

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Cabinet

Date: Tuesday, 16th February, 2021

Place: Virtual Meeting - MS Teams

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

In Attendance: Councillors D Cowan, M Dent and K Evans
A Griffin, A Lewis, J Chesterton, J Williams, S Moore, T Forster, M Marks, J Ruffle, C Gamble, S Dolling, A Keating and E Cooney

Start/End Time: 2.00 - 2.48 pm

792 Apologies for Absence

Apologies for absence were received from Cllr Jones.

793 Declarations of Interest

The following Councillors declared interests as indicated:

(a) Cllr Cowan – Minute 796 (Prioritising Resources to Deliver Better Outcomes 2021/22-2025/26) – Non-pecuniary interest: GMB Trade Union member;

(b) Cllr Harp – Minute 794 (HRA Budget and Rent Setting 2021/22) – Non-pecuniary interest: friends and family are residents/tenants of South Essex Homes; Minute 796 (Prioritising Resources to Deliver Better Outcomes 2021/22-2025/26) – Non-pecuniary interest: wife is employed by SAVS and he is volunteer with SAVS;

(c) Cllr Gilbert – Minute 796 (Prioritising Resources to Deliver Better Outcomes 2021/22-2025/26) – Non-pecuniary interest: Council appointed representative on SAVS and is a GMB Trade Union member;

(d) Cllr K Evans - Minute 796 (Prioritising Resources to Deliver Better Outcomes 2021/22-2025/26) – Non-pecuniary interest: member of Leigh Town Council;

(e) Cllr Mulroney - Minute 796 (Prioritising Resources to Deliver Better Outcomes 2021/22-2025/26) – Non-pecuniary interest: member of Leigh Town Council;

(f) Cllr Terry - Minute 796 (Prioritising Resources to Deliver Better Outcomes 2021/22-2025/26) – Non-pecuniary interest: Lives in the vicinity of one of the areas affected by the changes to the fees and charges.

794 Housing Revenue Account (HRA) Budget and Rent Setting Report 2021/22

The Cabinet considered a report of the Executive Director (Finance and Resources) and Deputy Chief Executive and Executive Director (Housing & Growth) setting out the Housing Revenue Account (HRA) budget and Rent Setting for 2021/22, together with the information necessary to set a balanced budget as required by legislation. This item was considered by the Policy and Resources Scrutiny Committee.

Recommended:-

1. That an average rent increase of 1.50% on all tenancies, be approved.
2. That an average rent increase of 1.50% on shared ownership properties, be approved.
3. That an increase of 1.50% for garage rents to £12.20 per week for tenants and £14.64 for non-tenants (being £12.20 plus VAT), a rise consistent with the proposal for the main rent increase (all variants on a standard garage will receive a proportionate increase), be approved.
4. That the proposed rent charges in 1-3 above be effective from 5th April 2021.
5. That the South Essex Homes core management fee at £6,336,000 for 2021/22, be approved.
6. That the South Essex Homes proposals for average increases of 2.52% in service charges and 10.39% in heating charges to reflect the actual costs incurred, be approved.
7. That the following appropriations be approved:
 - £60,000 to the Repairs Contract Pensions Reserve;
 - £4,002,000 to the Capital Investment Reserve and
 - £8,334,000 from the Capital Investment Reserve
8. That, subject to resolution 1 through to 7 above, the HRA budget for 2021/22 as set out in Appendix 1 to the submitted report, be approved.
9. That the value of the Council's indicative capital allowance for 2021/22 – 2025/26 be declared as £75,327,000, as determined in accordance with regulation 16 of the Local Authorities (Capital Finance and Accounting) (England) Regulations.

Reasons for Recommendations

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

Other Options

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

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

Cabinet Member: Cllr Gilbert

795 Treasury Management Policy 2021/22

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

Recommended:-

1. That the Treasury Management Policy Statement 2021/22 set out at Appendix 1 to the submitted report, be approved.
2. That the Treasury Management Strategy 2021/22 set out at Appendix 2 to the report, be approved.
3. That the Annual Treasury Management Investment Strategy 2021/22 set out at Appendix 3 to the report, be approved.

Reasons for: recommendations:

To comply with CIPFA Treasury Management Code of Practice.

Other options:

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

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

Cabinet Member: Cllr Woodley

796 Prioritising Resources to Deliver Better Outcomes - 2021/22 to 2025/26

The Cabinet considered a report of the Executive Director (Finance and Resources) presenting the General Fund Revenue Budget for 2021/22. This item was considered by all three Scrutiny Committees.

