which age of debt it has been paid against. For these reasons the outstanding amounts in the report reflect the actual outstanding debt at the date requested, it does not reflect the outstanding debt against current year and previous year debts.
- (c) Parking total outstanding is net of PCNs cancelled and written off.
- (d) The figure of £555k relates to total payments received since January 2005 until 30/11/2019.
- (e) HRA tenancy debts (residential rent accounts) are rolling amounts, with no breaks in years or rollovers. Any cash received is applied to the oldest rent week outstanding. The figures shown are total arrears outstanding, and therefore include arrears still outstanding from prior years.

Summary of Write Off's

Debts written off in 2019/20

Period 1 April 2019 – 31 March 2020 relating to any year

Write Offs	Council Tax £	Business Rates £	Housing Benefit Overpayment £	Adult Services £	Miscellaneous Income £	HRA (Care Line/Service Charges) £	Parking £	Libraries £	HRA Tenants £
Under £5k	488,487.40	73,918.20	140,802	52,967	23,176	2,437	23,916	1938.00	88,207.38
£5k-£25k	46,290.66	130,519.84	86,506	7,713	0	0	0	0	9560.76
Over £25k	0	207,229.83	27,305	0	0	0	0	0	0
Total	534,778.06	411,667.87	254,613	60,680	23,176	2,437	23,916	1938.00	97,768.14

Note: Cabinet approved 'write off's' excluding those recommended for write off as listed below

Write off's greater than £25,000 recommended for Cabinet approval

Amount of write off		Service Area
£ 31,394.43 2018/2019 and 2019/2020	<p><u>Central Taverns (Southend) Ltd</u> <u>O'Neill's 119, High Street, Southend On Sea, Essex, SS1 1LH</u></p> <p><u>Period of Liability – 3rd October 2018 – 5th August 2019</u></p> <p>Non-Domestic Rates debt to be written off as company went into liquidation on 29th August 2018. Debt relates to the period 3rd October 2018 until 5th August 2019 which is the financial years 2018/19 and 2019/20.</p> <p>Following investigation and on receipt of significant information an account was created and a demand was issued for Non-Domestic Rates on 13th December 2018 for the balance of £19769.43.</p> <p>A NNDR reminder notice was served on 17th January 2019 for the instalment of £9884.43. As no monies were received a summons was served on 26th February 2019 and a liability obtained on 20th March 2019. This added costs of £95.00 costs to the account. Several conversations were held with the taxpayers representatives and arrangements were offered but no payment was made and therefore the case was issued to our enforcement officers on 23rd April 2019</p>	Business Rates

	<p>On 8th March 2019 a demand for the financial year 2019/20 was served for £32953.22. As no payment was received a reminder was served on 18th April 2019 for £3298.22. As no monies were received a summons was issued on 21st May 2019 and a liability order was granted on 12th June 2019. No contact was received the case was issued to the enforcement officer.</p> <p>Requests were made for the enforcement officer to take control of goods, but as this took place Central Taverns (Southend) Limited went into liquidation.</p> <p>A claim has been made against the estate. The insolvency agents Begbies Traynor to date have been unable to ascertain any assets.</p>	
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CABINET

Thursday, 16th January 2020

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 Deputy Chief Executive (Place), Executive Director (Housing and Growth) authorised:

1.1 Southend Light and Power Detailed Designs under the Innovate UK Detailed Designs of Smart, local Energy Systems Call

The submission of a bid to Innovate UK prior to the deadline of 7th August 2019 towards the Southend Light and Power Detailed Designs project. The project aims to address the detailed designs that will allow heat networks to be installed, to encourage householder energy efficiency and to explore how private sector finance can be deployed using new business models and, where appropriate, new regulations.

1.2 Cremation & Burial Fees for Young People

The amendment of the fees and charges for funeral charges for children and the recovery of the costs of the charges from the Children's Funeral Fund for England, recently established by the Government.

1.3 South East Business Boost ERDF Project

The authorisation of the relevant officer to sign and respond to the invitation to formally submit an application to extend the abovementioned programme, which provides support to enable businesses to grow, increase productivity and create jobs. The current programme will end on 21st December 2019 and the extension is for 3 years. The underwriting of staff costs totalling £27,085 for the period January – March 2020, pending the provision of funding from the ERDF external fund was also authorised.

2. The Strategic Director (Transformation) authorised:

2.1 Provision of Passenger Transport

Further to Minutes 770 of the meeting of Cabinet held on 12th March 2019, 949 of the meeting of People Scrutiny Committee held on 9th April 2019 and 887 of the meeting of the Council held on 17th April 2019, the amendment of the passenger transport services as set out in the confidential sheet.

3. The Executive Director (Finance and Resources) authorised:

3.1 Westcliff Rugby Club – Relocation Update and Demolition of Old Clubhouse

Following the completion of the new clubhouse and pitches for Westcliff Rugby Club, and their successful move in to them, the old building on Aviation Way is ready for demolition. It is intended that the footprint of the old building used to extend the parking arrangements to serve both Aviation Way and Airport Business Park, and that this is accompanied by the introduction of traffic control measures on Aviation Way and the Business Park Roads to help manage congestion. Income generated from the parking arrangements will be put to the management and the maintenance of these private estate roads which are outside the Borough.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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