During consideration of the report, the Executive Councillor for Transport, Capital and Inward Investment explained that revised parking proposals had been prepared after consultation with businesses and residents as set out as follows:

1. 6pm to 10pm charging on the central Seafront is to be withdrawn but enforcement is still to continue for illegal parking eg on double lines;
2. The £24 up to 14 hours charge to be amended to £18 and this is now for 7 hours to 10 hours given the 6pm to 10pm relaxation;
3. Zone 1A On Street. This currently goes up to 4 hours and then moves to 14 hours. It is proposed to change this in line with car parks so therefore introducing in Zone 1A on street parking a standardized 5 hour and 6 hour charge and then the 7 hour to 10 hour charge;
4. That from the central sea-front Business feedback to equalize the charging zones for Western Esplanade and Thorpe Bay Esplanade (Warwick Rd to Maplin Way - seafront) by including Thorpe Bay Esplanade into Zone 1A;
5. That the 50% hotel and guesthouse discount scheme remains, which will benefit tourists who stay overnight in our hotels and guesthouses. This will mean for those staying guests, of hotels and guesthouses who sign up to the scheme, a parking charge in a Zone 1A hotel area of £9 per day and in a Zone 1B hotel area of £6 per day.

It was noted that the Council's S151 Officer had reviewed all these proposed changes and had advised that the revised recommended budget for 2021/22, remained robust and deliverable. In addition, the proposed additional £1m income generation for parking charges overall was still achievable.

The S151 Officer had indicated that there was some increased risk with the level of income to be generated with these proposed changes and also due to the uncertainty caused by COVID-19 and the changes in parking demand on our overall income generation assumptions. The S151 Officer therefore advised that in line with the arrangements for the Southend Pass that quarterly reviews should also now be undertaken for the overall car parking income budget throughout 2021/22.

Recommended:

1. That the Medium Term Financial Strategy for 2021/22 – 2025/26 set out at Appendix 1 to the submitted report and the resulting Medium Term Financial Forecast and estimated Earmarked Reserves Balances up to 2025/26 (Annexes 1 and 2 to Appendix 1 to the submitted report), be approved and that any final minor changes/updates of this strategy as required, be delegated to the Executive Director (Finance & Resources).
2. That the Section 151 Officer's statement on the robustness of the proposed budget, the adequacy of the Council's reserves and the Council's Reserves Strategy (Appendix 2 to the report), be noted.
3. That the appropriation of the sums to earmarked reserves totalling £3.340M for 2021/22 (Appendix 3 to the report), be approved.
4. That the appropriation of the sums from earmarked reserves totalling £6.143M, which includes £2.500M (Paragraph 10.15 of the report) to enable a robust budget to be set for 2021/22 set out at Appendix 3 to the report, be approved.
5. That a General Fund Budget Requirement for 2021/22 of £135.847M and Council Tax Requirement of £87.636M (Appendix 4a to the report), be approved.

6. That it be noted that the 2021/22 revenue budget has been prepared on the basis of using £1.5 million from the Collection Fund surpluses to allow for a smoothing of the budget gap across the lifetime of the Medium Term Financial Strategy to 2025/26 (Paragraph 10.17 of the report).

7. That a Council Tax increase of 3.99% for the Southend-on-Sea element of the Council Tax for 2021/22, being 1.99% for general use and 2.0% for Adult Social Care (Paragraph 10.18), be approved.

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

- Essex Police – proposed Council Tax increase of 4.98%
- Essex Fire & Rescue Services – no increase in Council Tax
- Leigh-on-Sea Town Council – no increase in Council Tax

9. That no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2021/22.

10. That the proposed General Fund revenue budget investment of £8.122M (Appendix 5 to the report), be approved.

11. That the proposed General Fund revenue budget savings and income generation initiatives for 2021/22 of £4.155M (Appendix 6 to the report), be approved.

12. That the proposed future outline Budget Transformation Programme 2022/23 – 2025/26 (Appendix 7 to the report), be approved.

13. That the proposed range of fees and charges for 2021/22 as amended at the meeting (details above) (Appendix 8 to the report as amended), be approved.

14. That the Dedicated Schools Grant budget and its relevant distribution as recommended by the Education Board (Appendix 9 to the report), be approved.

15. That the Capital Investment Strategy for 2021/22 to 2025/26 (Appendix 10 to the report) and the Capital Investment Policy (Annex 1 to Appendix 10), be approved.

16. That the new schemes and additions to the Capital Investment Programme for the period 2021/22 to 2025/26 totalling £21M for the General Fund (Appendix 11 to the report), be approved.

17. That the new schemes subject to viable business cases (Appendix 11 to the report), be approved.

18. That the proposed changes to the current Capital Investment Programme (Appendix 12 to the report), be approved.

19. That the proposed Capital Investment Programme for 2021/22 to 2025/26 of £178.6M for 2021/22 to 2025/26 (Appendix 13 to the report) of which £28.3M is supported by external funding, be approved.

20. That the Minimum Revenue Provision (MRP) Policy for 2021/22 (Appendix 14 to the report) and the prudential indicators (Appendix 15 to the report), be approved.

21. That the operational boundary and authorised limits for borrowing for 2021/22 are set at £375M and £385M respectively (Appendix 15 to the report), be approved.

Reasons for Recommendations

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

Other Options

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

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

Chair: _____